



ENERGY FOR A
SUSTAINABLE **FUTURE**

SUSTAINABILITY REPORT
2020

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Message from the Chief Executive Officer

I am pleased to present the fourth sustainability report of Romgaz Group, in which we report in a transparent manner our non-financial performance achieved during 2020, of particular interest to our stakeholders, thus respecting our commitment we undertook four years ago.



Aristotel Marius JUDE
GENERAL MANAGER

The Sustainability Report is prepared in accordance with the International Non-Financial Reporting Initiative (GRI) and meets the national and European regulatory compliance requirements for non-financial reporting. In the following pages we present the key points, objectives, performance indicators and actions taken during 2020 as well as the future directions of sustainable development that we wish to address in the following period.

"Energy for a sustainable future" addresses the relevant issues within Romgaz Group regarding our economic, social and environmental performance and outlines an overview to better understand our evolution on the natural gas and electricity supply markets. We also want to have the most open and transparent communication possible with our public regarding our management approach, policies, projects in which we are involved as well as our performance evaluation indicators that you will find in the content of this report.

In a year that will never be forgotten because of the impact it has had on global economies but also on our lives, we have focused our efforts to reconfirm our involvement in supporting local communities. We supported the heroes from the first line and we offered state-of-the-art equipment worth lei 12.7 million. Special importance was given to the health and safety of our employees as well as to ensuring the continuity of the services we offer and the sustainable development of the Group.

2020 was a continuation of the objectives set in previous years in the economic, social and environmental field. We are actively involved and continue to give special importance to all development projects, ►

- ◀ so in 2020 we have carried out works to expand the distribution system and new connections; for the period 2021-2023, investments are still planned to provide our customers with services in conditions of quality, safety, continuity and flexibility.

By focusing on all the ways we can stimulate change, we can have a significant impact on climate change. We, as well as other organizations that have taken a serious role in terms of an environmentally sustainable future, must use all the levers available, both through our operations and as a customer, supplier, investor or employer, to influence others to join us on this path.

We know that we cannot solve the environmental challenges that society in general faces, but we can play a significant role in stimulating a broader social transformation if we use our position of influence and our technologies to effectively bring others with us on our journey of sustainability.

Romgaz aims to build in the next period to achieve the proposed strategic objectives and make investments in accordance with sustainable development plans, thus ensuring the goal of becoming an energy security supplier and a regional player on the energy market.

We know that we have just begun our journey in the field of sustainability and we certainly have a lot to learn. With each challenge, we find opportunities to learn, to adapt and to aspire to bigger goals. The passion and commitment we all have at Romgaz for sustainability will help us continue our efforts and allow us to set higher standards from year to year.

Thank you for your trust and together we will continue to work with all stakeholders on policies, practices and products for our customers and a sustainable future. ■



Information on the Sustainability Report

S.N.G.N. Romgaz S.A. is honored to fulfill its commitments on transparency to all stakeholders by presenting for the fourth year in a row the Group's sustainability report, detailing the non-financial indicators for 2020. The report is based both on the topics identified following a materiality analysis carried out within the Group and on the material topics of particular interest for external stakeholders, which are the result of an extensive consultation process with all stakeholders, including an online questionnaire.

The structure of the report and the approach of the topics are made in accordance with the principles and guidelines established by the non-financial reporting standard Global Reporting Initiative, Core option, issued in 2016, updated in 2018.

Also, the report of Romgaz Group meets the legal requirements provided by the Orders of the Minister of Public Finance No. 1938/2016, respectively No. 3456/2018 which stipulates that entities with an average number of over 500 employees during the financial year have to report information on the development, performance and position of the entity as well as the impact of its activity on environmental, social and personnel aspects.

The information presented in the Sustainability Report of Romgaz Group for 2020 includes the reporting period 1 January 2020 - 31 December 2020 and is preceded by three other reports reporting

the non-financial information corresponding to the years 2017, 2018 and 2019.

Our commitment to report annually on the Group's proposed targets and performance indicators is an important step in the strategy to contribute to a sustainable future, a more responsible society and a more developed community.

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. ("Company" / "Romgaz" / "Company") as a parent company and S.N.G.N. ROMGAZ S.A. - Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești S.R.L. ("Depogaz"), a subsidiary owned 100% 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 the whole group will be specifically marked with the relevant specifications.

Romgaz Group's primary principles are transparency, involvement and communication in all its activities and it is confident in encouraging a proactive relationship with the company's stakeholders. Therefore, they are invited to communicate their concerns and the information they are interested in to the communication departments of our company.

Regarding the audit of this report, we note that it was not audited by a third party.

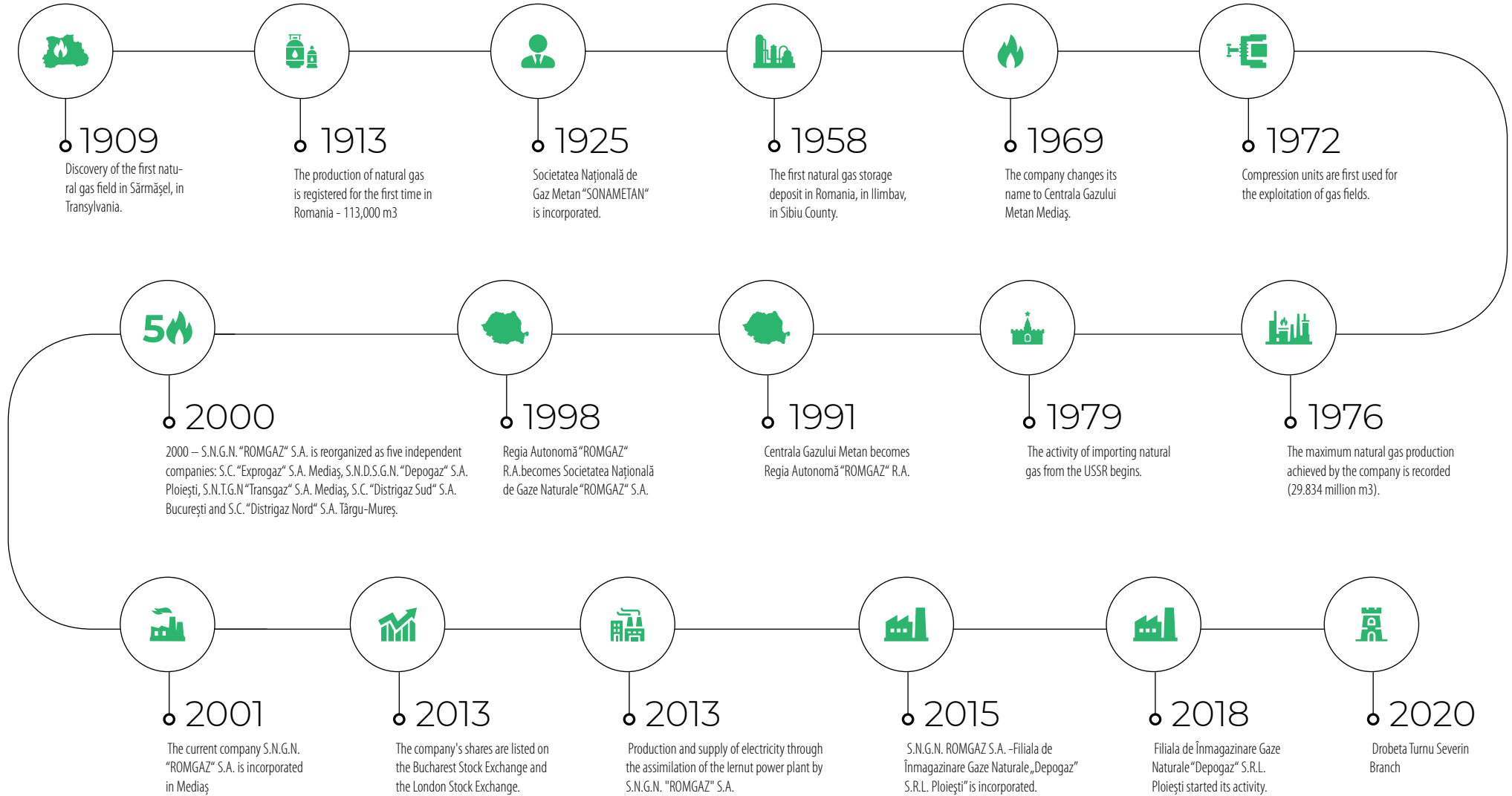




ABOUT ROMGAZ GROUP

History

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



Societatea Națională de Gaze Naturale “ROMGAZ” TO is the most important producer and supplier of natural gas in Romania. The company has an experience of over one hundred years in the field of natural gas exploration and exploitation and a history that began in 1909, with the discovery of the first commercial gas field in the Transylvanian basin by drilling the Sărmășel-2 well.

Romgaz Group is:

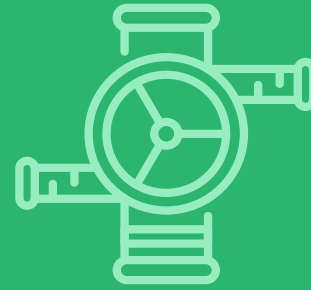
- the most important gas producer in Romania, with a market share of approx. 48% of deliveries in the consumption of gas from domestic production and a share of approx. 39% of the deliveries in the total consumption in Romania at the level of 2020;
- the largest natural gas supplier in Romania, as a supplier holding in the period 2013-2020 a market share of 37-46%;
- the most important provider of underground natural gas storage services, providing over 90% of the specific services.

Exploration-production

The main activity carried out by the company, which generates the highest revenues and profits, is the exploration and production of natural gas.

Romgaz is the owner or co-owner, in Romania, of oil agreements as follows:

- oil operations in exploration-development-exploitation perimeters within 9 perimeters for which it is the owner, with 100% participation share and 4 perimeters for which it is co-owner, based on concession agreements;



The activities carried out within Romgaz Group

- natural gas exploration-production;
- underground natural gas storage (carried out within the DEPOGAZ Branch);
- natural gas supply;
- special operations and well services;
- maintenance and transportation services;
- production and supply of electricity;
- natural gas distribution.

- 139 commercial deposits and 12 deposits with non-established perimeter (sole concessionaire) and 11 deposits operated in association with Amromco;
- exploration and production rights in Slovakia.

The exploration activity is supported in 8 perimeters from Transylvania, Muntenia, Oltenia and Moldova according to the Concession Agreement approved by GD no. 23/2000, as of October 1997.

In 2020, a number of 6 exploration wells were registered with a positive result at the production samples, which passed into conser-

vation until the necessary infrastructure for the transition to the experimental or definitive operation phase was completed, out of a number of 10 wells completed in drilling and production tests. Through this, a success factor of 60% was registered, falling within the average margin of 35-65% registered at international level in the hydrocarbon exploration activity.

3,000 million cubic meters were promoted from the prospective resource to the contingent resource through the 7 Merii well and the 4 Țapu well.

Drilling works have been completed for a number of 11 exploration wells, which will enter production tests.

The acquisition of 3D seismic in Perimeter RG 08 Oltenia and Perimeter RG 06 Muntenia Nord-Est has started.

The annual program of oil operations for 2020 took into account the dynamics of natural gas demand, the performance of reactivation works, replenishment and interventions in wells, the production of new exploration wells and those resulting from exploration activity, maintenance at compression stations and gas drying stations.

The natural gas production achieved in 2020 was 4,520 million cubic meters, with 757 million cubic meters lower than the production achieved in the similar period of the previous year (-14.35%) and 205 million cubic meters higher than the scheduled one. (+ 5%).

The production registered at the level of 2020, of 4,520 million cubic meters, was influenced by:

1. the significant decrease of natural gas sales, in quarters 2 and 3, as a result of the overlap of some commercial, economic, sanitary but also regulatory factors, which had as effect the reduction of the natural gas demand in the short term;
2. the sustained investment efforts in the extension / modernization of the surface infrastructure for the connection of new production capacities;
3. continuation of production rehabilitation operations on the main mature fields: Filitelnic, Delenii, Laslău, Sădinca, Copșa Mică, Na-deș-Prod-Seleuș, Roman, Corunca Sud, Târgu Mureș, Grebeniș, Piscu Stejari-Hurezani;
4. execution of repair operations that can be capitalized and retrofitting to inactive or low productivity wells.





Underground natural gas storage

Starting with April 1, 2018, the storage activity is carried out through a subsidiary called S.C. S.N.G.N. Romgaz S.A. - Filiala de Înmagazinare Gaze Naturale “DEPOGAZ” Ploiești SRL.

Currently, 6 storage warehouses are operational in Romania, all arranged in depleted deposits. Romgaz owns and operates, through Depogaz Branch, 5 warehouses totaling a storage capacity of 3.965 billion cubic meters and an active working volume of 2.770 billion cubic meters.

At national level, the ratio between the volume of working gas and

annual consumption was about 24.6% in 2020, located in the first half of the ranking of values practiced in Europe.

In 2020, the ratio between the volume of stored gas and the workload of storage facilities was 102%.

The activity of underground natural gas storage, carried out within the Depogaz Branch, remains an activity regulated by ANRE both in terms of licensing storage operators, access to underground storage facilities, and in terms of setting tariffs for carrying out the activity of storage until April 1, 2021.

The Government of Romania, through the Emergency Ordinance no. 106/2020 for the amendment of the Law on electricity and natural gas no. 123/2012, also decided to eliminate the regulation of the natural gas storage activity. Thus, after the extraction cycle 2020-2021, the storage activity is no longer a regulated activity.

Natural gas supply

The Romanian natural gas sector, after a deep restructuring, has now been divided into independent activities. The structure of the Romanian natural gas market includes an operator of SNT (Transgaz), producers (of which Romgaz and Petrom own 97%), operators of underground storage facilities, companies of distribution and supply of natural gas to captive consumers and suppliers on the bulk market.

The Romanian natural gas market consists of the competitive segment, which includes natural gas trading between suppliers and

between suppliers and eligible consumers, and the regulated segment, which includes natural monopoly activities carried out under framework contracts (transport, underground storage, distribution and supply at a regulated price). As of July 1, 2020, the natural gas market has been completely liberalized. Thus, the price of natural gas for household consumers is no longer set by ANRE, but is formed freely, reflecting market conditions.

Romgaz, as a natural gas supplier, had in the period 2013-2020 a national market share in the range of 37-46%, as follows:

	U.M.	2013	2014	2015	2016	2017	2018	2019	2020
Total consumption at country level	bn. m3	12.5	12.2	11.6	11.8	12.3	12.3	11.5	12.0
Romgaz marketing (domestic + import)	bn. m3	5.7	5.7	5.1	4.4	5.7	5.6	5.1	4.7
Romgaz market share	%	44.5	46.1	44.0	37.1	46.3	45.5	44.1	39.1

The above quantities include gas from own domestic production, domestic gas purchased from third parties, gas from the association with Schlumberger 100% (until 2018, when the association contract expired) and gas from import. For comparison with previous years, the deliveries for 2018-2020 also include the gas delivered to Iernut and Cojocna for electricity production, as well as technological consumption.



Intervention services and special well operations

SIRCOSS was established in 2003 based on the GMS Decision no. 5 of June 13, 2003.

These services are carried out within SIRCOSS and cover two main activities:

- interventions, re-equipment, completions and production tests at wells;
- Intervention services and special well operation.

The activity of Interventions, re-equipment, completions and production tests represents the totality of the services performed with tower installations.

The second main activity of the branch is that of special operations at

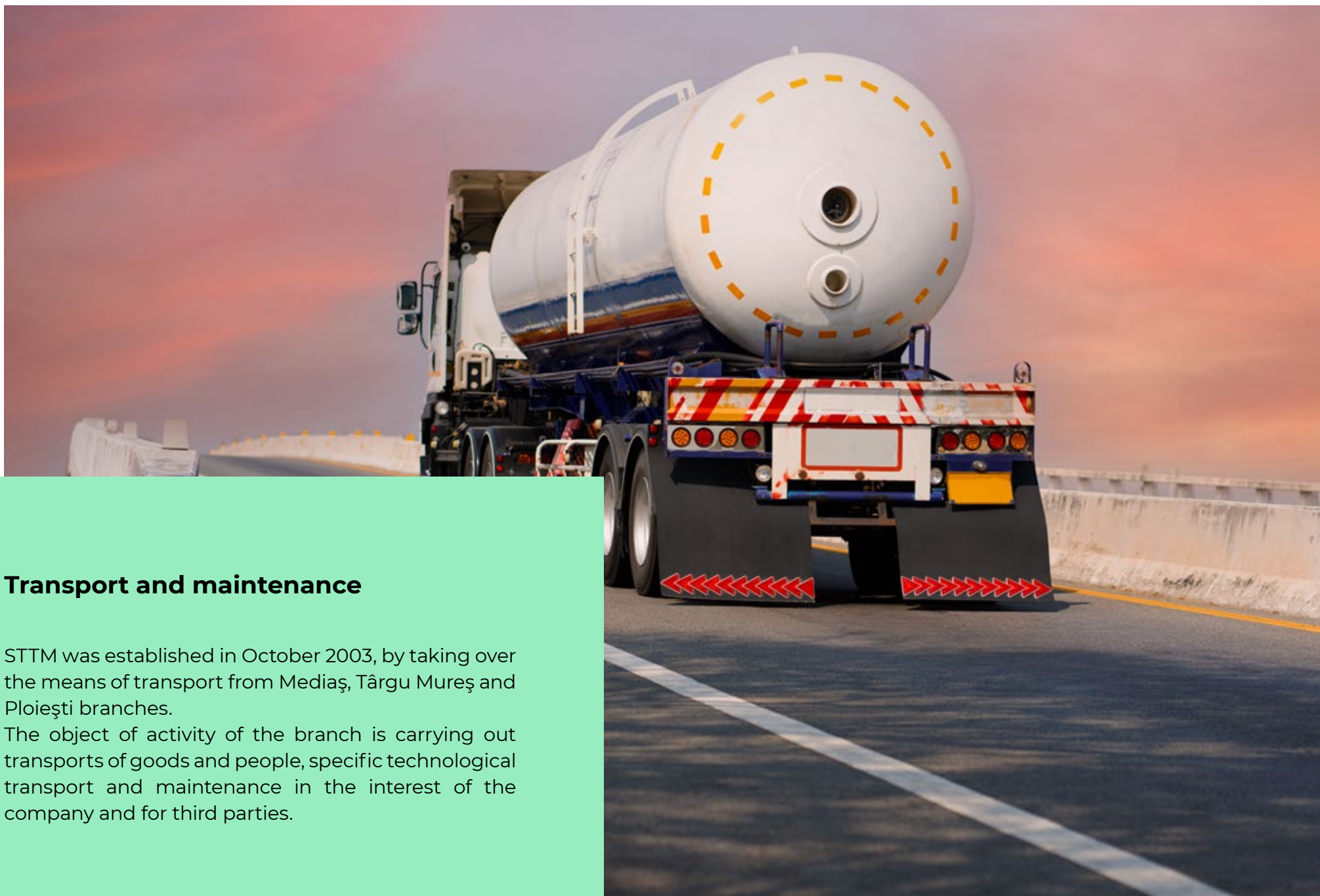
wells and represents the services performed with different transportable equipment in order to perform operations in wells or on the surface. During the previous years, most of the services were performed for the wells belonging to the company, but special intervention and operation services were provided to the wells and for other companies that own in concession and operate in gas wells on the Romanian territory.

Regarding the situation of the well reactivation works, for the year 2020 a number of 123 works in wells was scheduled and works were carried out in 168 wells.

For the year 2020, the situation of capitalization re-equipment and repair works is as follows:

		Mediaş Branch	Tg. Mureş Branch	TOTAL Romgaz
Program	Number of wells	78	45	123
	Daily flow (k m3)	562	258	820
Achieved	Number of wells	94	74	168
	Daily flow (k m3)	1,043	427	1,470
Difference	Number of wells	16	29	45
	Daily flow (k m3)	481	169	650

The production contribution after carrying out the capitalized re-equipment and repair works was 210 million cubic meters, i.e. 4.6% of the production obtained in 2020.



Transport and maintenance

STTM was established in October 2003, by taking over the means of transport from Mediaș, Târgu Mureș and Ploiești branches.

The object of activity of the branch is carrying out transports of goods and people, specific technological transport and maintenance in the interest of the company and for third parties.

Production and supply of electricity

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 output.

CTE Iernut is operated through Sucursala de Producție Energie Electrică (SPEE) within Romgaz.

CTE Iernut has an installed capacity of 800 MW, consisting of 6 power units: 4 units of 100 MW of Czechoslovak manufacture and 2 units of 200 MW of Soviet manufacture. The units were put into operation between 1963 and 1967. Considering the start of the investment works at the 430 MW Combined Cycle Power Plant and the need to ensure the conditions corresponding to the execution of works at the related cooling circuit, in November 2019, group 6 of 200 MW was permanently withdrawn from operation.

In January 2019, units 2 and 3 of 100 MW each were permanently withdrawn from commercial operation, and in November 2019, unit 1 (of 100 MW) followed, all being withdrawn due to non-compliance with the environmental conditions. Thus, at the end of 2020, SPEE Iernut holds a commercial exploitation license for 2 energy units: 1 unit of 100 MW and 1 unit of 200 MW.

The evolution of the investment works carried out in the new part of CTE Iernut allowed that in the first part of 2020 it could operate with both commercially licensed power units (Unit 4 of 100 MW and Unit 5 of 200 MW).

Romgaz has in progress Contract no. 13384 / 31.10.2016 on “Development of CTE Iernut through the construction of a new combined cycle thermal power plant with gas turbines” which has the following characteristics:

- installed power: 430 MW;
- yield: 56.42% at rated load and normal temperature and pressure conditions;
- Maximum NOx emissions: 50 mg / Nm³ and CO: 100mg/Nm³.



Natural gas distribution

The natural gas distribution activity is a regulated activity and takes place in the Ghercești and Piscu Stejari areas. Romgaz has concluded concession contracts with the Ministry of Economy and Trade for the Ghercești area and with the Piscu Stejari City Hall for the distribution in Piscu Stejari. The activity takes place at Târgu Mureș branch.

Romgaz Group Structure

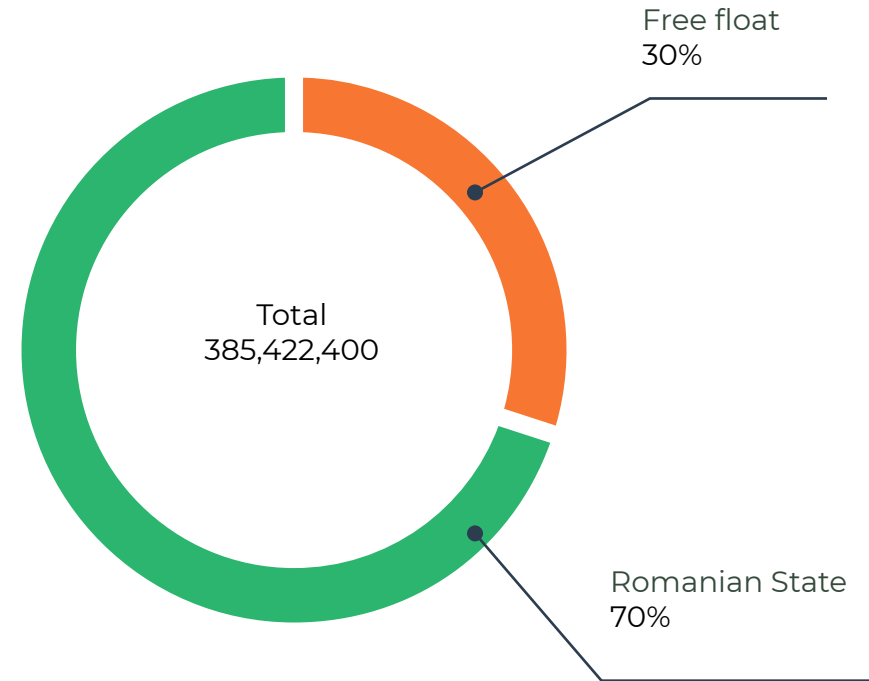


Regarding the nature of the property, Romgaz is a Romanian legal entity, having the legal form of a joint stock company and carries out its activity in accordance with the Romanian laws and Company's Article of Incorporation

The share capital of Romgaz is 385,422,400 lei, fully subscribed and paid up, divided into 385,422,400 shares, each share having a nominal value of leu 1.

On November 12, 2013, Romgaz was listed on the Bucharest Stock Exchange (BVB) and the London Stock Exchange (LSE). As of this date, the company's shares are 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 symbol "SNGR".

In addition to the three main activities, the Group also carries out transport and maintenance activities, special well operations, natural gas distribution and tourism activities.



At 31 December 2020, the shareholding structure of the company is as follows:

	Number of shares	%
Romania ¹	269,823,080	70.0071
Free float - total, of which:	115,599,320	29.9929
* legal entities	98,317,285	25.5090
* natural persons	17,282,035	4.4839
Total	385,422,400	100.0000

¹ The Romanian state through the Ministry of Economy, Energy and Business Environment

The turnover achieved in 2020 is of lei 4,074.9 million, of which:



Sucursala de Producție Energie Electrică Iernut did not conclude electricity sales contracts in 2020, the quantities being traded on the centralized OPCOM market and on the trading platforms managed by Transelectrica.

In 2020, Romgaz sold natural gas and electricity only on the Romanian markets.








The main natural gas customers of the company were:

- SC ELECTROCENTRALE București SA
- ENGIE ROMANIA SA
- SC E.ON ENERGIE ROMANIA SA and SC E.ON GAZ FURNIZARE SA
- SC OMV PETROM SA
- SC PREMIER ENERGY SRL
- TERMOFICARE ORADEA SA
- SNTGN TRANSGAZ SA

Hydrocarbon production recorded in the last three years

	Area	Condensed volume produced [mboe]	Volume of natural gas produced [mboe]
2018	Transilvania, Moldova, Oltenia and Muntenia	0.065	34.286
2019		0.144	33.923
2020		0.188	29.055

The breakdown by areas, sectors and types of customers and beneficiaries is shown in the table below:

The area served	Sectors	Types of customers and beneficiaries
 <p data-bbox="199 963 483 1059">ROMANIA</p>	 <p data-bbox="786 360 909 392">INDUSTRIAL</p>	<ul style="list-style-type: none"> <li data-bbox="1267 560 1541 592">○ Final consumers <li data-bbox="1267 639 1491 671">○ Distributors <li data-bbox="1267 719 1671 751">○ Electricity / heat producers <li data-bbox="1267 799 1738 831">○ Carriers (electricity, natural gas) <li data-bbox="1267 879 1850 911">○ Underground natural gas storage operators <li data-bbox="1267 959 2029 991">○ Intermediaries (Centralized Market Operators-Natural Gas)
	 <p data-bbox="786 564 920 596">RESIDENTIAL</p>	
	 <p data-bbox="786 740 1115 823">THERMAL ENERGY PRODUCTION FOR THE POPULATION</p>	
	 <p data-bbox="786 975 1055 1007">ELECTRICITY PRODUCTION</p>	
	 <p data-bbox="786 1171 1115 1203">TECHNOLOGICAL CONSUMPTION</p>	
	 <p data-bbox="786 1366 1003 1398">CHEMICAL INDUSTRY</p>	

Our vision and strategy

The mission of Romgaz Group is to produce and supply energy and to provide underground natural gas storage services, in conditions of quality, safety, continuity and flexibility. The group uses all resources, in a responsible and ethical manner, in order to make a long-term profit. Romgaz Group aims to be an active, profitable and competitive player on the natural gas and electricity production market.

Since its establishment, our mission has been to produce and supply natural gas, contributing to increasing Romania's degree of energy independence and its economic performance in accordance with government energy policy.

Romgaz pursues both an intensive development in the local market and the development at international level with the aim of becoming an important player on the regional energy market.



The values promoted by Romgaz are:

- Quality products and services;
- Efficiency;
- Social responsibility;
- Sustainable development;
- Transparency;
- Safety for employees;
- Care for the environment;
- Increasing the value of the company for shareholders.

The “Development Strategy for 2015-2025” is the basis for improving the market position of natural gas supply and meeting the national energy demand in a responsible way. In this regard, we focus our attention and resources on the main activities we undertake, carefully monitoring performance indicators and criteria, in order to be able to meet our medium and long-term objectives and maintain our stability and market leadership.

The strategic objectives, measures and actions that will be taken by the administrative and executive management of the company for the period 2019-2022 are aimed at improving the performance, competitiveness and increasing the value of Romgaz, through the best possible valuation of the company's assets. and human potential, with predictable and profitable business.

In order to achieve the main goal through the effective use of material, financial, human and information, the company has established the following strategic objectives:

- Increasing the portfolio of reserves and resources, by discovering new resources and improving the recovery of already discov-



- ered resources;
- Identifying new opportunities for growth and diversification;
- Increasing the company's performance;
- Optimizing, developing and diversifying the underground storage activity, by reconsidering its importance, to ensure safety, continuity and flexibility in natural gas supply;
- Increasing the efficiency of underground storage facilities in order to improve the capacity to sell natural gas;
- Increasing the daily extraction capacity, through investments that diminish the dependence of the daily extraction capacity on the field pressure;
- Maintaining the natural decline in gas production to a maximum

of 1.5% / year;

- Strengthening the position on the energy supply markets;
- Optimizing and streamlining the organizational structure of the company;
- Develop a predictable / predictable dividend policy of the company, which will contribute to the formation of an image of potential investors regarding the financial structure of the company;
- Expanding the company's activity at regional level, by identifying new business opportunities;
- Implementing the principles of corporate governance and a Code of Ethics and Integrity;
- Development of reporting, control and risk management capabilities;
- Responsible and active involvement in corporate social responsibility actions.



Given the precedent set by the COVID-19 pandemic, Romgaz aims to adopt a digitization strategy, in order to improve the quality of services provided and to be able to respond quickly in the future to situations similar to those during 2020.

Analysis of risks and opportunities

Key risks, in terms of economic, social and environmental.

- the reserve portfolio located in a single geographical area (Romania);
- the natural decline of reserves and the subunit replacement rate;
- lack of a business model to ensure maximizing the value of assets and profitability;
- lack of regional footprint in the supply activity;
- the lack of digitization of production fields and digitization of the entire management process of exploration and exploitation;
- failure to apply internationally adopted concepts and standards in the field of exploitation and production optimization;
- lack of efficient investment planning;
- risk management in the activity of investments and trading of natural gas;
- lack of employee involvement in achieving / fulfilling strategic objectives;
- poor visibility of the company outside;
- loss of market share in total domestic production in Romania (as a result of the start of natural gas extraction from upstream projects in the Black Sea);
- loss of natural gas supply market share (as a result of diversification of sources and price volatility and alternative offered by import sources);
- geological risk (exploration has moved to areas involving drilling in a less friendly environment);
- oil and natural gas price volatility;
- legislative and regulatory changes;
- cyber attacks.

Among the most important risks identified in 2020, we mention:



- decrease in natural gas market demand;
- hardware / software damage of the equipment that serves the main information systems at the company level;
- SARS CoV-2 virus affecting the company's employees.

Among the main measures to reduce the impacts and risks of its operations are:

- the transition to production of new computer systems on the company's equipment, thus significantly reducing the risk of hardware / software damage to computer equipment;
- securing gas sales through the use of special take-or-pay contracts, providing facilities to potential customers, promoting natural gas in the energy mix, improving sales analysis and forecasts, all of which reduce the risk of falling demand of natural gas at the level of the company.



Key economic, social and environmental risks.

- new gas sources and infrastructure projects in the Southern Corridor and possibly the extraction of hydrocarbons from the Black Sea which ensures the premises for the adoption of a new business model in the supply activity;
- development of the domestic consumer gas market in Romania;
- application of new technologies to increase the profitability of gas fields;
- digitization of the company;
- gas-fired electricity generation (as a result of uncertainties about the future of nuclear energy and the withdrawal from operation of obsolete natural gas and coal-fired electricity generation capacities, as well as the start of modernization of existing ones - e.g. Mintia power plant);
- the possible development of new capacities for the production of electricity from renewable sources (wind, solar, geothermal energy and biogas);
- increasing the market share in electricity production through the possible operation of the new investment in Iernut power plant;
- the application of international oil and gas standards and new models in partnerships as well as in asset management.



ECONOMIC

Economic performance

Romgaz Group registered in 2020 a turnover of lei 4,074.9 million, decreasing by 19.79% compared to the one achieved in 2019. The net profit of lei 1,247.9 million was higher than the net profit registered in the 2019 by lei 158.28 million (+14.53%)

The achieved margins of consolidated net profit (30.62%) and consolidated EBIT (33.83%) are growing strongly compared to the levels achieved in 2019 (21.45% and 24.35% respectively) and show a high profitability of the Group, given that the turnover decreased. The consolidated EBITDA rate (50.33%) is decreasing compared to the previous year, but remains high.



The investments made by Romgaz Group in 2020 amounted to lei 637.3 million, lower by lei 254.3 million, respectively 28.5%, compared to 2019, and the value of fixed assets put into operation was of lei 361.0 million.

The consumption of natural gas in Romania at the level of 2020 registered an increase of approximately 5%, from 121.05 TWh to 127.24 TWh, according to the ANRE and the company's consumption estimates.

The company's natural gas production registered in 2020, a volume of 4,520 million cubic meters, being 14.3% lower than the production in 2019. This relatively large decline in production was due to the significant decrease in natural gas production in the 2nd and 3rd quarters, due to the overlapping of some factors of a commercial, economic, sanitary but also regulatory nature, which had the effect of reducing the gas demand on short term.

With this production, according to the estimated data, Romgaz had a market share of about 48% of deliveries in the consumption of gas from domestic production and a share of about 39% of deliveries in total consumption of Romania.

Romgaz's electricity production in 2020 was 937.5 GW, being 58.86% higher compared to the production achieved in 2019, as a result of the reduction of the periods of unavailability of the old part of CTE Iernut due to the works at the new power plant and the completion of some works of adaptation of the combustion system afferent to the boilers of the energy unit no. 5 with the reduction of NOx emissions in order to comply with the regulated emission limit values. The market share held by Romgaz, according to preliminary data published by Transelectrica, is 1.69%.



Direct economic value generated and distributed

- million lei -			
Description	2018	2019	2020
Directly generated economic value	5,048.8	5,235.4	4,133.9
Income	5,048.8	5,235.4	4,133.9
Distributed economic value	5,366.7	4,003.4	2,801.1
Operational costs	810.8	704.8	511.6
Salaries and benefits for employees (including related taxes and duties)	608.5	674.6	766.6
Payments to capital providers	2,640.1	1,244.9	620.5
Payment to government / state budget	1,293.3	1,359.6	878.9
Investments in the community	14.0	19.5	23.5
Retained economic value (calculated as "Directly generated economic value" minus "Distributed economic value")	(317.9)	1,232.0	1332.8

Financial implications and other risks and opportunities due to climate change

We mention that at the level of Romgaz there is no approach to risk management that addresses climate issues; at the same time, we mention that in the Risk Register there are some risks identified by the organizational units responsible for environmental protection within the company (company headquarters and branches), but these risks are insignificant.

Financial assistance received from public authorities

The total monetary value of the financial assistance received by the organization from any public authority during the reporting period

Description	2018	2019	2020
Tax exemptions and tax credits	lei 35,286,505	lei 37,678,735	lei 45,032,516
Subsidies	lei 21,107,667	0	lei 115,027,027

Share of expenditures with local suppliers

The process of selecting the company's suppliers cannot be based, according to the legal provisions on sectoral procurement, and is not based on any component related to their location, so the Company does not have such records. The number of local suppliers, the value of the goods purchased from them, their share in the total suppliers are random values, not being the result of some actions or inactions of the company.



Defined benefit plan obligations and other retirement plans

There is no defined plan within the Group for the scheme and retirement contributions of employees. In this regard, the legal provisions are applied.

However, on the occasion of retirement, the retiring employee will receive at retirement, regardless of the cause of retirement, a one-time allowance, depending on the length of service in the methane gas and / or electricity industry, in the amount set out below:

Seniority	Number of wages awarded
from 5 to 10 years seniority	three basic monthly salaries at the date of retirement
from 10 to 20 years seniority	four basic monthly salaries at the date of retirement
from 20 to 30 years seniority	five basic monthly salaries at the date of retirement
from 30 to 40 years seniority	six basic monthly salaries at the date of retirement
over 40 years seniority	seven basic monthly salaries at the date of retirement

CORPORATE GOVERNANCE, ETHICS AND ANTI-CORRUPTION

Romgaz is a dual listed company, the shares being traded on the regulated market managed by BVB, at category I, as well as on the London Stock Exchange. As an issuer of securities traded on the regulated market, Romgaz fully meets the standards of corporate governance provided by the applicable national regulations, respectively the Corporate Governance Code of BVB. The Company's corporate governance system has been and will be further improved, outlined through a series of internal policies, regulations and regulations that can also be found on the Company's website, in order to ensure the Company's development and reducing potential reputational risks that could have a material impact on the Company's reputation; the application and observance of the corporate governance principles is also reflected in Romgaz's financial performance.

Annually, the Company prepares and reports the Apply or Explain Statement, the first element on the basis of which the quality of the corporate governance system at company level is assessed.

The quality of this system is also reflected by the rating obtained by Romgaz on the occasion of the evaluation carried out by ARIR - Association for Investor Relations in Romania, an evaluation that aimed at implementing best practices in communicating with investors and complying with the Corporate Governance Code (GC) of BVB.

The Code of Ethics and Integrity is an important tool in the activity of employees and in the commercial relations of the Company and provides important aspects regarding conflict of interest, trading of Company shares, compliance with competition laws,



ensuring integrity and preventing corruption, fraud prevention and reporting, money laundering, etc. Achieving the objectives and mission of the Company involves the conduct of activities by each employee in a manner that respects the set of values, principles and norms of ethical conduct in accordance with the Code of Ethics and Integrity. Every employee, regardless of the position they occupy is required to carry out activities regarding the relationship of the Company and shareholders, investors, business partners, customers based on high moral conduct, responsibility and

professionalism in order to protect the company's image and reputation and generate added value.

Romgaz Group respects and promotes in its activities the principles and values of ethics and integrity, as they are described in the Code of Ethics and Integrity, revised during 2020. At the Company level there is no independent commitment to respect the principles of human rights, but aspects of these principles are found in the Code of Ethics.

Through the Code of Ethics and Integrity, S.N.G.N. Romgaz S.A. undertakes commitments regarding Compliance - all the Company's employees has the obligation, through their acts and deeds, to comply with the regulations in the field of activity, internal regulations and to act for in application of the legal provisions, in accordance with their attributions, respecting the professional ethics.

Regarding the Relationship with business partners - The Company undertakes to comply with all applicable laws and regulations in the conduct of contractual relations, honestly and to provide equal treatment to all partners.

Starting with 2018, the rules of ethics and integrity have been adapted to the legislative requirements regarding corporate governance, internal control and to the National Anticorruption Strategy (SNA), the Company has adhered to.

Romgaz's Code of Ethics and Integrity, available in both Romanian ² and English ³, as well as the Declaration of Accession to the National Anticorruption Strategy ⁴, by which S.N.G.N. Romgaz S.A. adheres to the fundamental values and the principles promoted by SNA 2016-2020, can be consulted on Romgaz website, by both internal as well

²[S.N.G.N. ROMGAZ S.A. Code of Ethics and Integrity](#)

³[Code of Ethics and Integrity](#)

⁴[Declaration of adherence to the fundamental values, principles, objectives and monitoring mechanism of the National Anticorruption Strategy 2016 - 2020](#)

as external stakeholders

The rules of ethics and integrity are binding and apply to all persons working for the Company: employees, directors with a mandate contract as well as members of the Board of Directors.

In order to monitor compliance with the principles and norms of ethics within the Company, starting with 01.07.2020, the General Manager appointed by decision an ethics advisor with responsibilities related to promoting knowledge of ethical values and values of the Company, ensuring, complying with and enforcing regulations and the norms regarding ethics, integrity, avoidance of conflicts of interest, prevention and reporting of frauds, acts of corruption and reporting of irregularities provided in the Code of Ethics and Integrity of S.N.G.N. Romgaz S.A. and the applicable legislation. The ethics





advisor's role is vital for the correct understanding of any situation that may arise in the development of activities and ways of solving them. Romgaz provides permanent access to advisory services on ethical, legislative and organizational integrity issues on the Infoweb for internal stakeholders and on the Company's website for external and internal stakeholders.

The ethics advisor is responsible for implementing the Code of Ethics and Integrity, starting with staff training, providing ongoing support and advice on ethics and monitoring deviations from ethics rules. It organizes whenever it deems necessary meetings with staff (at least with the leaders of the organizational units) in order to train and / or solve ethical dilemmas and can be contacted directly, through the contact form available on the website at: www.romgaz.ro/ro/content/contact.

Romgaz's internal stakeholders are informed about the existence of advisory services on ethical, legislative and organizational integrity issues through the following tools:

- Newsletter
- E-mail notifications
- Posts on Infoweb
- Trainings

The Ethics Advisor addresses in an independent and objective manner all matters referred to him and treats all information brought to his attention with the utmost discretion and in accordance with the Code of Ethics and Integrity, thus ensuring the protection of whistleblowers, in accordance with Legislation in force.

During 2020, no advisory services on ethical, legislative and organizational integrity issues were requested by anonymous beneficiaries.

According to the "Register of Ethics Counseling - 2020", during the reporting period, 5 requests for advice on the new Code of Ethics and Integrity were submitted orally, resolved in full. The level of satisfaction of the beneficiaries of advisory services on ethical, legislative and organizational integrity issues is not currently known, the Company having an evaluation tool under development.

At the same time, the ethics counselor has the responsibility for obtaining external counseling services on issues of ethics, legislation and organizational integrity.

Between January and September 2020, a project was developed for the development and implementation of an anti-bribery management system ISO 37001: 2016, using consulting services from SC Integrity Solution SRL. The anti-bribery standard will be certified in the current integrated management system quality, environment, occupational health and safety in 2022, simultaneously with the recertification of the entire system.



Company Management

The General Meeting of Shareholders (GMS) is the governing body which decides on business and economic policy in accordance with the laws in force. The company is managed by a Board of Directors (BOD) composed of 7 members, for a maximum period of 4 years. The Board of Directors will fulfill all the necessary and useful acts for the achievement of the object of activity of the Company, except for those provided by law in the competence of the GMS. The organization chart of the Company⁵ is a public document and can be consulted on the website.

The Board of Directors functions as a unitary whole, all members having non-executive functions within the Company and thus know in detail the development strategy of the Company; in addition, 3 of them are independent and the Chairman of the Board is not part of

the management team.

The procedure for selecting and nominating the members of Romgaz's Board of Directors refers to the way in which the following aspects are approached:

- Diversity
- Independence
- Experience in the economic, social and environmental fields
- The form of stakeholder involvement

[Company's Organization Chart](#)

The structure of the Board of Directors

The appointment of the members of the Board of Directors at the Company level was made in compliance with the legal provisions and offers equal opportunities to all candidates, there is no possibility to impose conditions / restrictions / requirements on age, sex, position towards the company (stakeholder) etc.

The CVs of the current directors of the Company are presented on the dedicated website, in the section “ Investor Relations - Corporate Governance - Board of Directors”.



The Company’s board of directors as of December 31, 2020 had the following structure:

Item	Name and surname	Role in the BoD	Status *	Professional qualification	Employer
1	Jude Aristotel Marius	chairman	non-independent non-executive	lawyer, MBA	S.N.G.N. Romgaz S.A.
2	Marin Marius-Dumitru	member	independent non-executive	Ph.D. engineer	MDM Consultancy Deva
3	Stan-Olteanu Manuela-Petronela	member	non-independent non-executive	lawyer	General Secretariat of the Government
4	Balazs Botond	member	non-independent non-executive	lawyer	S.N.G.N. Romgaz S.A.
5	Simescu Nicolae Bogdan	member	non-independent non-executive	graduate engineer	S.N.G.N. Romgaz S.A.
6	Ciobanu Romeo Cristian	member	independent non-executive	Ph.D. engineer	Technical University of Iasi
7	Jansen Petrus Antonius Maria	member	independent non-executive	economist	London School of Business and Finance

*) - the members of the Board of Directors have submitted declarations of independence on their own responsibility, in accordance with the provisions of the Corporate Governance Code of the Company.

Executive management

General Manager

The Board of Directors decided, by Decision no. 45 of October 1, 2018, to appoint Mr. **Volintiru Adrian Constantin** as General Manager for a term of 4 years.

Deputy General Manager

The Board of Directors, by Decision no. 32 of August 26, 2020, appoints Mr. **Pena Daniel Corneliu** as Deputy General Manager of S.N.G.N. Romgaz S.A. for a period of 2 months (with provisional mandate), the appointment coming into force starting with August 28, 2020.

The Board of Directors, by Decision no. 41 of October 14, 2020, approved the extension by 120 days of the provisional mandate of the Deputy General Manager of S.N.G.N. Romgaz S.A. (with mandate), Mr. Pena Daniel Corneliu, respectively until February 24, 2021.

Economic manager

The Board of Directors, by Decision no. 50 of August 9, 2020, appoints Mr. Pena Daniel Corneliu as Deputy General Manager of S.N.G.N. Romgaz S.A. for a period of 4 months (with provisional mandate), the appointment coming into force starting with August 14, 2020.

The members of the executive management of the Company, except for the General Manager who has concluded a mandate contract, are employees of the Company, being employed with an individual employment contract for an indefinite period.

Administrative management of Depogaz is on its website:

www.depogazploiesti.ro/ro/despre-noi/conducere.

Other persons with management positions to whom the Board of Directors has not delegated management powers

Name and surname	Position
ROMGAZ - headquarters	
Tataru Argentina	Deputy General Manager
Chircă Robert Stelian	Deputy General Manager
Greco Marius Rareș	Human Resources Manager
Paraschiv Nelu	Drilling Department Manager
Veza Marius Leonte	Accounting Department Manager
Bobar Andrei	Financial Department Manager
Dediu Mihaela Carmen	Exploration-Evaluation Department Manager
Boiarciuc Adrian	Information Technology Department Manager
Lupa Leonard Ionuț	Procurement Department Manager
Chertes Viorel Claudiu	Regulation Department Manager
Ciolpan Vasile	Energy Marketing Department Manager
Ioo Endre	Legal Department Manager
Toader Mihaela Virginia	Strategy, International Relations, European Funds Manager
Vacant position	Quality , OSH, Environment Department Manager
Mediaș branch	
Totan Constantin Ioan	Branch Manager
Achimeț Teodora Magdalena	Economic Manager
Radu Gheorghe Cristian	Production Manager
Man Ioan Mihai	Technical Manager

Name and surname	Position
Târgu Mureș branch	
Baciu Marius Tiberiu	Branch Manager
Dîmbean Cătălin	Economic Manager
Grațian Rusu	Production Manager
Ștefan Ioan	Technical Manager
Iernut Branch	
Balazs Bela	Branch Manager
Hațegan Olimpiu Sorin	Economic Manager
Oprea Maria Aurica	Commercial Manager
Bircea Angela	Technical Manager
SIRCOSS	
Rotar Dumitru Gheorghe	Branch Manager
Bordeu Viorica	Economic Manager
Gheorghiu Sorin	Technical Manager
STTM	
Alexa Ovidiu	Branch Manager
Obreja Dan Nicolae	Economic Manager

The non-executive members of the BoD are also members of the advisory committees set up at the level of the Company.

Three non-executive and non-independent members coming from Romgaz structures no longer have significant functions and obligations within Romgaz because the individual employment contracts and implicitly the fulfillment of the respective functions and obligations have been suspended. They perform tasks under management contracts concluded as directors.

For directors in office on 31 December 2020, the term of office is the following:

- 4 years for Ciobanu Romeo Cristian and Jansen Petrus Antonius Maria and
- 4 months for the rest of the administrators (they are temporary administrators).

The Board of Directors addresses and manages the issues regarding the avoidance of conflict of interest in accordance with the Internal Regulations of the Board of Directors⁶ and the Code of Ethics and Integrity, which contain provisions on Conflict of Interest. The Audit Committee has an important role in managing conflicts of interest according to the Internal Regulations of the Audit Committee published on Romgaz website. Half-yearly reports on violations of the rules of conduct are published on the Company's intranet.

In order to develop and strengthen the knowledge of the members of the Board of Directors regarding the economic, social and environmental impact of Romgaz, the Board of Directors Regulation ensures the participation of the directors in professional training courses on areas of importance for the Company.

In order to evaluate the performances of the members of the Board

⁶[Internal regulations of the Board of Directors](#)

of Directors regarding the management of the social, economic and environmental aspects of Romgaz, at the level of the Company was developed and approved the Policy regarding the evaluation of the members of the Board of Directors ⁷. As of the date of this Report, the evaluation of the members of the Board of Directors has not been carried out.

In accordance with the 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 work team is set up at the Company's level, com-

prising Company employees who work in the representative fields of activity related to the content of the non-financial report. The working team, together with a specialized consultant, prepares the non-financial report which is subject to analysis and approval by the Board of Directors.

The General Manager and the Financial Manager, based on the delegations of powers granted by the Board of Directors through the mandate contracts concluded with them in accordance with the provisions of Law no. 31/1990, Art. 143 paragraph (1) and GEO no. 109 / 2011, Art. 35 para. (1), have responsibilities for economic, social and environmental issues.



[7Evaluation of the Board of Directors Policy](#)

Delegation of authority

According to the provisions of the specific regulations (art. 143 para. (1) of Law no.31/1990, corroborated with art. 35 para.(1) of GEO no. 109/2011 and art. 19 para.(2) of the Articles of Incorporation), the Board of Directors of Romgaz delegates the management powers of the Company, under the conditions and limits provided by law and the Articles of Incorporation.

Romgaz applies the principle of responsibilities separation. At the level of positions, there is a clear separation between decision, execution, verification and control. For a certain activity, the three attributions belong to different people.

The delegation of roles within the Company is done in order to contribute to the accomplishment of the service tasks and to ensure the continuity of the activity within Romgaz. It is possible and is achieved for all hierarchical levels, and the manner of implementation, applicable rules, constraints, tasks and responsibilities are included in the operational delegation procedures of Romgaz, in accordance with the provisions of the law and of the Articles of Incorporation.

Among the entities within Romgaz are established, through the organization and functioning regulations, the decisions of the General Manager, the job description, etc. functional relations, cooperation, collaboration, representation, etc., for each of them establishing the competencies, attributions and responsibilities.

According to the provisions of the relevant legislation and of the Articles of Incorporation⁸ of the Company - (art. 19 para. (2)) "The Board of Directors delegates the management powers of the Company, under the conditions and limits provided by them.

According to the provisions of the Articles of Incorporation of the Company and the provisions of Law no. 31/1990, art. 142 paragraph (2), the basic competencies of the Board of Directors that cannot be



delegated to the directors are the following:

- a) establishing the main directions of activity and development of the Company;
- b) approval of the management plan of the Company;
- c) establishing the accounting policies and the financial control system, as well as approving the financial planning;
- d) the appointment and removal of directors, including the General Manager, and the establishment of their remuneration;
- e) supervising the activity of the directors;
- f) preparation of the annual report of the administrators;
- g) the organization of the GMS meetings, as well as the implementation of its decisions;
- h) introduction of applications for the opening of insolvency prevention and insolvency proceedings of the Company;
- i) elaboration of rules regarding the own activity, of the GMS, of the consultative committees and of the directors, without contravening the legal provisions or the Articles of Incorporation;
- j) the establishment or abolition of secondary offices (branches, agencies, representative offices or any other working points);

⁸[Articles of incorporation SNGN ROMGAZ SA](#)

- k) granting bonds whose value does not exceed, individually or cumulatively, with other bonds with ongoing bonds, the equivalent in lei of Euro 100 million;
- l) granting corporate loans to companies in which the Company has the quality of associate, whose value does not exceed, individually or cumulatively, with other ongoing corporate loans, the RON equivalent of Euro 50 million;
- m) other competencies of the Board of Directors that cannot be delegated, according to the law ”.

As a result, the Board of Directors establishes the main development directions of Romgaz and submits them to the GMS for approval, according to the provisions of the Company's Articles of Incorporation. The Board of Directors also elaborates together with the directors of

the Company the Management Plan of the Company during their term of office, which it approves (according to the provisions of art. 36 paragraph (1) of GEO no. 109/2011) and based on which submits to the approval of the GMS the key financial and non-financial performance indicators that will be the basis for establishing and granting the variable component of remuneration.

The management plan, according to the provisions of art. 2 point 8 of GEO no. 109/2011, represents a working tool of the administrators and directors in a document prepared in order to determine the way of the Company during their mandate. The management plan is structured in two components, (i) administration and (ii) management, and it must be correlated with the letter of expectations and set out:

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

The strategic objectives of the Company, elaborated by the Board and approved by the GMS, the measures and actions included in the Management Plan elaborated by the directors and directors in accordance with the strategic objectives of the Company and approved by the Board, are transposed by the executive management and the tools needed to achieve them.





Remuneration policy for directors and directors with a mandate

In accordance with the legal provisions, the remuneration of the members of the Board of Directors is established by decision of the General Meeting of Shareholders, and the remuneration of the directors in unitary system is established by the Board of Directors but within the limits established by the General Meeting of Shareholders.

The remuneration of the members of the Board of Directors and of the directors consists, according to art. 37 and art. 38 of GEO no. 109/2011, of a fixed monthly allowance and a variable component. Within Romgaz, the directors, according to Law no. 31/1990 and of GEO 109/2011 are the General Manager, the Deputy General Manager and the Financial Manager.

The fixed indemnity of non-executive directors is set at twice the average for the last 12 months of the average gross monthly wages for the activity carried out according to the main object of activity registered by ROMGAZ, at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics, prior to appointment.

The variable component of non-executive directors is established, based on financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders, different from those approved for executive directors, determined, in compliance with GEO 109/2011 on corporate governance of public enterprises and which aim at including the long-term sustainability of the Company and ensuring compliance with the principles of good governance. The amount of the variable component of non-executive members may not exceed a maximum of 12 fixed monthly allowances.

⁹ [Internal Regulations of the Audit Committee](#)

Audit Committee

The Audit Committee has responsibilities in the field of impact and risk management according to the Internal Regulations of the Audit Committee ⁹. This Regulation stipulates the role of the committee in the assessment, monitoring and management of risks. The Committee shall meet regularly for risk analysis, at least 4 times a year, as well as in exceptional or critical situations.

At the same time, the Board of Directors ensures that the Company establishes an efficient framework to:

- identify key risks, assess and monitor these risks according to their potential impact and the likelihood of their occurrence;
- establish key risk indicators for monitoring the Company's performance in relation to the types of risk;
- inform the Board of Directors about the efficiency of the risk management system.

For the management of the risks of sustainable development of the Company and the addressing of the critical aspects, the convocation of the Board of Directors, in meetings, is made by the Chairman, ex officio or upon the motivated request of at least two directors or only of the General Manager.

Considering the complexity of the activity and the turnover of Romgaz, the fixed indemnity of the directors (with mandate contract), is established, in compliance with GEO 109/2011 on the corporate governance of public enterprises, at up to 6 (six) times the average over the last 12 months of the average gross monthly earnings for the activity carried out according to the main object of activity registered by Romgaz, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to appointment.

The variable component of directors consists of a share of participating on the net profit of the Company granting shares, stock options or an equivalent scheme, a pension scheme or other form of remuneration based on performance indicators. The amount of the variable component of the directors is established by the Board of Directors but within the limits established by the General Meeting of Shareholders.

Details regarding the remuneration and other benefits granted to the directors and directors in 2020 are available to the public on the Company's website in the Report of the Nomination and Remuneration Committee available in the section Investors → Corporate Governance → Reference documents.

The policy regarding the remuneration of directors and directors with a mandate was approved in 2019 and during 2020 its revision was started in the context of updating according to Law 158/2020.

Advisory committees

As at 31 December 2020, the structure of the Advisory Committees was as follows:

I) Appointment and Remuneration Committee:

- Ciobanu Romeo Cristian (chairman)
- Balazs Botond



- Jansen Petrus Antonius Maria
- Jude Aristotel Marius
- Marin Marius Dumitru

II) Audit Committee

- Marin Marius Dumitru (chairman)
- Balazs Botond
- Ciobanu Romeo Cristian
- Jansen Petrus Antonius Maria
- Jude Aristotel Marius

III) Strategy Committee

- Jansen Petrus Antonius Maria (chairman)
- Balazs Botond
- Jude Aristotel Marius
- Ciobanu Romeo Cristian
- Simescu Nicolae Bogdan.

The structure, competencies, functioning and reporting of each committee can be found on Romgaz's website in the Reference Documents section.

Employee remuneration policy

The remuneration of our employees is established based on the provisions of the Collective Labor Agreement (CCM) and the Individual Employment Contract (CIM) which is negotiated with each employee. The individual salaries resulting from the CIM negotiation based on the CCM represent the value of the work performed, and when establishing them, the work performed, professional competence, level and degree of mechanization, automation, digitalization of work processes, level of knowledge, social, in relation to other branches of the national economy and compared to the average levels reached in similar activities at European level. On November 27, 2019, the Company's management together with the employees' representatives established by negotiation the conclusion of a new Collective Labour Agreement concluded at the level of S.N.G.N. Romgaz S.A., registered at the Territorial Labor Inspectorate Sibiu under no. 18161 / 04.12.2019, with valid from December 29, 2019 until December 28, 2021, inclusive.

At Depogaz level, a Collective Labor Agreement is in force negotiated with the "Romgaz Free Union", a contract to which the "Depogaz Ploiești Natural Gas Storage Branch Union" also adhered, being valid until March 27, 2021.

- "Free Trade Union within S.N.G.N. Romgaz S.A.", which has 5,850 members;
- "Gas and Services Extraction Union", which has 5 members;
- " Filială de Înmagazinare Gaze Naturale Depogaz Union", which has 299 members.

Thus, the total number of union members within Romgaz is 6,151 out of the total number of employees of 6,188, thus resulting in a degree of unionization of 99.40%.



Consultation of stakeholders

The consultation between the stakeholders and the higher levels of the management structures is carried out, where appropriate, through the entity / person that manages / is responsible for the relationship with the respective category / subcategory / stakeholder.

Some examples of stakeholder dialogue are presented below:

Other shareholders

For information and / or documents regarding dividends and reports submitted to the capital market, shareholders may contact the Company, having the necessary contact details available on the website. The organizational structure through which the relationship with the shareholders in this respect is ensured is the Capital Market Service. Through this organizational structure, the official requests of the shareholders are sent to the General Manager, and the answers, if applicable, are signed by him and are sent in the same way to the shareholders.

Bucharest Stock Exchange

Consultations with the Bucharest Stock Exchange (BVB) are carried out through the employees of the Capital Market Service, whom the General Manager has appointed as contact persons in relation to this institution. The official addresses received from BVB are addressed to the General Manager of the Capital Market Service, and the answers are signed by him and are sent in the same way to BVB.

Financial Supervisory Authority

The official addresses received from the Financial Supervision Authority (FSA) are generally sent through Romgaz / fax Registry, by email and are addressed to the General Manager. The answers are drawn up by the organizational units designated by the General Manager, are signed by him and are sent in the same way to the FSA.



- Depozitarul Central S.A.

Relationship with Depozitarul Central SA (DC) is based on two service contracts for two separate activities: shareholder registration services and dividend payment services.

For both contracts, the collaboration with DC is carried out through the employees of the Capital Market Service, whom the General Manager has appointed as contact persons in relation to this institution. All official correspondence with DC, received through Romgaz Registry or by e-mail, is addressed to / signed by the General Manager and sent in the same way by the Capital Market Service.

- BRD – Groupe Societe Generale

The collaboration with BRD Groupe Societe Generale - Securities Department (BRD), Romgaz's dividend payment agent, is carried out through the employees of the Capital Market Service, whom the General Manager has appointed as contact persons in relation to this institution. All official correspondence with BRD, regarding the dividend payment activity is carried out by e-mail / mail and is addressed to / signed by the General Manager and sent in the same way by the Capital Market Service.

Anticorruption

Achieving the company's objectives and mission involves carrying out activities in compliance with essential concepts of integrity and professionalism aimed at counteracting potential acts of corruption, conflicts of interest, incompatibilities and fraud. In this regard, Romgaz has developed and implemented an annual Integrity Plan as well as a Declaration of Accession to the National Anticorruption Strategy 2016-2020. Also, in the Code of Ethics and Integrity, updated in November 2020, within the chapter "Organizational commitments of S.N.G.N. Romgaz S.A." there is the "Fighting corruption" section.

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

Within Romgaz, the action of identifying the activities that are exposed to corruption vulnerabilities for each operation was carried out. The operation was considered as the organizational unit within Romgaz which, according to the provisions of the Regulation of Organization and Functioning of the company "can be: branch, department, division, direction, center, office, service, compartment, formation, column, workshop, section, agency, warehouse - provided as such by documents or internal decisions of organization and operation".

These evaluations were subjected to 100% of the total organizational units within the company. On this occasion, the inventory of sensitive functions and / or those specifically exposed to corruption and the list



of persons holding these positions were updated in accordance with the system procedure "Inventory of sensitive functions".

At the level of Romgaz, in order to increase the awareness and anti-corruption education among the employees, a support material was made available to the employees holding management positions, through which some essential concepts of the National Anticorruption Strategy were brought to attention.

In order to raise awareness and the level of anticorruption education of all employees and correlated with increased activities for the implementation of internal control system managers started during January 13-March 6, 2020, an action of methodological guidance on the

implementation of IMCS (Internal Management Control System) and SNA. The methodological guidance was provided by the Internal Management Control office, giving increased importance to the identification and management of corruption risks, respectively to the sensitive functions associated with them. The implementation activity of the National Anticorruption Strategy 2016-2020 was monitored by the Ministry of Justice. The audit / monitoring operation started in 2019 and was completed in April 2020. There were some recommendations that the commission for the implementation of SNA 2016-2020 created at ROMGAZ level implemented (some exactly at the time of receiving the report, others in the next period), and the proof of their implementation was sent to the Ministry of Justice.

Operations assessed in terms of risks associated with corruption at Romgaz level

Following the evaluation, a series of risks were reported, the areas with a high risk of corruption being: procurement, investments, human resources, information technology & telecommunications, economic, legal, drilling, exploration, production, land formalities and trade.

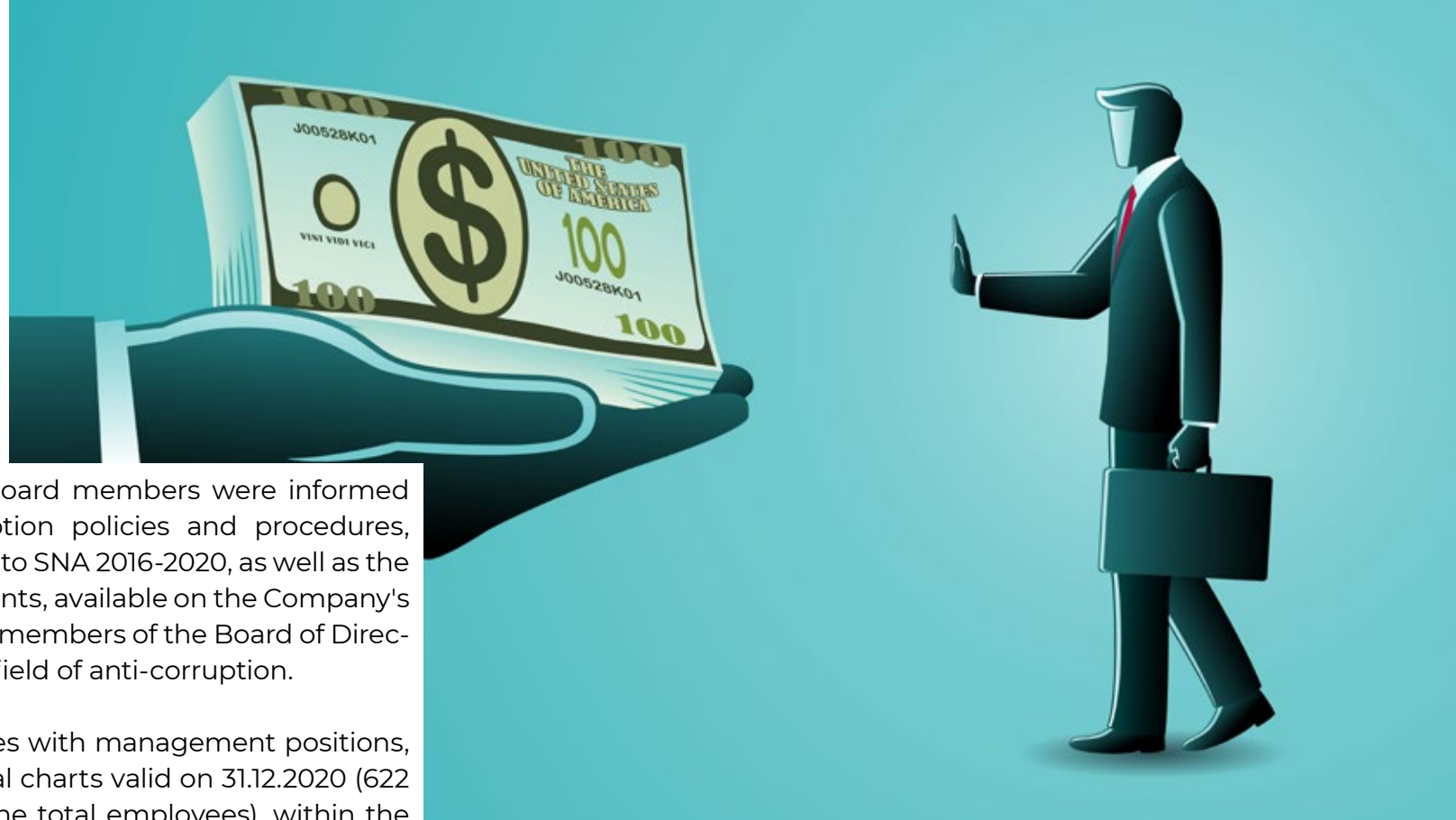
The identified risks were:

1. Disclosure and dissemination of confidential information and documents to unauthorized persons;
2. Subjective treatment (preferential / biased) of offers;
3. Subjective evaluation of audit missions;
4. Preferential relations with contractors;
5. Public procurement of goods, services and works by circumventing the relevant legal regulations;
6. Preparation of proposals in the sectoral procurement plan or documentation that may harm the interests of the company;
7. Acceptance of the defective fulfillment of the contractual clauses by the contractor;

8. Defective management of funds by accepting the execution of works outside the provisions of the contract, the project, specifications and technical regulations in force;
9. Subjective and / or biased granting of the certificate of good execution;
10. Selective processing of sponsorship / social assistance applications;
11. Non-formalization of conflict of interest management;
12. Selection of trainers on preferential criteria;
13. Recruitment and employment on preferential criteria, for the benefit of certain participants;
14. Issuance of certificates (documents) with unreal data;
15. The possibility of exerting pressure on the legal adviser providing legal assistance and being influenced by certain circumstances or circumstances that may lead him to give an opinion or a legal opinion at the limit of legality, forced interpretations of the law, or not in accordance with the legal provisions;
16. Non- unitary application of legislation and regulations in situations and problems involving the contribution of several sub-units, or subunits and the registered office of the company;
17. Subjective assessment of a legal situation and erroneous legal advice which can have serious consequences;
18. Application of the conformity visa on documents that do not comply with the regulations / procedures applicable to the category of operations to which it belongs.

Operations	2018		2019		2020	
	Number	%	Number	%	Number	%
Total number of operations	270	100	270	100	272	100
Operations assessed from the perspective of corruption risks	270	100	270	100	272	100

Communication and training on anti-corruption policies and procedures at Romgaz level



As in previous years, in 2020 all board members were informed about the company's anti-corruption policies and procedures, Romgaz's Declaration of Accession to SNA 2016-2020, as well as the Integrity Plan being public documents, available on the Company's website; in the context of 2020, the members of the Board of Directors did not receive training in the field of anti-corruption.

At the same time, all the employees with management positions, corresponding to the organizational charts valid on 31.12.2020 (622 employees, approximately 11% of the total employees), within the methodological guidelines for the development of SCIM, were informed about the fundamental principles and values of SNA; thus, an attempt was made to increase the awareness of employees regarding the detection, fight and reduction of corruption, correlating the SNA with standard 1 and 2 of OSGG 600/2018. In their turn, the employees with management position, according to the internal regulations in force, have the obligation to train the subordinate employees regarding the provisions of the SNA and of the System Procedure - Inventory of sensitive functions.

The anti-corruption policy and procedures were communicated to all our employees, respectively to a number of 5,673 employees.

Additionally, all our business partners who were informed about

the anti-corruption policy and procedures by publishing the Code of Ethics and Integrity and the declaration of Romgaz's accession to SNA 2016-2020 on the Company's website, representing 100% of the total number of bidders in the procurement procedures.

All our efforts to avoid the Company's involvement in corruption incidents have been successful, so that in 2020, no cases of corruption were registered or confirmed at the level of Romgaz Group.

Regarding the aspects associated with anti-competitive, anti-trust and monopoly behavior, in 2020, Romgaz Group did not register any incident and was not involved in any legal action related to the violation of good practices in this field.



SOCIAL

We operate in a sector where the human resources are vital in order to be able to carry out our activities and to provide efficient, quality and safe services. Our employees are the core that sets in motion the entire range of Romgaz products and services and that 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 positions they hold. The proper internal climate and the safety of the work environment, as well as the correct training of employees are the basic considerations that we focus on when it comes to our company's employees. We have also established a rigorous procedure for the selection of human resources, in terms of quantity and quality.

Information about employees and other employees of the Company

Total number of employees by employment contracts (permanent or temporary), by gender and region.

By the type of contract	Administrative		Branches	
	Men	Women	Men	Women
Permanent	828	671	4,585	561
Fixed term	4	3	4	2
Total	832	674	4,589	563

Total number of employees by type of employment relationship (full-time or part-time), by gender.

By type of employment relationship	Men	Women	Total
Full time	4,847	823	5,670
Part time	2	1	3
Total	4,849	824	5,673



Proportion of senior management from the local community

Significant operating locations are Iernut (Iernut Branch), Mediaş (Mediaş Branch, SIRCOSS Branch and Company Headquarters), Mureş (Mureş Branch and STTM Branch) and Drobeta Turnu Severin (Drobeta Turnu Severin Branch).

Percentage of senior management (directors and lead engineers) in significant operating locations that are employed in the local community:

- Iernut = 80%
- Mediaş = 69,75%
- Mureş = 100%
- Drobeta = 100%.

New employees and staff turnover within Romgaz

Category	New employees						Employee turnover (employee turnover)					
	Number			Proportion			Number			Proportion		
Gender	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Women	57	53	30	23.65%	22.27%	16.95%	51	14	18	20.90%	7.45%	7.44%
Men	184	185	147	76.35%	77.73%	83.05%	193	174	224	70.10%	92.55%	92.56%
Total	241	238	177	100%	100%	100%	244	188	242	100%	100%	100%
Age groups												
<30	59	60	49	24.48%	25.21%	27.69%	3	4	1	1.23%	2.13%	0.41%
30-50	146	140	109	60.58%	58.82%	61.58%	42	20	25	17.21%	10.64%	10.33%
>50	36	38	19	14.94%	15.97%	10.73%	199	164	216	81.56%	87.23%	89.26%
Total	241	238	177	100%	100%	100%	244	188	242	100%	100%	100%
Location												
Mediaș branch	70	47	40	29.05%	19.75%	22.60%	73	48	92	29.92%	25.53%	38.02%
Târgu Mureș branch	55	73	62	22.82%	30.67%	35.03%	62	65	54	25.41%	34.57%	22.31%
Ploiești branch	1			0.41%			7			2.87%		
SIRCOSS	31	24	18	12.86%	10.08%	10.17%	26	31	38	10.66%	16.49%	15.70%
STTM	17	38	21	7.05%	15.97%	11.86%	23	21	21	9.43%	11.17%	8.68%
SPEE	5	13	5	2.07%	5.46%	2.82%	21	8	24	8.61%	4.26%	9.92%
Drobeta Turnu Severin Branch			1			0.57%						
Headquarters	62	43	30	25.73%	18.07%	16.95%	32	15	13	13.11%	7.98	5.37%
Total	241	238	177	100%	100%	100%	244	188	242	100%	100%	100%

Collective labor agreements

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

At Depogaz level, a Collective Labor Agreement negotiated with the "Romgaz Free Union" is in force, a contract to which "Filiala de Îmagazinare Gaze Naturale Depogaz Ploiesti Union" also adhered, being valid until March 27, 2021.

Standard entry wage rates in Romgaz by sex compared to the local minimum wage

The minimum salary, applicable to the sector of activity of the organization, for new employees, without experience, in each significant location of operation



Salary set by the organization, for new, inexperienced employees, in each significant operating location

Operating location	Minimum wage for male employees	Minimum wage for female employees
Mediaș Branch	2,839	2,839
Mureș Branch	3,075	3,075
SIRCOSS Branch	3,075	3,075
STTM Branch	3,075	3,075
Company headquarters	3,154	3,154
Iernut Branch	3,075	3,075
Drobeta Turnu Severin Branch	3,075	3,075

Operating location	Minimum wage for male employees	Minimum wage for female employees
Mediaș Branch	3,709	3,143
Mureș Branch	4,141	4,249
SIRCOSS Branch	4,808	4,034
STTM Branch	4,602	4,966
Company headquarters	4,730	4,366
Iernut Branch	4,034	4,141
Drobeta Turnu Severin Branch	0	0

Benefits granted to employees

In addition to the monthly remuneration, employees benefit from a set of benefits:

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



We mention that there is no differentiation in the granting of benefits between full-time or part-time employees, for an indefinite or determined period, or depending on location.

Parental leave

In 2020, within the company, a number of 53 employees benefited from parental leave. 36 employees returned to work after the end of parental leave in previous years. Their rate of return to work was 100%

Parental leave	Men			Women		
	2018	2019	2020	2018	2019	2020
Number of days (total)	2,925	1,938	835	10,250	10,650	1,055
Number of employees in parental leave	20	23	10	41	30	13
Number of employees who returned to work after parental leave	10	8	20	16	18	8
Number of employees who returned to work after parental leave and were still employed after 12 months	10	8	20	16	18	8
Return to work rate	100%	100%	100%	100%	100%	100%

Employee-management relationship

The notice period and the provisions for consultation and negotiation are regulated by the Collective Labor Agreement, the minimum notice period being four weeks notice.

Occupational health and safety (OSH)

Representation of employees in joint OSH committees (management-employees)

The company implements an integrated management system of quality, environment and health and safety at work, in accordance with the SREN ISO 9001: 2015, SREN ISO 14001: 2105, respectively SR ISO 45001: 2018 standards.

We constantly seek to maintain and update the working procedures by which we establish the responsibilities and rules for hazard identification, risk assessment and the establishment of controls on occupational risks, in order to protect the health and safety of workers, by applying appropriate technical, organizational and hygienic measures. Thus, at the level of Romgaz there is its own occupational health and safety instruction, code 01IP-00-01, edition 3, rev. 0 - Training of workers in OHS

These procedures are applied to all units in the structure of Romgaz and its employees. In addition, at Romgaz level, an annual training and testing program on occupational health and safety norms is developed, its implementation being carefully monitored by the company's management.

We consider it is important to inform all employees about the risks



related to the occupational health and safety, as well as the prevention and protection measures and activities implemented at the level of the organization, in general, and at the level of each workplace and each position.

In 2020, in Romgaz, the objectives of controlling the legal requirements regarding the occupational health and safety were 100% achieved.



Occupational Medicine Department

A series of examinations are performed within the Occupational Medicine Department, such as: general clinical Office examination; visual acuity testing, chromatic sense, visual field (vision test); vestibular and balance tests; electrocardiogram; hearing testing by audiometry, preceded by otoscopy; ventilatory function tests (spirometry); blood glucose determination and urine tests; psychological testing; evaluation of the medical file at employment, resumption of activity, adaptation, periodic medical check-up, special supervision, with the issuance of the aptitude card, as well as other specific activities.

The periodic medical check is performed according to the annual schedule, respecting the periodicity established by the legislation in force. This Department now plays a key role in preventing the spread of the new SARS-COV2 virus. At the beginning of 2020, extensive procedures have been started for the proper endowment with protective equipment for the medical staff working in this structure. The medical staff provided specialized advice regarding the documents issued by the Quality Department of OSH Environment, so that

they comply with the medical standards in force.

At the beginning of this epidemic, with the information and agreement of ITM and DSP (Public Health Directorate), the medical checks were stopped, taking into account the risk of infecting the personnel as well as the measure ordered at national level, regarding the social distance. Starting with May 15, 2020, once the state of emergency was completed, all medical checks were resumed, according to the approved planning. In the last quarter of 2020, an attempt was made to carry out all the outstanding periodic medical examinations, determined by the cessation of medical consultations during the state of emergency. The medical checks for the employees from the Mediaș Branch, the Company's headquarters and the Bucharest office was not successful, and they will be performed in February 2021.

During 2020, it was managed to supplement the personal protective equipment specific to COVID-19 and the hygienic-sanitary materials, disinfectants and medical consumables necessary for the activity of the Occupational Medicine Department. At the same time, surface disinfectants, sanitary alcohol and disinfectant wipes were purchased for the employees of the Company's headquarters.

The objectives set for 2021 are, in addition to monitoring the health of employees of the Company, Mediaș Branch and SIRCROSS, according to current labor legislation, to conduct a "Study on the psychological impact of the COVID-19 pandemic on all employees of S.N.G.N.ROMGAZ S.A. Mediaș." The study is conducted by psychologists employed by the Occupational Medicine Department, but who serve all branches of the company. The study is performed in parallel with periodic medical examinations, by applying a COVID-19 psychological impact analysis questionnaire, on the occasion of the annual medical checks. The results of the study will be presented by psychologists, together with the Annual Report on the health of employees submitted to the management of the Company and the employees' representatives of the Occupational Health and Safety Committee organized at Company level.

Prevention and protection service

During the reporting period, the procedure for acquiring voluntary health insurance services for the company's employees was completed, which materialized by signing a framework agreement for a period of three years, with the association formed by the Societatea de Asigurare-Reasigurare Asito Kapital SA - București and SC Medical Occupational SRL - Bucharest.

For the diagnosis of employees infected with SARS-CoV-2 virus, the procurement procedure of RT-PCR medical testing services was completed.

Other specific activities performed:

- the prevention and protection plan has been updated at the headquarters of Romgaz, a plan which was approved by the members of the Occupational Safety and Health Committee and which includes measures to prevent the risk of contracting the virus SARS-COV2;
- two additional regular training topics were prepared - one topic for all Romgaz employees and one for the employees at the Company's headquarters - topics that include measures to prevent the risk of contracting the virus SARS-COV2;
- the SARS-COV2 virus risk analysis was performed, which specifies the maximum number of employees that can be present at the same time at work;
- the return-to-work questionnaire was drawn up after the annual leave and was subsequently updated - this questionnaire must be completed by all employees on their return to work;
- routes have been established inside the headquarters to limit the interaction between employees;
- hand sanitizer gel and dispensers were purchased, which were mounted at the entrance to the Company's headquarters and in the hallways;
- sanitary alcohol was purchased and distributed, necessary for



- the disinfection of work surfaces;
- the list of persons included in the voluntary health insurance policy was updated monthly;
- on a daily basis, was monitored and updated the situation of isolated / quarantined employees due to a possible infection with COV2 SARS and of those infected with SARS-COV2, the Company management being periodically informed of this situation;
- internal controls were carried out at the workplaces within the headquarters and branches, on the occasion of which the observance of the measures for reducing the risk of illness with SARS-VOC2 virus was verified;
- for testing the proposed employees RT-PCR tests were used
- employees scheduling the Company's headquarters for periodic medical checks.



The situation of SAR SARS-COV2 infections, within S.N.G.N. Romgaz S.A. Mediaș

Among the employees within Romgaz, from the beginning of the pandemic until 31.12.2020, 279 infections were registered. Out of the 279 infected employees, 6 of them died due to the infection with this virus.

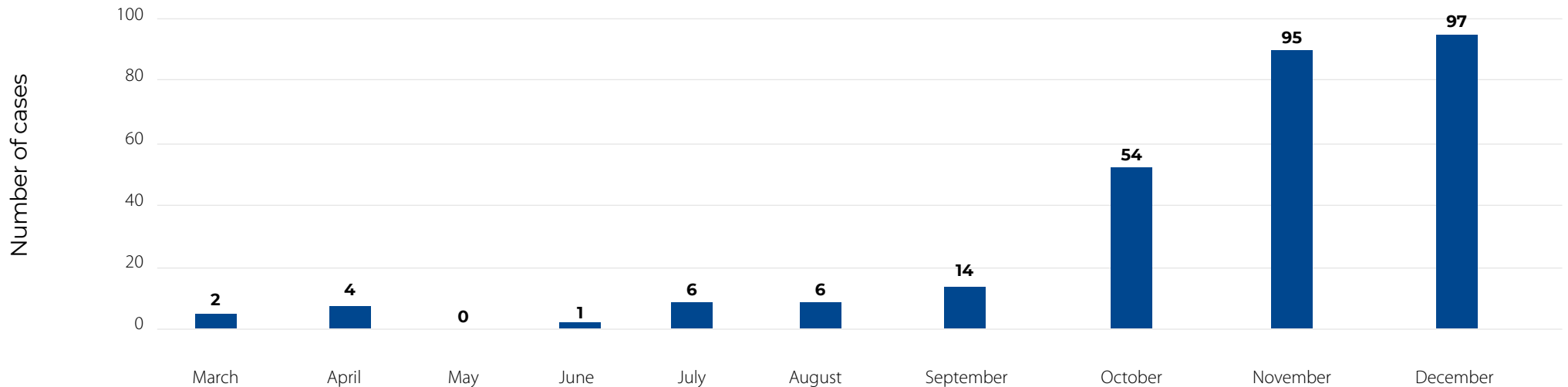
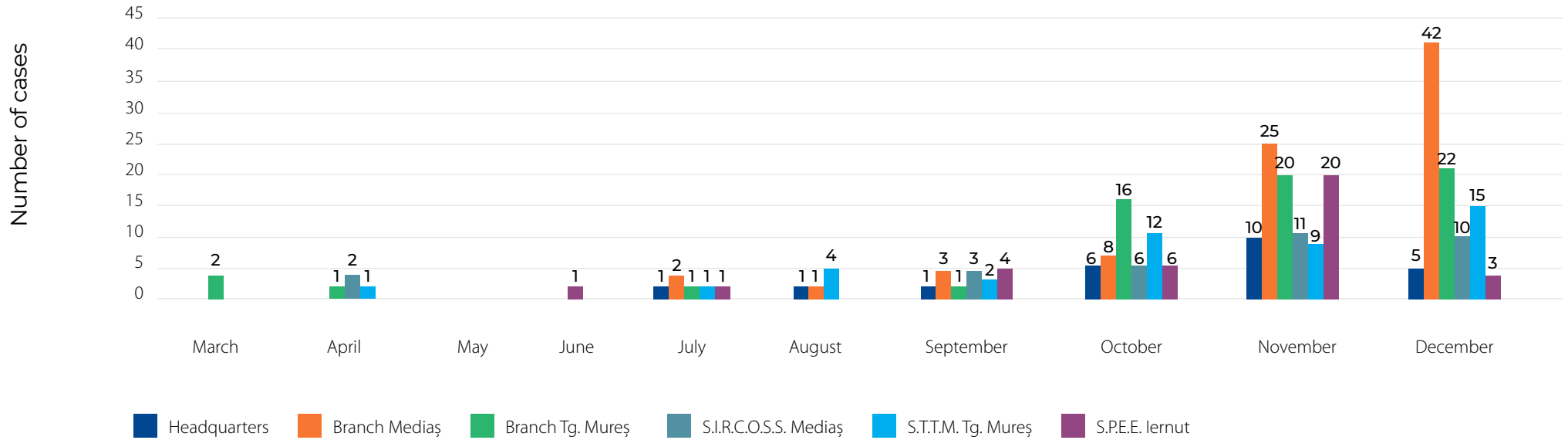
The two graphs below show the evolution of COVID-19 cases within the company, in the period March-December 2020, by branches and headquarters, and the total.

The company has paid and pays special attention to measures to

combat the SARS-VOC2 virus, developing and implementing measures and procedures necessary to minimize the impact on the Company, as well as conducting permanent controls to verify their implementation.

The most important topic in 2020 related to health and safety at work was the management of the pandemic caused by the appearance of the SARS-CoV-2 virus - prevention / reduction of the risk of infecting employees with the SARS-CoV-2 virus .

The evolution of COVID-19 cases within Romgaz



Occupational Health and Safety Committees

At the company level and at the level of each branch, according to the legislation in force, there is an Occupational Health and Safety Committee, responsible for safety, security and occupational health. In accordance with the legal requirements and provisions of the Organization and Functioning Regulations, this committee has scheduled quarterly meetings. The Occupational Safety and Health Committee consists of the following members:

- a) employer or its legal representative;
- b) representatives of the employer with occupational safety and health responsibilities;
- c) representatives of workers with specific responsibilities in the field of safety and health of workers;
- d) occupational medicine doctor.

The number of workers' representatives is equal to the number of the employer or its legal representative and the employer's representatives. In this regard, 100% of our employees are represented by these committees.

In Romgaz there is a procedure for monitoring the health status of employees in accordance with the legal provisions in force. All occupational health and safety rules have been implemented as a result of the obligations to comply with legal requirements and have been adapted to the specifics of the activity carried out within Romgaz. The company has developed the "Organization chart of responsibilities in the field of occupational health and safety", which describes the following aspects:

- Communication of objectives / training;
- Consultation of workers;
- Communication of events.

Types of work accidents, occupational diseases, days of sick leave and absenteeism and number of deaths caused by work accidents

For employees	Women			Men		
	2018	2019	2020	2018	2019	2020
Number of accidents	0	0	0	8	3	8
Types of accidents: accidents that require hospitalization	0	0	0	8	2	7
Injury Rate (IR)	0%	0%	0%	0.129%	0.047%	0.14%
Occupational Disease Rate (ODR)	0.31%	0%	0%	1.59%	0.509%	0.228%
Weekdays with temporary disability caused by work accidents	0	0	0	387	148	548
Rate of days with temporary incapacity for work (LDR)	0	0	0	6.27%	2.357%	9.62%
Absenteeism (AR)	0.67%	0.678%	0.617%	2.77%	2.711%	2.78%
Deaths	0	0	0	1	0	0

Total hours	2018	2019	2020
Total number of hours of sick leave employees benefited from as a result of work accidents or as a result of occupational diseases	4,032	1,632	4,488
Total number of hours of sick leave (includes sick leave unrelated to accidents and occupational diseases)	424,120	425,360	386,976
The total number of hours that should have been worked	12,378,288	12,554,016	11,391,384

Workers with high incidence or high risk of occupational diseases

Within Romgaz there are both workers who are employed in particular working conditions and workers who are employed in special working conditions.

Measures to prevent and improve working conditions

- Monitoring working conditions by performing noxious determinations, periodically;

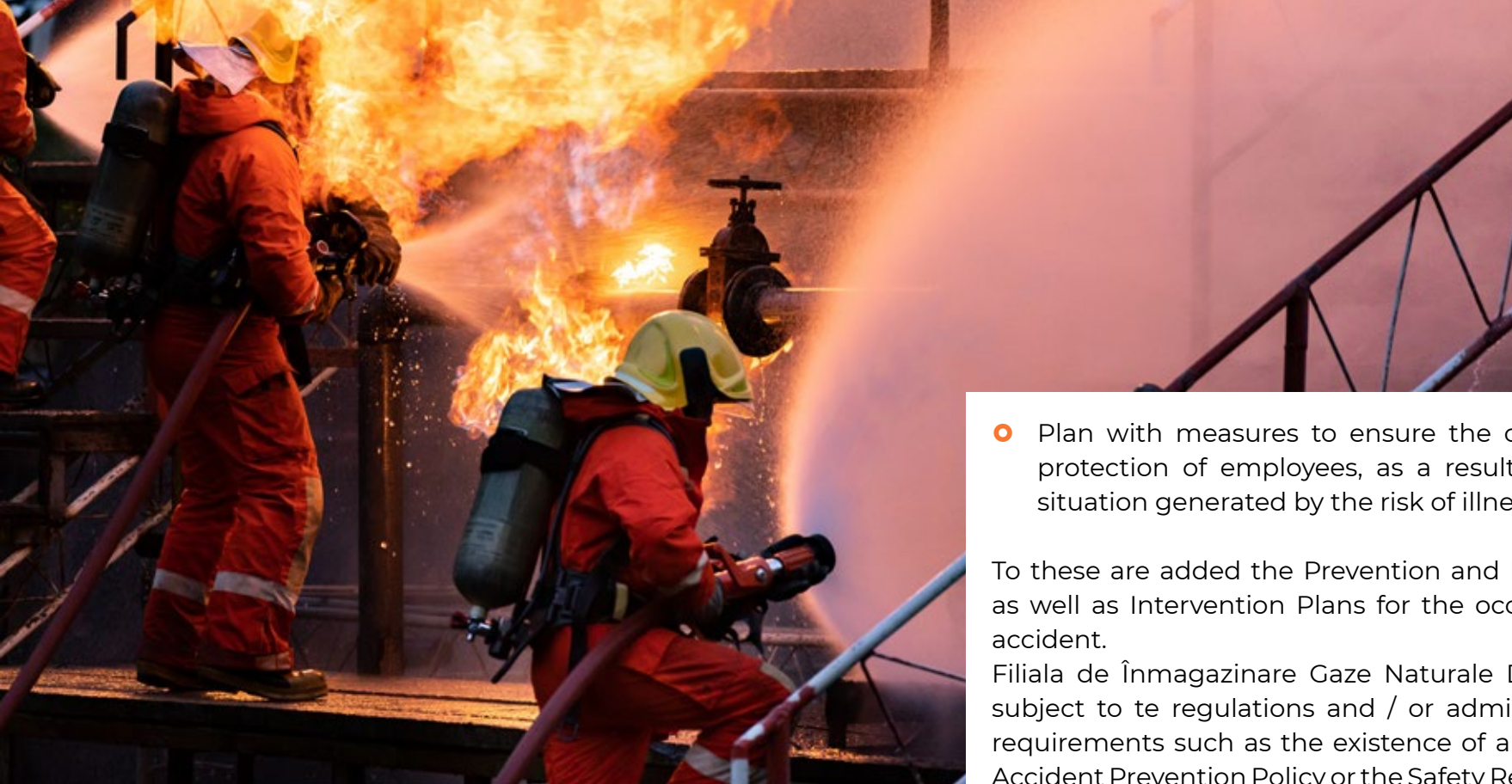
	2018	2019	2020
Number of employees involved in activities that present a high risk of developing occupational diseases	497	344	341

- Preparation of the prevention and protection plan;
- Granting additional rest leave;
- Provision of personal protective equipment appropriate to the working conditions.

Health and safety issues covered in official agreements with trade unions



In the Collective Labor Agreement concluded at Company level - S.N.G.N. ROMGAZ S.A, there is a chapter entitled “Working Conditions - Occupational Health and Safety”, a chapter prepared in accordance with the legal requirements in the field and which deals with general issues of occupational health and safety, such as: obligations of the employer, obligations of employees, working conditions, working rules, training of personnel, personal protective equipment, monitoring of the health of employees, safety nutrition , occupational health and safety committees, etc.



Emergency preparedness

Strictly in the field of Emergency Situations (Fire Protection and Civil Protection), there are, at the level of S.N.G.N. ROMGAZ S.A., the following types of plans:

- Fire protection plans (evacuation plan - storage and disposal plan classified according to the law as hazardous - intervention plan);
- Intervention plan in case of technological accident;
- Emergency management and disaster defense plan;
- Emergency evacuation plan;
- S.N.G.N. ROMGAZ S.A. civil protection plan;
- Notification-alarm plan;

- Plan with measures to ensure the continuity of activity and protection of employees, as a result of the evolution of the situation generated by the risk of illness with COVID-19.

To these are added the Prevention and Protection Plan - in OHS, as well as Intervention Plans for the occurrence of an ecological accident.

Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL is subject to the regulations and / or administrative provisions, and requirements such as the existence of a Notification and a Major Accident Prevention Policy or the Safety Report have been complied with, the documents being submitted to the competent authorities. Thus, the following documents were developed and approved:

- Major Accident Prevention Policy involving dangerous substances, no. 372 / 05.04.2018;
- Security report no. 10291 / 20.12.2018, registered at SRA-PM Ilfov under no. 20865 / 27.12.2018;
- Internal Emergency Plan no. 7131 / 24.06.2019, registered at ISU Bucharest-Ilfov under no. 6065 / 24.06.2019;

SPEE IERNUT is subject to regulations and / or administrative provisions, so that the Notification or the Major Accident Prevention Policy has been submitted to the competent authority. The Major Accident Prevention Policy is developed in which hazardous substances are involved.

Promoting a healthy lifestyle among the organization's employees.

In addition to the mandatory training on occupational health and safety, the staff of the Occupational Medicine Department promotes in each meeting with Romgaz employees the adoption of a healthy lifestyle by addressing in discussions the good practices, advice and recommendations.

Training and education

Romgaz gives great importance to the human resources development process. We consider that the training of the personnel in accordance with the technological, legislative changes, the instructions and the norms of the certified bodies, has a major importance for the increase of the performances and the development of the company.

Romgaz has also implemented a procedure that regulates the identification of training and awareness needs (training, qualification, professional retraining) and the provision of training for employees in the company and persons working for or on behalf of Romgaz.

The aim is to provide employees with the necessary development tools and opportunities to perform in their professional activity and to improve intra- and inter-departmental relations, activities for which it is necessary for employees to take responsibility for their own professional development.

At the same time, internships are constantly carried out within the company's branches, thus contributing to the professional training of students and to the improvement of the quality of vocational and technical education.

Also, starting with the 2018-2019 school year, S.N.G.N. Romgaz S.A. concluded a Partnership Contract with the Technological High



School “Școala Națională de Gaz”(“National Gas School”), for the professional training of a number of 19 students, through dual education. Thus, Romgaz provides practical training but also financial support by providing monthly scholarships for the entire period of theoretical and practical training.

In the field of employee training and development, Romgaz considers that personnel training in accordance with legislative changes, instructions and rules of certified bodies, is of major importance for increasing performance and development of the company.

At the company level, there is a procedure that regulates the identification of training and awareness needs (training, qualification, professional retraining) and the provision of training for Romgaz

employees and persons working for or on behalf of Romgaz. The training requirements (including specific qualifications) and experience for each position are set out and documented in the job descriptions.

The Human Resources Development Service, based on the centralizers sent by the branches and the centralizer at the level of the company's headquarters and after consulting the trade unions, draws up the Annual Professional Training Plan.

By approving the Annual Professional Training Plan and including the expenses associated with it in the Income and Expenditure Budget, the company's management ensures the allocation of the necessary resources for employees training to optimize the activity within the company. The annual training plan may be adjusted during the year within the limits of the fund from the assigned income and expenditure budget.

For 2020, the Annual Professional Training Plan was developed based

on the proposals of the six branches as well as the services from the company's headquarters. The main fields of activity of Romgaz were taken into account, the need to update the knowledge and skills specific to the position and job of each employee, the acquisition of advanced knowledge by fields of activity, modern methods and procedures necessary to carry out professional activities , but also the authorizations / certifications necessary for the exercise of the profession according to the legal provisions.

The employees attended professional development programs as well as internal professional training and qualification / requalification courses organized within our company. For the contracted professional training courses, offers sent by the training service providers were analyzed, the courses were established according to the approached topic, duration, cost, the level of interest for the company and the practical addressability, as well as the training program providers that meet the requirements and needs of Romgaz.



Average number of training hours per year, per employee

Category of employees	Men			Women		
	2018	2019	2020	2018	2019	2020
Top Management	42.81	37.71	30.00	50.89	66.29	27.43
Middle Management	34.99	16.01	17.13	39.62	21.45	28.96
Other management positions	10.69	29.13	17.06	4.68	0.00	96.00
Specialists with higher education	16.25	17.13	12.34	7.07	14.49	17.83
Specialists with secondary education	5.15	8.31	5.63	1.44	4.81	2.05
Blue collars	6.23	4.30	7.00	1.63	1.07	0.54
Total	10.15	7.40	8.64	8.55	11.50	13.68



Employee skills improvement programs and transition assistance programs.

Within the company, vocational training programs were carried out, mainly organized with vocational training providers from the country and abroad, in order to develop the knowledge, skills and abilities of employees. Also, qualification courses were held at the workplace, supported by lecturers, employees of the organization. These training programs targeted all categories of employees and addressed various topics such as management, accounting, taxation, procurement, labor law, communication, languages, use of software, psychology, ethics, integrity, data management and protection, and topics specific to the field in which the company operates, namely:

authorization and re-authorization courses responsible for technical supervision and verification of installations, technical responsible for execution, general investment expert, site manager, gas installer, welder, electrician, crane, security agents and others.

Percentage of employees regularly evaluated and receiving professional development counseling

We believe that human resource management has an important contribution to achieving the organization's objectives. An essential goal for any organization is to achieve the performance standards set for its employees.

Performance appraisal is the basic activity of human resource management, 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, whatever their nature and variety. Within S.N.G.N. ROMGAZ S.A., these performances are assessed based on an operational procedure that regulates the process of evaluating the professional performances of the employees. The aim is to provide employees with the necessary development tools and opportunities to perform in their professional activity and to improve intra- and inter-departmental relations, activities for which it is necessary for employees to take responsibility for their own professional development.

For 2020, at company level, the evaluation of the individual performances of employees was carried out by:

- evaluation sheets;
- evaluation based on the job description and according to the criteria set out in the evaluation form.

Through the data provided by the centralized results of the evaluations, the management team obtained an overview of personnel performance.

Performance evaluation and career development plan	Men						Women					
	Number			%			Number			%		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Top Management	36	18	30	98.00%	68.46%	90.91%	9	5	6	100.00%	66.67%	85.71%
Middle Management	203	198	205	99.53%	97.24%	96.24%	70	65	61	94.56%	96.36%	95.92%
Other management positions	252	253	236	99.69%	98.95%	97.52%	4	4	3	100.00%	100.00%	100.00%
Specialists with higher education	460	442	472	97.25%	95.55%	93.84%	420	402	448	96.06%	94.40%	95.12%
Specialists with secondary education	80	102	77	98.50%	98.48%	96.25%	117	125	122	98.01%	96.30%	96.06%
Blue collars	3,882	3,826	3,701	98.50%	98.67%	98.14%	154	154	147	93.18%	98.08%	97.35%
Total	4,913	4,839	4,721	98.39%	94.01%	97.50%	774	755	787	96.10%	92.90%	94.82%



to correct the irregularities found and to bring disciplinary and patrimonial liability of the persons involved or who support these conflicts.

From a procedural point of view, according to the Code of Ethics and Integrity, the ethics advisor informs the company's management about the notifications regarding the violation of the above mentioned internal regulations, follows the way of resolving the complaints and provides a solution to the general manager.

At company level, it is reported every six months to the audit committee within the Board of Directors regarding the reported irregularities, the way of solving them and the measures ordered. In 2020, no irregularities were reported and there were no confirmed cases of discrimination in Romgaz.

Diversity and equal opportunities

Fighting discrimination

Incidents related to discrimination and corrective measures applied

The Internal Regulations and the Code of Ethics fully support equal opportunities and diversity within Romgaz. All our employees are obliged to comply with these provisions and encouraged to have an objective attitude towards any political, economic, religious, cultural or other interest in the exercise of their duties. No form of discrimination is allowed on the grounds of age, sex, disability, ethnicity, race, sexual orientation, political or religious choice, trade union membership or any other such aspect. In the event of such an event, the negative impact is managed in the sense of ordering measures

Diversity of management teams and employees.

The structure of the Board of Directors	2018	2019	2020
Total number of BoD members	10	14	8
Of which women	2	2	1
Of which members aged <30	0	0	0
Of which members aged 30-50	7	6	5
Including members aged >50	3	8	3
Of which members of minorities	0	1	1

Total number of employees by category	Women									
	<30			30-50			>50			Total 2020
	2018	2019	2020	2018	2019	2020	2018	2019	2020	
Top Management	0	0	0	2	3	3	6	4	4	7
Middle Management	0	1	1	30	29	28	40	46	42	71
Other management positions	0	0	0	1	0	0	3	1	3	3
Specialists with higher education	11	12	16	263	269	262	144	166	193	471
Specialists without higher education	3	2	3	49	54	53	67	68	69	125
Blue collars	4	2	1	66	63	53	85	92	93	147
Total	18	17	21	411	418	399	345	377	404	824

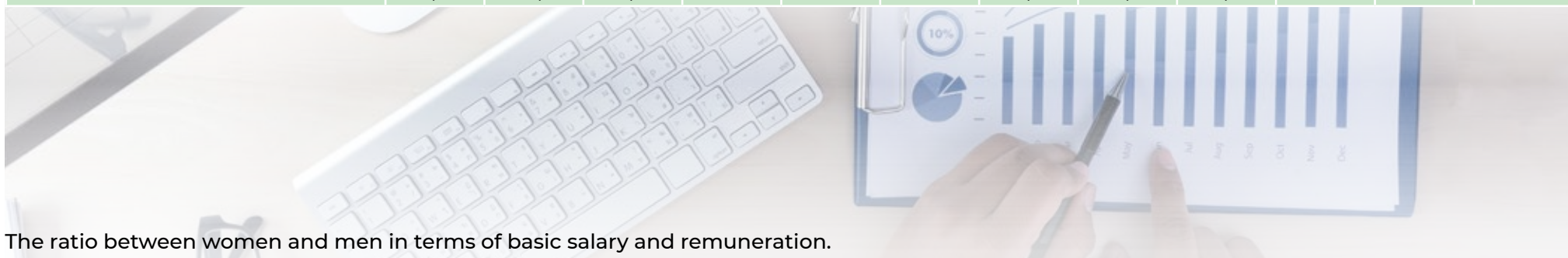
Total number of employees by category	Men									
	<30			30-50			>50			Total 2020
	2018	2019	2020	2018	2019	2020	2018	2019	2020	
Top Management	0	0	0	9	13	15	29	15	18	33
Middle Management	1	3	0	78	174	88	126	224	129	217
Other management positions	3	1	3	101	33	86	147	87	152	241
Specialists with higher education	22	26	24	285	298	311	152	169	166	501
Specialists without higher education	5	2	4	35	33	31	40	43	46	81
Blue collars	189	207	218	1,995	1,783	1,648	1,697	1,815	1,910	3,776
Total	220	239	249	2,503	2,334	2,179	2,191	2,353	2,421	4,849

Average age in the company	2018		2019		2020	
			48.03		48.27	

Number of employees with disabilities by category	Women			Men		
	2018	2019	2020	2018	2019	2020
Top Management	0	0	0	0	0	0
Middle Management	1	1	0	0	0	0
Other management positions	0	0	0	3	2	1
Specialists with higher education	7	5	9	3	2	4
Specialists without higher education	0	0	1	0	1	1
Blue collars	1	1	0	19	17	17
Total	9	7	10	25	22	23

Number of employees from administrative offices by categories	Number		
	2018	2019	2020
Medias Branch	339	394	343
Târgu Mureş Branch	271	303	298
Ploieşti Branch			
SIRCOSS	147	249	137
STTM	107	125	128
SPEE	105	118	115
Drobeta Turnu Severin Branch			1
Headquarters	428	465	484
Total	1,397	1,654	1,506

Type of contract	Contract for an indefinite period			Fixed term contract			Full time			Part time		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Top Management	46	35	40	0	0	0	46	35	40	0	0	0
Middle Management	273	475	287	2	2	1	272	475	287	3	2	1
Other management positions	255	122	244	0	0	0	255	122	244	0	0	0
Specialists with higher education	860	932	966	17	8	6	874	939	971	3	1	1
Specialists without higher education	196	201	206	3	1	0	199	202	206	0	0	0
Blue collars	4,019	3,956	3,921	17	6	2	4,036	3,961	3,922	0	1	1
Total	5,649	5,721	5,664	39	17	9	5,682	5,734	5,670	8	4	3



The ratio between women and men in terms of basic salary and remuneration.

Male / female wage ratio	Average wage						Wages ratio		
	Men			Women					
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Top Management	26,912	28,546	28,625	22,057	27,630	30,546	1.22	1.03	0.94
Middle Management	14,852	13,454	17,631	15,227	16,544	18,580	0.98	0.81	0.95
Other management positions	8,294	8,558	9,682	7,952	7,129	10,347	1.04	1.2	0.94
Specialists with higher education	7,930	8,814	9,597	7,489	8,360	9,341	1.06	1.05	1.028
Specialists without higher education	5,838	6,662	7,004	5,408	5,993	6,623	1.08	1.11	1.06
Blue collars	5,163	5,507	6,000	4,278	4,675	5,099	1.21	1.18	1.18
Total	6,165	6,709	7,246	7,379	8,216	9,152	0.84	0.82	0.79

Male / female wage ratio	Average wage						Wages ratio		
	Men			Women			2018	2019	2020
	2018	2019	2020	2018	2019	2020			
Mediaș branch	5,565	6,005	6,515	6,421	6,891	7,584	0.87	0.87	0.86
Târgu Mureș branch	5,620	6,055	6,525	7,070	7,706	8,424	0.79	0.79	0.77
Ploiești branch									
SIRCOSS	7,444	7,947	8,394	7,445	8,174	8,700	1.00	0.97	0.96
STTM	6,357	6,877	7,439	6,692	7,520	8,206	0.95	0.91	0.91
SPEE	4,891	6,239	6,831	5,781	7,470	8,362	0.85	0.84	0.82
Drobeta Turnu Severin Branch						0			
Headquarters	11,771	12,490	13,418	9,137	10,120	11,473	1.29	1.23	1.17
Total	6,165	6,709	7,246	7,379	8,216	9,152	0.84	0.82	0.79



Local communities


Apart from the activities deriving from the legal perspective, Romgaz supports various social responsibility activities made voluntarily, the company being aware of the role it plays in society.

In Romgaz, social responsibility is a business culture that includes business ethics, clients' rights, economic and social justice, environmentally friendly technology, fair treatment for the workforce, transparent relations with public authorities, moral integrity and community investment.

A formal dialogue was held with stakeholders in 2012 to identify priority directions for social responsibility actions. Health, education, environment, sports, specific projects addressed to local communities, etc. were among the priorities. In 2015, GEO 2/2015 was issued, establishing that at least 40% of the sponsorship budget is dedicated to health actions. During this period, the priorities remained valid, thus respecting the legal requirements. Next, community-specific activities are identified as needed following the ongoing informal dialogue with local stakeholder representatives. At the same time, we provide on the site specific tools to facilitate a dialogue with the communities in order to identify their needs as well as dedicated communication channels such as responsabilitate.sociala@romgaz.ro, www.romgaz.ro/ro/ghid-sponsorship. Romgaz supports the sustainable and durable development of society and community, through financial support / partial or total sponsorship of actions and initiatives in the following main fields: education, social, sports, health, environment.



By financially supporting / partially or totally sponsoring actions and initiatives, within the limits of budgeted financial resources, Romgaz has shown a pro-active attitude in the field of social responsibility and has raised awareness of the importance and benefits of applying social responsibility.



In 2020, Romgaz supported, partially or totally, actions and initiatives in the fields provided by GEO no. 2/2015, within the budgetary provisions, as follows:

Sponsorship expenses in 2020

Category	Achievements 2020 (million lei)
Medical and health sponsorships	12.7
Sponsorships in the field of education, training, social and sports	9.4
Sponsorships allocated to other actions and activities	1.4
Total Sponsorships	23.5

In addition to the positive impact on the environment, the community, the projects financed by Romgaz also had an important benefit for the Society, due to the positive effect of animating the organizational culture and gaining the good reputation of being a responsible employer, and an involved social partner, promoter of the transparent open relationship. This fact is positively reflected in Romgaz's image locally, nationally and internationally, both in front of investors, central and local authorities and other stakeholders.

The main projects and sponsored actions, social responsibility initiatives from 2020

Field	Beneficiary	Project / Initiative / Action
Medical, health, treatments and medical interventions	Mediaş Municipal Hospital	<ul style="list-style-type: none"> - Financial support for the project "Equipping the ATI department with specific medical equipment" - Financial support for the project "Equipping a 2-bed ATI ward with specific equipment within the COVID department"
	Sibiu County Emergency Clinical Hospital	<ul style="list-style-type: none"> - Financial support for the project "Expansion and endowment of the Clinical Department of Anesthesia-Intensive Care in order to prepare for the treatment of patients with COVID-19 as needed" - Financial support for the project "Ensuring the need for materials in the context COVID-19"
	Slatina County Emergency Hospital	- Financial support for the project "Methods to fight and treat COVID-19"
	Alba Iulia County Emergency Hospital	Financial support for the project "Protective measures for limiting and preventing possible diseases with COVID-19 and for the efficient management of suspected / confirmed cases with COVID-19 within the Alba Iulia County Emergency Hospital"
	Vaslui County Emergency Hospital	Financial support for the project "Partner for Life - Vaslui County Emergency Hospital involved in the fight against COVID-19"
	Mureş County Clinical Hospital	Financial support for the project "Fighting the COVID-19 pandemic"
	Romanian National Red Cross Society	Financial support for the "CORONAVIRUS information and prevention campaign" project
	Mediaş Medical-Social Assistance Unit	Financial support for the project "Purchase of electric beds for patients" - purchase of 13 electric beds
	University of Medicine and Pharmacy - Carol Davila, Bucharest	Financial support for the project "Advanced methods for diagnosis and monitoring of neurodegenerative and neuroinflammatory diseases with an impact on work capacity and professional activity (AD-NEURO-PRO)"
Education, training, social and sports	Mediaş municipality	<ul style="list-style-type: none"> - Financial support for the project "Rehabilitation of electrical installation, Gymnasium School No. 4 (Dealul Furcilor), Mediaş" - Financial support for the project "Window replacement and repair and painting works at the General School no. 4 (Building II - Dealul Furcilor, no. 5) Mediaş" - Financial support for the project "Roof repairs, door replacement and school floor repairs at the Automecanica Technological High School, Mediaş" - Financial support for the project "Thermal installation including central heating building A and C Hermann Oberth Secondary School" - Financial support for the project "Thermal installation and thermal power plant in building C Axente Sever Theoretical High School, Mediaş"

Field	Beneficiary	Project / Initiative / Action
Education, training, social and sports	" Resource Center for Civil Society" Association , Bucharest	Financial support for the project "CRSC e-learning educational platform escoala.ro"
	Hermann Oberth Schule Association, Mediaș	Financial support for the project "ONLINE SCHOOL - Purchase of laptops and webcams so that educational personnel can conduct online lessons when the epidemiological situation requires such a system"
	Secondary School Association "Bathory Istvan" Medias	Financial support for the project "Education for the future (digitization of the educational process)"
	Mediaș Social Assistance Department	Financial support for the project "Repairs / rehabilitation of social housing building str. Aron Cotruș no. 1"
	Prahova Association of People with Disabilities	Financial support for the project "Day center for people with disabilities (recovery gymnastics, psychological practice, socio-professional integration, legal guidance, socialization)"
	"Saint Michael the Confessor" Association, Mediaș	Financial support for the project "Home for the elderly Saint Michael the Confessor Mediaș Academicean Ioan Moraru Street 7" - biocides, gloves, medicines, consumables, food
	"Gaz Metan" Mediaș Sports Club	Financial support for the project "Participation of the football team in League I"
	Mediaș Municipal Sports Club (CSMM)	Operation and development of basketball and chess sections
	"Viitorul Cluj Junior" Sports Club Association	Financial support for the project "Promoting performance sports within the Viitorul Cluj Junior Sports Club Association"
Cultural, energetic, environmental, others	"Electromureș" Sports Club, Tg. Mureș	Financial support for "Supporting the high performance activity of the women's bowling team" Romgaz Electromureș "in the 2020 competitive year"
	Municipal Directorate for Culture, Sports, Tourism and Youth Mediaș	Financial support for prizes for preschoolers and primary school students, teachers and support staff in schools and the elderly, sick or needy in Mediaș
	National Confederation for Female Entrepreneurship - CONAF, Bucharest	Financial support for the "Labor Pact 2020" project
	"SED LEX" National Federation of Police Trade Unions, Bucharest	Financial support for the "National Campaign" A safe home = a safe life "project
	"Parcul Domeniilor" Church, Bucharest	Financial support for the "Church Rehabilitation" project
Romanian Orthodox Parish Mediaș-Cathedral II	Financial support for the project "Interior Byzantine Orthodox Painting in fresco technique at St. Dumitru Orthodox Church"	



Environmental impact on local communities

In terms of environmental impact assessment activities on local communities, during the reporting period the following activities were carried out:

- at the level of Depogaz Branch, the safety reports and the internal emergency plans for the natural gas storage depots were updated. Here, risk analysis procedures were performed for all relevant technological installations within the natural gas storage depots.
- at the level of Mediaș branch, noise level measurements were carried out in the vicinity of the Cristur Natural Gas Compression Station, at the property limit of the inhabited areas.

At the same time, at the level of the communities in which Romgaz Group operates, evaluations of the scenarios from the Security

Reports are performed, and 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 the communication and resolution of any complaints or grievances from the local community and we want to be with them in all circumstances, so complaints from the local community are managed in accordance with the System Procedure - Communication, management of violations, control of non-compliances and corrective actions.



Operations with significant, current and potential negative impact on local communities

At the moment, the degree of dependence of the local population on the Romgaz Group is quite high, taking into account 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 the communities where we are present.

Reducing 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. Within the operational activities of Romgaz Group, for the natural gas storage depots of the Depogaz Subsidiary, impact studies were carried out in various stages on the occasion of promoting

various major investments. Since 2007 when these objectives were included in the list of objectives at risk of major accidents due to large quantities of hazardous substances present at the site, local, county and national authorities have been informed by notifications, posting on the company's website and on the notice boards of the town halls some information for the public.

These studies aim to analyze the economic importance for the local community but also the possible risks of fires or explosions due to hazardous substances present, extremely flammable and how to react by the community and local authorities, information developed in the existing Emergency Plan for each natural gas storage.

Romgaz Group operations that have a negative impact, current or potential, on the community.

Operation / Product	Location	Impact current negative	Affected entities	Potential negative impact	Affected entities
Natural gas storage through wells and gas pipelines	Gas pipelines Natural gas compression stations	–	Local communities on whose administrative area the natural gas storage depots operate, together with the related technological installations	Pollution of environmental factors: - water, air, ground-underground Affecting the economic and social life of the local community, as shown in the existing Security reports for the 5 gas depots.	Local communities on whose administrative area the natural gas storage depots operate, together with the related technological installations

The number of operating areas that are no longer used and areas that are in the process of being taken out of use

In Romgaz, the operating area is represented by the well. The well is defined as that special mining construction made by drilling in the earth's crust, having the shape of a vertical hole that can have inclined or even horizontal parts. The upper part of this construction is called the wellhead and the lower part, the down-hole hammer. The topographic point where the well is initiated is called the well site.

Romgaz has a number of 4,659 wells, these being considered fixed assets, of which 3,058 wells have productive potential and 1,601 are inactive wells.

The average fenced area of the injection Christmas tree for each well is 24 m².

After decommissioning of these extractive assemblies, the scrap wells are inactive areas of operation. In 2020, 30 wells out of a total of 3,058 productive wells were scrapped.

The decommissioning process of the exploitation areas is called "abandonment" and represents the ensemble of works executed in the well for the protection of all the crossed geological formations, 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 depleted reserves in all layers known to be productive and / or inventoried all collectors that may be saturated;
- the well can no longer produce for technical reasons;
- the well flows have dropped below the economic exploitation limit established for the deposit.



In the process of wells abandonment, Romgaz complies with the legislation in force as follows:

- prepares the necessary environmental processes;
- prepares the reports to return in the agricultural circuit;
- draws up and signs minutes concluded between the company and the landowners;
- obtains the approval of the National Agency for Mineral Resources for abandonment of each well, if the company gives up the concession of the perimeter.

Out of respect for the local communities, out of care for the environment and due to the awareness of the importance of responsibility and ensuring the safety of the areas where such abandonment works are carried out, Romgaz ensures the quality and safety of these processes. During the reporting period there were no complaints from local communities or control bodies regarding the quality of the decommissioning process.

Supply chain

The origin and history of Romgaz are closely related to the national and local evolution that we support and we always try to promote them in the supply process of the company. Our role in the Romanian society and the importance of our presence in the communities have led to the elaboration of specific procedures for the procurement management that allow us to respect both the legal provisions and the provisions of our internal regulations. We are also aware that our activities support the parties involved in the value chain and we want to continue to have prosperous business relationships that bring bilateral benefits in partnerships with our suppliers and contractors. We are glad that we have excellent collaborations with our business partners and we are constantly looking to improve them.

The procurement management is carried out in compliance with the incidental legal provisions, following the observance of the principles for the sectorial procurement, respectively:

- non-discrimination;
- equal treatment;
- mutual recognition;
- transparency;
- proportionality;
- taking responsibility.

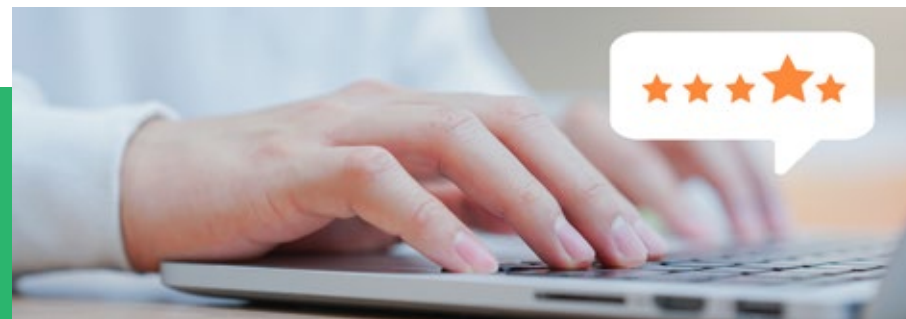
Procurement is carried out in accordance with ROMGAZ's Annual Sectoral Procurement Strategy, which is based on the Annual Sectoral Procurement Plan.

Procurement is mainly represented by:

- Products: tubular material, well cement, injection Christmas trees, landing heads, gasoline, diesel, compressor spare parts, vehicle spare parts, labor protection equipment, software, computing equipment (computers, servers, UPS etc.), instrumentation for measuring natural gas, compressors for natural gas and for air,

various consumables;

- Exploration and exploitation drilling works for gas wells, modernization of compression stations at gas depots, surface works at well groups (drying, separation, heating, cooling, regulation and measurement stations, works construction of collectors from well groups to gas delivery points of SNTGN Transgaz SA, works for environmental protection, repairs of machinery and equipment, rehabilitation of mature gas wells, etc.);
- Services: 2D and 3D geophysical investigations, gas sound drilling services, tubed and non-tubed well investigations, communications services, design services for investment purposes (well drilling, gas storage upgrades natural resources, feasibility studies, etc.).



Customer relationship management

Customer relationship management is carried out through working procedures and instructions, internal regulations that are available to employees on the company's intranet page.

Annual customer satisfaction assessment questionnaires are sent, according to the procedure regulated by the company, which assesses the quality of the services we offer and the ways to further improve any aspect they recommend. These results are centralized, analyzed and subsequently reported to the management.



ENVIRONMENT

Romgaz's vision to consolidate its position on the markets of Romania and of Central and Eastern Europe, is transposed in the 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 is part of our sustainable development strategy. We pay more attention to all environmental aspects on which, through our activities, we can have an impact and we also focus on reducing both energy consume and water consumption.

A central point of how we manage our impact on the environment is the adherence to the requirements of the integrated management system of quality, environment and occupational health and safety. Maintaining our activities at the level by self-imposed the Company 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 undesirable effects on the environment and climate change.

We are convinced that, through a responsible management of all aspects of the activities we carry out, we can maintain a level of environmental performance that allows us to continue activating in a competitive environment, focused on energy conversion.

The Non-Conformity Control procedure establishes the responsibility and the way in which the non-conformities are analyzed in order to determine causes, the necessary actions are established and implemented to ensure that they do not recur, the results of the actions taken are recorded and the corrective actions are analyzed. In addition, at the level of the Company, the Monitoring Commission is set up, through which the persons designated for this purpose by the General Manager manage the deviations occurred in the current activity.

The combined result of these efforts is the implementation of two warnings in 2020, with no monetary value. For all development and modernization projects carried out by the Company, approvals and agreements from the competent institutions are required, including from the environment, local, regional and national communities, etc. At the level of 2020, the Company had in progress a series of major

investment projects in order to increase energy efficiency and reduce the impact on the environment and the community by reducing emissions. The most important project is the development of CTE Iernut by creating a combined cycle power plant. CTE Iernut has a total capacity of 400 MW and is located on the site of the current coal-fired power plant, which will be gradually closed. Failure to start this project would have led to the expiration of the operating permit for the old Iernut plant due to non-compliance with environmental regulations, starting in 2020; at the same time, the risk of sanctioning in the situation of starting the accomplishment of the works without the necessary approvals and authorizations and respectively for not fulfilling the conditions imposed by them was eliminated.

In 2020, Romgaz analyzed the project to build a "Cycle power plant combined with gas turbines - Mintia" in Deva, a very important area for the Romanian energy system, characterized by a geographical imbalance in terms of energy generation.

In the Training Topics on Environmental Protection at the Company level, reference is made to the principles and strategic elements underlying the applicable regulatory framework in the field of environmental protection, namely:

- the principle of integrating environmental requirements into other sectoral policies;
- the precautionary principle in decision making;
- the principle of preventive action;
- the principle of withholding pollutants at source;
- the "polluter pays" principle;
- the principle of conservation of biodiversity and ecosystems specific to the natural biogeographical framework;
- sustainable use of natural resources;
- informing and involving the public in decision-making, as well as access to justice in environmental matters;
- development of international collaboration for environmental protection.



Energy

Within Romgaz, the General Manager himself is concerned with reducing the impact on the environment, and through the complex system outlined by the system, operational procedures and existing work instructions, in which energy management requirements are provided, the context is created for each of us to contribute to a better future for the generations to come. The "ENERGY ANALYSIS" system procedure includes the mode of operation, scope, responsibilities, registrations and demonstrates, together with the Policy Statement on Quality, En-

vironment, Health, Safety and Energy "of the General Manager, our firm commitment to reduce continuous energy consumption at the level of the Company. An ENERGY POLICY has been implemented in DEPOGAZ and Romgaz is working on the documents necessary for the implementation and future certification of SR EN ISO 50001: 2018, applicable at the level of the entire Group. At the same time, through Sircoss - Romgaz's energy management system, which is being implemented, the energy manager is appointed, whose responsibilities are provided in internal decisions.

To reduce energy consumption, the energy efficiency of the technological installations that will be promoted through the investment program is considered, as well as the reduction of energy consumption specific to our activities, the detailed analysis of energy flows and consumption for each process in order to determine opportunities for continuous improvement of energy performance. In addition, equipment and machinery with low consumption compared to the existing one is purchased, with pollution standards as low as possible. Raising staff awareness is a component with a significant contribution in reducing the environmental impact, so that in 2020 training was conducted on topics related to the importance of the need to reduce consumption, both energy and materials.

The impact assessment is performed by looking at historical data regarding the Company's energy consumption, representing the basis for setting targets for reducing technological consumption and support activities.

Energy consumption within the Company

[GJ]	2018	2019	2020
Total fuel consumption from non-renewable sources	14,031,937	9,914,489	13,382,218
Total fuel consumption from renewable sources	238	241	187
Total electricity consumption	1,165,884	1,186,298	982,031
Total thermal energy consumption	8,508	8,340	9,330
The amount of self-generated electricity	16,403	10,735	5,452
The amount of electricity sold	3,917,566	1,972,495	3,156,492
Total energy consumption	11,305,405	19,887,286	11,222,756

The large combustion plants on the SPEE Iernut site are supplied with natural gas from the gas pipeline owned by TRANSGAZ and the volume of natural gas is measured by a meter system with a depressor element (4 identical diaphragms with flange pressure taps) owned by SRM Cuci (natural gas supplier). The calculation of fuel consumption at the energy blocks in SPEE Iernut is performed using the jvAFE application.

The company generates significant amounts of energy from renewable sources, in the last three years generating 399.6 GJ, energy from the solar source.



Reducing energy consumption

Implemented measures

- Renewal of the STTM fleet by replacing old vehicles with high emissions and high specific consumption with new ones: 130 pcs.
- Carrying out modernization works of the external artificial lighting at all the places of business belonging to STTM Tg Mureş
- Carrying out works to change the way of heating the material stores belonging to the TTM Branch (it was changed from electric underfloor heating to thermal heating with air heaters).
- Modernization / replacement of thermal heating installations;
- Washing the condensers to improve the drill temperature;
- Reducing water-steam losses by eliminating impending leaks;
- Use of frequency converters for electric drives;
- Optimization of the gas injection program in natural gas deposits by concluding the electricity supply contract;
- Use of automatic capacitor batteries;
- Modernization works of indoor and outdoor artificial lighting in administrative buildings;
- Modernization and automation works for starting the electric compressors.

Measures being implemented aimed at reducing energy consumption and increasing energy efficiency

- the strategy of the organization requires the reduction of losses in technological processes and investments in the energy sector;
- optimization of the developed processes, continuous monitoring and systematic analysis of the developed processes, detailed analysis of the flows and energy consumption on each process in order to determine the opportunities for continuous improve-



- ment of the energy performance;
- use of high-performance technologies in production processes;
- installation of liter meter probes and GPS on vehicles in the fleet;
- replacement of old or defective equipment with higher energy efficiency equipment

Results achieved

In Depogaz, an energy audit is performed every 4 years; the interim results of the third year of energy effectiveness reporting show that we are in line with the objectives proposed in the 2020 strategy.

Thus:

- The renewal of the STTM fleet by replacing old vehicles with high emissions and high specific consumption with new ones: -5%;
- Execution of modernization works of the interior artificial lighting at the administrative building from Barajului Street no. 6 - 100%;
- Execution of modernization works of the external artificial lighting at the headquarters from Barajului Street no. 6 - 100%;
- Execution of modernization works of the external artificial lighting at all places of business belonging to STTM Tg Mureș - 100%
- Modernization of central heating Barajului Street no.6 by replacing the thermal power plants - 100%
- The costs of the projected energy consumption imbalances have been eliminated, thus achieving a reduction in energy consumption of approximately 3,000GJ compared to 2019.
- The amount of fossil fuels used by the Company was reduced in 2020 by 162.4 GJ compared to the previous year.

SIRCOSS

The Energy Audit contract aims to reduce electricity consumption by modernizing electrical installations in order to increase energy efficiency. The auditor's report contains the authorized power balance and, based on the conclusions of the energy audit analysis, in order to reduce losses by improving energy and technological processes, a plan of measures has been developed to draw up its own programs to increase energy efficiency of consumers.

Preventing the input of pollutants into surface or groundwater by complying with the permitted limit values for water quality indicators when discharged into the natural emissary or sewerage network



Water is an important objective for Romgaz Group. Within the Integrated Management System at the level of the Romgaz Group there is the Working Instruction: Monitoring and measuring environmental factors.

DEPOGAZ has implemented the Integrated Management System, which includes procedures and instructions regarding the Management of extracted water and its discharge. The amount of water extracted from the ground or received from local operators is centralized and reported to the authority by the Environmental Protection Service, the centralization being provided by the representatives appointed at the level of each site.

The discharged water is monitored, respectively measured with water meters and analysis bulletins are made for the discharged wastewater in natural effluents or in local treatment plants.

At Mediaș branch there is compliance with the regulatory acts from the environmental point of view and water management by quantitative and qualitative monitoring of domestic wastewater,



technological wastewater, rainwater, groundwater, reservoir water, quantitative and qualitative reporting of test reports, volumes of water used for industrial purposes, hygienic-sanitary, deposit water injected into the injection wells. The aim is to reduce water consumption, discharge into the emissary and treatment plants within the maximum allowed limits of the indicators analyzed according to the regulatory acts.

Sircoss - The discharge of wastewater (domestic and stormwater) in the sewerage of localities is done in compliance with the maximum allowed values of water quality indicators imposed by the administrators of sewerage networks. The discharged water is monitored, respectively measured with water meters and analysis bulletins are performed for quality indicators, according to the regulatory acts.

SPEE IERNUT - The plan to prevent and fight accidental pollution in water uses within SPEE Iernut presents the main sources that can lead to water pollution, how to intervene in the event of accidental pollution and the intervention teams are designated. Annual maintenance works are provided for the water supply and drainage

system, which aims to ensure that the monitored quality indicators meet the maximum permissible limits (AML), in accordance with the applicable legal environmental requirements. Checks and overhauls of the water supply-drainage system are provided with the same frequency.

Water consumption by source [m³]

Year	2018	2019	2020
Total amount of water captured for use	163,794,816	72,241,908	83,928,598
Surface water ¹⁰	163,667,179	72,137,308	83,856,956
Groundwater	57,856	47,987	30,208
Rainwater, collected directly and stored by the Company	5,321	4,922	5,208
Water provided by the municipality or similar utility providers	64,460	58,111	41,434

SPEE Iernut is located on the upper course of Mureş River, between the Luduş and Iernut, respectively at a distance of about 5 km, in the west of Iernut. The thermal power plant is located in a partially protected area, with value for biodiversity and for local communities.

The technological water supply is provided from the Mureş River and is used as cooling water (cooling of condensers, bearings, aggregates) and for the chemical treatment plant (filtration and softening) and treatment for drinking water.

¹⁰ The volume of water captured from the Mureş River is measured using flow meters.

Recycled / recirculated and reused water [m³]

	2018	2019	2020
	20,003,253	9,469,694	68,796,360
Surface water	19,992,913	9,467,083	68,791,258
Groundwater	10,340	9,888	4,805
Water provided by the municipality or similar utility providers	830	836	297

Total volume of water discharged [m³]

	2018	2019	2020
	383,532	380,065	412,872
Planned volume	365,032	6,625	415,106
Emissions in the discharged water	8	9	10
Chemical oxygen demand (COD)	23	22	23
Hydrocarbons	0.45	0.46	0.45

Domestic wastewater is pretreated with lime and aluminum sulphate, followed by the disinfection step with sodium hypochlorite and then filtered through sand and activated carbon filters. Wastewater discharged through discharge no. 2 is treated in the domestic wastewater treatment plant by mechanical, chemical and biological stage, and the fats are removed with the help of the 2 oil separators. Wastewater discharged by discharge no. 3 is treated in the wastewater neutralization station, and the fats are removed with the help of the 2 oil separators.

Field water

The injection of water containing substances resulting from hydrocarbon exploration and extraction operations is carried out responsibly



by the Company, based on the authorization, and only in those very deep layers, in the geological formations from which hydrocarbons were extracted or in geological formations which, for natural reasons, are permanently unsuitable for other purposes, without compromising the environmental objectives of the respective groundwater body.

Volume and method of removal of field water [m³]

	2018	2019	2020
The total volume of field water produced	216,331	225,884	193
Of which reused	0	6,049	5,207
Of which re-injected	216,331	219,835	188
Chemical oxygen demand (COD)	23	22	23
Hydrocarbons	0.45	0.46	0.45

Amount of drilling fluid resulting from the use of water-based drilling fluids [t]:

Treatment method / Fluid type	Water-based drilling fluid			Freshwater drilling fluid waste			Chlorine-containing drilling fluids, other than those specified in 010505 and 010506		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Recycling	625.5	1,182.97	1,328	-	-	-	-	-	-
Onshore storage (with or without pretreatment)	-	-	-	988.46	2,340.12	2,504	256.68	9,314.22	9,543



Ecosystem restoration and biodiversity

For well drilling projects, which were located in 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” required by environmental protection agencies, in the steps taken to obtain the environmental agreement. Natura 2000 permits were also requested from the custodians of protected areas.

Our efforts focus on the reduction of the potential risks of destruction of flora, fauna and soil, as well as the risks of non-fulfillment of the conditions for authorizing the objectives, thus ensuring the possibility of developing and modernizing our objectives, in compliance with specific legal provisions.

In SPEE IERNUT there is a contract regarding the monitoring of the ichthyofauna of the Mureş river, upstream and downstream of the dam. During 2017 - 2020, a number of 11 monitoring activities / reports were made on the ichthyofauna upstream and downstream of the Mureş River. During 2020, the three works / monitoring activities on the ichthyofauna of Mures river at the level of the dam and the procedure on Mures river connection at SPEE Iernut dam level started, by building a fishway.

Mediaş Branch - ANANP opinions were obtained for the objectives of the branch that carries out its activities in NATURA 2000 site, which proves that the branch's activities do not affect the protected areas.

SPEE IERNUT - At present we can say that all four species have been identified from the four species of Community interest in the Natura 2000 site standard sheet. Regarding the species of Community interest in the site seet, as a result of monitoring, other species were also mentioned (3 of them) which were not mentioned in the Natu-

ra 2000 site standard sheet (originally drawn up. Regarding the environmental conditions, the monitoring data show a change of the thermal regime, downstream of the dam, respectively an increase of the temperature (approximately by 4° C), but this increase does not lead to exceeding the value of discharged water management permit.

Compliance with the environmental requirements stipulated in the "Natura 2000 Opinion" was issued by the custodian of the site, for the specific activity of the company, carried out in protected areas.

The company operates in the following sites in the vicinity of Natura 2000 protected areas

Site name	Geographic location	Site position in relation to the protected area (protected area, the protected area adjacent to, the site comprising portions of the protected area)	Ecosystem type
RO SPA 0041 – Iernut – Cipău ponds	in the western part of Mureş county (on the western territory of Iernut city and the southwestern territory of Cipău village)	at a distance of 850 m	At a distance of 850 m Special protection area Avifaunistic
RO SCI 0210 – Râpa Lechinței	in the immediate vicinity of SPEE Iernut, in the northern part of the site, which continues with the Mureş River downstream and upstream of SPEE Iernut	adjacent	The site represents a plain area located on the eastern shore of Mureş, framed in a continental bioregion that preserves natural habitats such as: Subpanonic steppe meadows that shelter xerophilous plants with species of feather grass (<i>Stipa stenophylla</i>) and fescue (<i>Festuca valesiaca</i>) and protect the fauna from amphibians and reptiles, fish and butterflies.

The site ROSCI0210 Râpa Lechința (site included in the European Natura 2000 network) was proposed especially for the protection of a number of 7 species of amphibians, reptiles, fish, invertebrates as well as of the habitat 6240 - Subpanonic steppe meadows. It includes the Mureş River, an area with agricultural land as well as meadows and forests located on the administrative territory of Iernut, near the village of Lechința (Mureş County). In Cuci village, the site also in-

cludes a dead arm of Mureş, which is one of the best preserved dead arms of Mureş. The direct impact on biodiversity is manifested by the evacuation of cooling waters at high temperatures in the Mureş River during the fish reproduction period. According to the standard sheet, the species for which the site was, are in a relatively good state of conservation. However, there are no recent studies regarding the site 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 allowed by current legislation. DEPOGAZ has implemented the Integrated Management System, which includes procedures and instructions on Pollutant Emission Management, Monitoring, Measurement and Reporting.

The quantities of gas emissions produced at the level of technological installations and pipelines are centralized at the environmental protection service based on the monthly reports received from the Storage - Dispatching Service. Mediaș Branch - Emissions produced by natural gas combustion in gas drying stations, natural gas compression, well radiators and thermal power plants are measured according to the monitoring plan.

EPTR emissions and the Inventory of air pollutant emissions according to Order 3299/2012 are reported.

Within Romgaz's Integrated Management System (IMS) there are instructions on Monitoring and Measuring Environmental Factors, as well as Monitoring and Reporting Greenhouse Gas (GHG) Emissions.

SPEE IERNUT - Greenhouse gas emissions are monitored and reported, in accordance with the procedure and working instruction dedicated to the internal regulation of these activities. The GHG emissions monitoring report for 2020 was verified and approved by ANPM Bucharest and certificates on CO₂ emissions were returned. In 2020, measurements of pollutant emissions were performed at technological installations; the measurements were completed by drawing up Bulletins for the analysis of the indicators resulting from the combustion of natural gas. The analysis reports were made available to the Environmental Guard at the controls carried out, sent to the Environmental Protection Agencies and uploaded to the SIM platform in the Emissions section.



Direct greenhouse gas emissions (GHG scope 1¹¹) [mil. t CO_{2eq}]

Emissions	2018	2019	2020
Total GHG scope 1	678,278	371,249	536,867.351
of which (carbon dioxide)	678,278	371,247	536,866.181
Of which CH ₄ (methane)	-	0.770	0.43
Of which N ₂ O (nitrogen oxide)	-	1.320	0.74

In calculating CO_{2eq} emissions, reference lists of national emission factor values and net calorific values, specific to each fuel type and category of activity, used to meet the monitoring and reporting requirements of carbon dioxide emissions were used, in accordance with the provisions of Regulation (EU) no. 601/2012 on the monitoring and reporting of greenhouse gas emissions in accordance with Directive 2003/87 / EC. The CO₂ emission factor for natural gas combustion is 55,430 g/GJ.

¹¹ Greenhouse gases coming from sources owned or controlled directly by the Company.

Indirect greenhouse gas emissions (GHG scope 2¹²) [mil. t CO₂_{eq}]

Emissions	2018	2019	2020
Total GHG scope 2			
of which CO ₂	472x10 ⁻⁶	576x10 ⁻⁶	518x10 ⁻⁶

Romgaz has drawn up a Study of technological consumptions specific to the oil operations it carries out. The study, which was approved by ANRM Bucharest, establishes the methods for calculating technological consumption, the responsibilities of the personnel involved in the process of calculating technological consumption, including gas losses (blown gases).

The negative impact generated by gas losses is managed through preventive and corrective maintenance works on the productive infrastructure in order to minimize these losses.

Gas losses are highlighted by analytical methods specific to each type of gas loss. In 2020, there were no significant losses that would have a negative influence on technology consumption, compared to other years.

Volume of gas losses [k m³]

2018	2019	2020
1,297	2,140	1,524

Volume of flared and ventilated hydrocarbons [t]

	2018	2019	2020
The volume of flared flue gases		55, 885.831 k m ³	43,721 k m ³
The volume of discharged hydrocarbons	452.239 k m ³	-	-

Number of cars in the Company's fleet

	2018	2019	2020
Diesel	828	792	657
Gasoline	58	39	44
Total Distance traveled [km]	12,666,227	12,317,528	11,426,840

Airline distance [km]

2018	2019	2020
554,400	732,110	116,524

¹² Greenhouse gases emitted for the production of electricity, heat and other energy used by the Company for internal consumption and which is purchased from other organizations



Employee transport [km]

	2015	2016	2017	2018	2019	2020
The distance traveled by company employees with personal cars for business purposes	91,261 (estimate)	48,562 (estimate)	167,251 (estimate)	99,790	100,442	63,500
Distance traveled by employees of the company by public transport (taxi) for business purposes	666 (estimate)	1,096 (estimate)	103,705 (estimate)	1,429	8,679	618
The distance traveled by cars in the company's fleet	2,267,576	1,776,259	2,577,613	12,666,227	12,317,528	10,191,832

Reducing GHG emissions

To reduce greenhouse gas emissions, during 2020 the Company modernized the natural gas drying stations with TEG (triethylene glycol), modernized the groups of wells with high-performance radiators and modernized the gas supply and collection pipes, which had the normalized service life exceeded and generated uncontrolled natural gas losses. In addition, the car fleet has been improved by purchasing low-polluting vehicles.

The sources of pollution considered in the above data are the gas compression stations equipped with compressors, the gas drying stations with triethylene glycol, thermal power plants, gas convectors and well radiators.

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 hazardous substance used.

The main air pollutants and their source [t]

The main air pollutants and their source [t]	2018	2019	2020
SO ₂ (sulfur dioxide)	0.75	0.15	0.9
NO _x (nitrogen oxides)	1,683	502	607
NM-VOC (non-methane volatile organic compounds)	150.1	25	21
Particle emissions	0.33	0	0



Waste management

Within the integrated system, which also includes environmental management, according to the requirements of SR EN ISO 14001: 2015, waste management procedures are documented, establishing rules for collection, recovery, treatment, disposal, transport, labeling, monitoring and waste reporting.

DEPOGAZ has implemented the Integrated Management System, which includes procedures and instructions on Waste Management. Decisions have been issued with site managers on waste management in accordance with the legislation in force.

Through the waste prevention and reduction program as well as the dedicated procedures, the Company demonstrates a concern on the reduction of waste it generates as well as on how it manages the impact on the environment caused by waste that could not be avoided from production.

Within Romgaz, too, in accordance with the legal provisions, there are persons designated as waste management responsables.

By complying with the requirements of environmental permits as well as the requirements set out in the Internal Audit System Procedure of the Integrated Management System, the Company en-

ures legal compliance in the field of waste management, this being done optimally from a technical, economic and environmental point of view. At the same time, the Company maintains control in the development of contracts for the purchase of products, services, works. The company pays more and more attention to the compliant management of waste generated, so that the disposal method selected for each type of generated waste was determined according to 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. Waste recycling and storage is done through organizations, by transferring responsibility to them.

At the level of each location:

- the generated waste is temporarily stored in places specially designed for this purpose, separating hazardous waste from non-hazardous waste.
- keep records of waste management as provided by GD 856/2002;
- the Waste Management module is reported to the County Authorities for Environmental Protection.
- baza recovery and disposal of waste shall be carried out based on contracts with authorized service operators.

The transport of hazardous waste is carried out by authorized economic operators based on service contracts concluded with them, under the legal provisions in force.

Non-hazardous waste generated [t]

	2018	2019	2020
Total amount of non-hazardous waste disposed of	2,979	3,214	2,336
Of which recycled waste	393	522	342
Of which recovered waste (including energy recovery)	43	78	178
Of which incinerated waste	36.98	13.13	1.77
Of which waste stored	2,506	2,600	1,813

Hazardous waste disposed of [t]

	2018	2019	2020
Total amount of hazardous waste disposed of	545	1,445	384
Of which reused waste	1.71	1.74	0
Of which recycled waste	372	306	260
Of which recovered waste (including energy recovery)	62	84	58
Of which incinerated waste	24.47	4.90	4.77
Of which waste stored	84.09	1,048	60.14

Recycled Waste [t]

	2018	2019	2020
Packaging materials (paper)	11.89	14.23	13.40
Glass	0.72	0.24	0
Aluminum	0.63	1.38	0.17
Lighting objects	0.16	0.17	0.26
Oils	11.89	317.43	258.20
Batteries	356.16	3.72	4.80
Plastic	3.02	5.40	4.24
Sawdust, wood chips, wood chips and veneer, other than those mentioned in 03.01.04	6.11	0.12	0.16
Oily sludges from plant and equipment maintenance operations	0.21	25.53	15.35
Other unspecified waste from oil refining	14.3	0.86	0.96
Other unspecified waste - from gas purification (field water + TEG)	1.108	96.500	245.052
Other unspecified waste (rubber waste - hoses)	86.18	1.100	1.797
Waste printer toner containing dangerous substances	2.5	0	0

Iron filings and chips	0	10.34	3.64
Halogen-free used emulsions and lubrication solutions	6.23	0	0.59
Oily waters from oil / water separators	0.18	90.95	94.54
Packaging containing residues or contaminated with hazardous substances	86.12	3.86	3.51
Absorbents, filter materials, polishes and protective clothing, other than those specified in 15.02.02 *	6.37	1.94	2.83
Absorbents, filter materials (including oil filters without other specification), polishing materials, protective clothing contaminated with hazardous substances	0.50	6.22	5.24
End-of-life tires	8.45	19.02	13.65
Oil filters	9.90	0.26	0.22
Antifreeze fluids containing hazardous substances	1.90	8.81	0
Ferrous metals	13.42	31.43	51.80
Components dismantled from scrap equipment other than those mentioned on 16.02.15 *	48.65	0	0
Coal tar and tar products (bituminous cardboard)	1.78	0	0
Copper, bronze, brass	0	0.20	0.20
Iron and steel	0.86	435.37	471.14
Decommissioned cable insulation	290.78	0	0
Insulating materials with asbestos content	0	0	0
Other insulating materials (Mineral wool)	0	13.13	0
Discarded electrical and electronic equipment, other than that specified on 20.01.21 and 20.01.23 containing hazardous components	0	0.60	0.68
Discarded electrical and electronic equipment, other than that specified on 20.01.21*, 20.01.23* and 20.01.35	0.43	2.81	1.95
Waste suspension in emulsion with water in the deposit		262.81	0
Textile packaging		0.02	0

*) - hazardous waste



Environmental impact of suppliers

We are concerned with working with suppliers who demonstrate responsibility, including from the environmental protection. In this regard, for all specifications regarding the supply of products, services, works, by the potential suppliers, environmental chapters are drawn up, which require compliance with the legal requirements of environmental protection through "Environmental protection requirements for the purchase of product/service/works", which is annexed to the Specifications and which will later represent a chapter in the contract to be concluded, if the potential suppliers undertake to comply with all environmental protection measures imposed by the legislation applicable to the activity they carry out.

Operational procedure *Establishment of safety requirements, occupational health, emergencies and environmental protection when purchasing products / services / works* within the Integrated Management System that regulates the way in which SNGN Romgaz SA imposes the product/services suppliers/works contractors compliance with legal requirements on occupational health and safety, emergencies (fire fighting/ Civil Protection) and environmental protection, contributes to the reduction of the risk of non-compliance by third party suppliers / service providers / service providers / contractors with the environmental requirements applicable to the product / service provided / works executed, its content being communicated by S.N.G.N. ROMGAZ S.A. to third party collaborators.

Energy availability

The capitalization of the production obtained from the exploitation of reserves is the main source of income of the Company. Reserves are a strategic area of the Romgaz Group, increasing the portfolio of reserves and resources and discovering new resources and improving the recovery of already discovered resources are essential activities for the processes we carry out. The reserve offers a projection on the company's future activity and results, the most recent assessments of Romgaz's natural gas resources and reserves, have December 31, 2017 as reference date.

The volume of reserves in the deposits in the Romgaz concession are evaluated, based on the information obtained during the operation, by elaborating / updating the field studies.

The evaluation of the natural gas reserves is done according to some instructions elaborated by ANRM, transposed in procedures at Romgaz level. In Romgaz, there are organizational units responsible for assessing natural gas reserves based on these procedures.

Also, based on a computer program, all reserves are monitored, related to each exploitation objective within the deposits in Romgaz's patrimony.

Romgaz's reserves were audited by internationally recognized assessment-audit firms, in accordance with the guidelines of the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, by the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

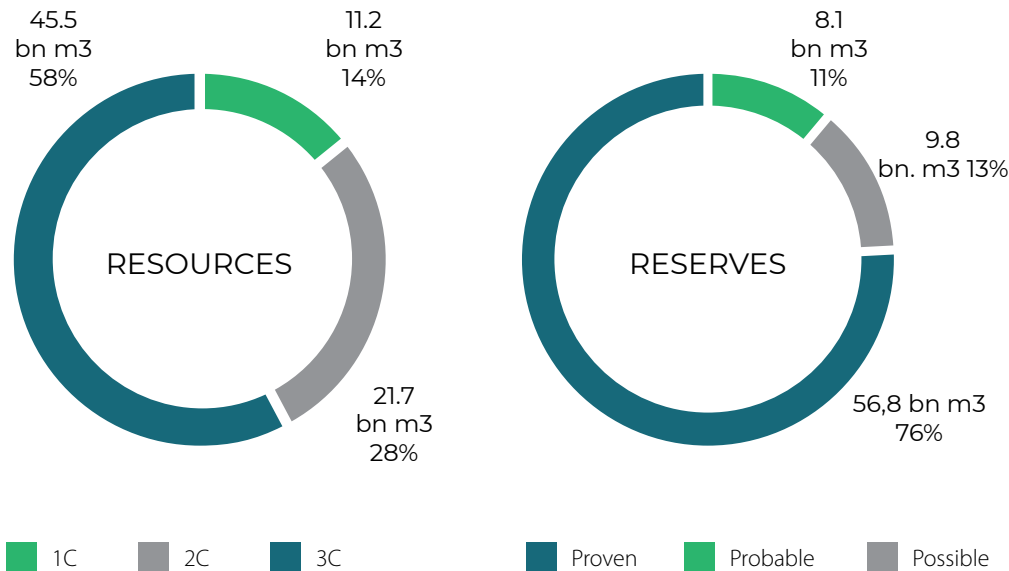
The results of the audits confirmed the results of the assessments of natural gas resources and reserves carried out by Romgaz.



Reserves and contingent resources audited on 31.12.2017

Inevitably, the gas reserves of a deposit decrease with the increase of the exploitation life of the deposit, leading to the abandonment of the wells and the abandonment of the concession of the deposit. The degree of gas recovery from the deposit is called the recovery factor. In order to increase the final recovery factor of the gases from the deposits, great efforts are made, consisting in the execution of maintenance operations in the production of wells producing groundwa-

(bn m³, % of total)



ter, repairs / interventions in wells, conducting complex geophysical investigations, identification and promotion of some reserves in the undrained areas.

On the other hand, the Company carries out an intense exploration activity for the discovery of new reserves:

- identification of new prospects using 3D seismic acquisitions;
- exploration-opening boreholes;
- testing of new wells dug for quantitative and qualitative verification of possible deposits.

Exploration works are designed and programmed by Romgaz based on its own concepts using modern specialized software, assessing the perspective of geological areas with specific features within the concession perimeters and are carried out using specific surface exploration methods to identify areas of accumulation of hydrocarbons (prospectuses), followed by the execution of exploration drill-

ings to verify the existence of accumulations.

The extent to which the growth rate of gas reserves ensures the development of production is highlighted by the reserve replacement ratio (RRR). RRR is a function of the amount of oil (crude oil and natural gas) added to a company's proven reserves, compared to the total amount of oil that the company produces during the year. Of course, the ideal situation is one in which RRR is constantly

over 100%, as this would indicate that the company discovers more oil and gas than it produces.

For 2020, the reserve replacement ratio was 62.75%.

The reserve replacement ratio was affected by the low volume of commercial field upgrades and the postponement of the completion of investments in the infrastructure needed to put production capacity into operation.

Exploitation of the discoveries from the exploration activity:

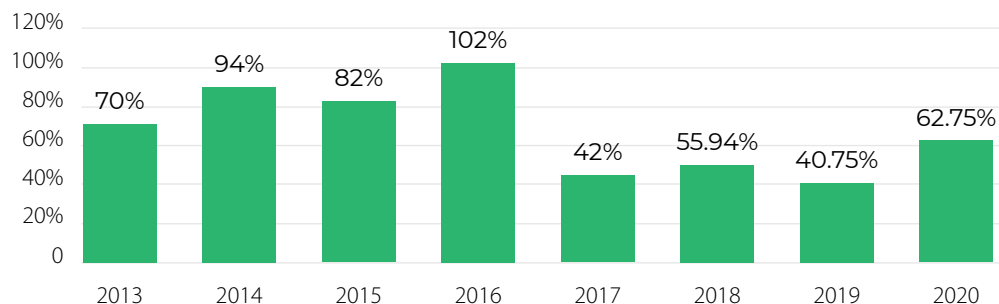
- Building the infrastructure to promote these new reserves;
- Exploration-evaluation drilling for the quantitative and qualitative evaluation of the discoveries and the determination of the technical and economic conditions of valuation;
- Drilling development wells.

Hydrocarbon reserves for 2020 slightly increased compared to their level in 2019. The reserve replacement rate increased from 41% in 2019, to approx. 63% in 2020.

The replacement rate was influenced by:

- changes in proven reserves resulting from the elaboration of field studies;
- execution of the exploitation and exploration drilling program;
- implementation of rehabilitation programs for mature deposits;
- execution of capital repair and well re-equipment programs;
- building the infrastructure for the commissioning of new wells, coming from exploitation and exploration drillings (supply pipes, collector pipes, drying stations, delivery panels, etc.);
- by promoting new reserves from exploration works.

Reserve replacement rate



For 2020, 22 studies have been prepared for the evaluation of natural gas resources and reserves and 6 updates of the production provisions for fields with objectives left without reserves, but which are still in production, following which the existing reserves have been updated at Romgaz level. All studies were carried out by the study elaboration teams from the specialized departments of Romgaz, and had as elaboration grounds the following:

- production differences between the provisions of the study and the actual achievements;
- the existence of operating targets that produce but no longer have confirmed reserves.

New reserves were added by putting into final exploitation the new discoveries from the exploration activity (contingent resources), after the period of experimental exploitation, with the elaboration of production provisions up to the technical limit of exploitability.

In 2020, no investments were made in the transmission network, but works were carried out to expand the distribution system and new connections in Ghercești localities - Dolj county and Piscu Stejari - Gorj county. For the period 2021-2023, investments in extensions of distribution networks and new connections are still foreseen.

In order to increase the portfolio of resources and reserves, the following are taken into account:

- Continuation of the development of the Trident perimeter in the Black Sea;
- Acquisition of oil rights and oil agreements related to the Neptun - Deep Black Sea project.



The impact of the Green Deal on the Company

Given that:

- The European Union has set itself the target of achieving climate neutrality by 2050 and reducing greenhouse gas emissions by 55% compared to 1990 by 2030;
- Romania's objectives on decarbonisation in the sector and increasing the share of renewable energy in the total energy balance,

In 2020 it was conducted by a consultant at the request ROMGAZ a "Opportunity study regarding the possibility of business development in the production of renewable energy". At the same time, an offshore wind project in the Black Sea is in the analysis phase.

Thus, Romgaz aims to conduct feasibility studies during 2021 in order to substantiate the proposed strategic objectives and investments according to development plans and the desire to become an energy

security company and a regional player in the energy market.

The consolidation of the position on the energy supply markets and entering the renewable energy market is a strategic direction of Romgaz, so in the next period we intend to:

- Construction of an integrated energy complex in Halînga in Mehedînți County, consisting of:
 - a gas-fired power plant with an installed capacity of 159 MW,
 - a photovoltaic park with a capacity of 50 MW and
 - a green hydrogen plant.
- Construction of an integrated energy complex in Constanța, Constanța County, consisting of:
 - a gas-fired power plant with an installed capacity of 159 MW,
 - a photovoltaic park with a capacity of 10 MW and
 - a green hydrogen plant.
- The analysis regarding the construction of a photovoltaic park of at least 10 MW is in an incipient phase. The installed capacity depends on the surface of the land identified as the location for this project according to the map of the solar potential, the naturally protected areas and the connectivity to the RET;
- Another project under analysis is that of an offshore wind farm on the Black Sea.
- The hydrogen installations proposed to be developed are foreseen in association with the construction projects of two power plants with a total capacity of 318 MW power plants that use natural gas mixed with hydrogen in a proportion of minimum 15% - maximum 30 % to reduce the carbon footprint.

All these projects represent the main component in the effort to achieve the main objective, namely the sustainable development of the company. The aim is to reduce the import of electricity using renewable sources and to contribute to increasing the adequacy of the National Power System and to reduce the import of electricity by developing renewable electricity generation capacities with a total installed



capacity of at least 360 MW.

A second objective is related to environmental protection. Among the benefits of these projects in reducing emissions and combating climate change are the contribution to the objectives of the European Green Pact.

These projects also meet the following specific NRRP sustainable development objectives:

- Clean energy and energy efficiency;
- Protection of the vulnerable consumer and reducing energy poverty;
- Romgaz - regional energy security provider;
- Increasing the energy contribution of Romgaz on the regional and European markets through the efficient capitalization of the resources in the portfolio and the acquisition of oil rights and agreements in the areas of strategic interest;
- Climate component and carbon footprint reduction.

Affiliations

Romgaz Group is a member in the following associations

1. Gas Infrastructure Europe (GIE) - (Depogaz Subsidiary);
2. Balkan and Black Sea Petroleum Association (BBSPA);
3. International Gas Union (IGU);
4. European Federation of Energy Suppliers (EFET);
5. Asociația Română a Concesionarilor Offshore din Marea Neagră/Romanian Black Sea Titleholders Association;
6. Romanian National Committee of the World Energy Council;
7. The Romanian National Committee of the International Chamber of Commerce (ICC Romania National Committee);
8. Romanian Energy Center;
9. Romanian Standardization Association (ASRO);
10. Sibiu Chamber of Commerce, Industry and Agriculture (CCIA);
11. Mureș Chamber of Commerce and Industry;
12. Association of Petroleum and Gas Engineers Society (S.I.P.G.);
13. Romanian National Committee for the World Petroleum Council

Communication with stakeholders

We are a transparent Company, with tradition in Romania and we want to remain a reliable partner for all our stakeholders, therefore we maintain an open dialogue with all stakeholders of Romgaz Group. A desideratum of our Company is the creation and maintenance of a close relationship with them, thus creating the premises for a fruitful collaboration, based on mutual respect.

For this, the initial stage necessary to achieve the Sustainability Report of Romgaz Group for 2020 consisted of identifying and prioritizing the parts. The process of validating and approving the list of stakeholders took into account the mutual influence between the stakeholders and the Company.



Item	Category	Sub-category	Method of involvement / communication	Frequency	Subject discussed
1	Employees	Management	meetings, addresses, e-mail, telephone, fax	daily	
		Employees	meetings, addresses, e-mail, telephone, fax	daily	
		Union	meetings, addresses, e-mail, telephone, fax	whenever necessary	
2	Shareholders	Majority shareholder	addresses, e-mail, telephone, fax	random	
		Other shareholders	addresses, e-mail, telephone, fax	random	Shareholder certificate, dividends payment confirmation, miscellaneous
3	Institutions, capital market participants and banks	Capital market institutions			
		Romanian Commodities Exchange	e-mail, telephone, fax	daily / weekly	Participation in auctions on REMIT trading / reporting platforms
		Bucharest Stock Exchange	electronic platform, email, telephone	random	Miscellaneous - reports according to specific legislation
		Financial Supervisory Authority	electronic platform, telephone	random	Miscellaneous - reports according to specific legislation
		Central Depository	electronic platform, email, telephone	random / monthly	Miscellaneous - reports according to specific legislation
		BRD	e-mail, telephone	monthly / random	Payment of dividends
		analysts			
		banks			

4	Clients	Natural gas consumers/suppliers	e-mail, telephone, fax	Whenever necessary (with some partners, sometimes even daily, several times a month)	Responses to requests for tenders, responses to clarifications, potential contractual misunderstandings, request for natural gas tenders
		Power consumers/suppliers	e-mail, telephone, fax	Whenever necessary	Responses to requests for tenders, responses to clarifications, potential contractual misunderstandings
5	Suppliers	Material suppliers	e-mail, telephone, fax	Whenever necessary (with some partners, sometimes even daily, several times a month)	Request for tenders, clarification correspondence, etc
		Executors of works	e-mail, telephone, fax	Whenever necessary	
		Service providers	e-mail, telephone, fax	Whenever necessary	
		Gas suppliers			
6	Mass-media	News agencies	meetings, addresses, e-mail, telephone, fax	periodically and whenever appropriate and necessary	
		TV channels	e-mail, telephone, fax	periodically and whenever appropriate and necessary	
		Radio stations	e-mail, telephone, fax	periodically and whenever appropriate and necessary	
		Newspapers	e-mail, telephone, fax	periodically and whenever appropriate and necessary	
		Online magazines	e-mail, telephone, fax	periodically and whenever appropriate and necessary	
7	NGOs	Associations	e-mail, telephone	daily / weekly	
		Foundations	e-mail, telephone	daily / weekly	

8	Authorities and control bodies	National Agency for Fiscal Administration	meetings, addresses, e-mail, telephone, fax	random	
		National Agency for Mineral Resources	meetings, addresses, e-mail, telephone, fax	random	
8	Authorities and control bodies	Romanian Energy Regulatory Authority	meetings, addresses, e-mail, telephone, fax	random	
		National Agency for Environmental Protection	e-mail, internal system, telephone, surveys	high	
		County agencies for environmental protection	e-mail, internal system, telephone, surveys	high	Reports according to specific legislation.
		National Environmental Guard	e-mail, internal system, telephone, surveys	average	Reports according to specific legislation.
		Environment Fund Administration	e-mail, internal system, telephone, surveys	high	Requests; Clarifications Finding notes, inspection reports.
		National Administration of Romanian Waters	e-mail, internal system, telephone, surveys	average	Reports according to specific legislation.
		Water basin administrations	e-mail, internal system, telephone, surveys	high	Environmental factors monitoring reports.
		Romanian Court of Accounts	meetings, addresses, e-mail, telephone, fax	random	Environmental factors monitoring reports.
		Territorial Labor Inspectorate (ITM)	electronic platform	daily	
		Local Employment Agency	printed support	whenever necessary	
	National Institute of Statistics (INS)	electronic platform, e-mail	monthly		

9	Educational units	University centers	e-mail, telephone	random	
		Schools	e-mail, telephone	random	
10	Health care facilities	Hospitals	e-mail, telephone	daily / weekly	
11	Local authorities	City halls	meetings, addresses, e-mail, telephone, fax	random	

Materiality analysis

The Sustainability Report of Romgaz Group for 2020 is based on the most important stage, respectively the materiality analysis; this identifies the economic, environmental and social aspects on which the Company has a significant impact, as well as those aspects that arouse a special interest from the stakeholders of Romgaz Group.

By analyzing the context of sustainable development at European level for the oil and gas sector, the main standards and methodologies consisting of the set of GRI Standards, the G4 supplement specific to the Oil and Gas sector and the Sustainability Accounting Standards Board - SASB, as well as of the press releases of the last year and the sustainability reports of some competitors, a series of 57 non-financial topics were highlighted, possibly relevant. After the rigorous analysis made by the Company's management, the number of potentially important issues was reduced to 44.

In order to identify and prioritize stakeholders, the company-wide working group for the preparation of this Report proceeded as follows:

- as a first step, each member of the working team, following consultations with employees within the departments, services, offices in which they work, has identified each potentially rele-



- vant stakeholder;
- on the basis of the lists drawn up by each member of the Working Group, an initial centralizing list was drawn up with the relevant potential stakeholders;
- During a meeting of the Group, the initial list was verified and approved, resulting in a list of relevant stakeholders for the company, a list comprising the category and subcategory, the names of the stakeholders, the contact person, telephone and email address;

- each member of the Working Group prioritized the categories and subcategories of stakeholders by quantifying:
 - the influence of stakeholders on the company; and
 - the company's impact on stakeholders;
- the results of the prioritization process were centralized and a matrix with the obtained results was drawn up.

The 44 potentially relevant topics were included in a questionnaire developed by the internationally experienced consultant 10Ability and, as part of the stakeholder consultation process, was sent to stakeholders as follows:

- 32 Company Management
- 700 Employees
- 15 Shareholders
- 25 Capital market institutions, analysts and banks
- 54 Clients
- 99 Suppliers
- 73 Mass-media representatives
- 27 NGOs
- 43 Regulatory authorities and control bodies
- 66 Local Authorities
- 10 Educational units
- 8 Health care facilities

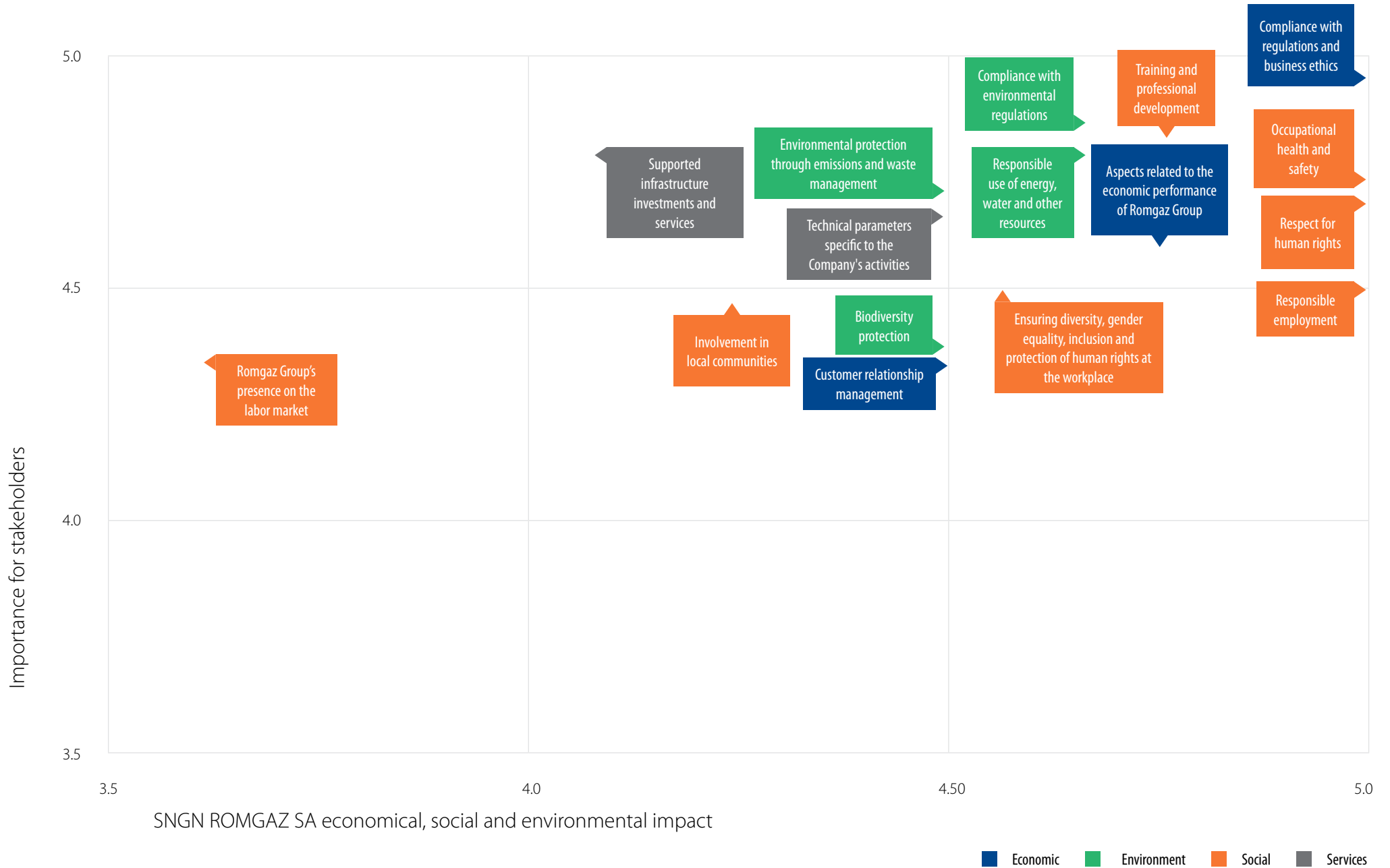
Out of a total of 308 responses collected, we are pleased to see increased interest from our employees, 236 of whom responded to the questionnaire provided.

Following the analysis of the results of the stakeholder involvement process, 16 non-financial material topics developed in this Report were identified, which detail their management, as well as the performance of the Company in 2020.

The topics identified during the consultation process with the stakeholders were subsequently validated with the management team of Romgaz Group.

Topic	Field
Aspects related to the economic performance of Romgaz Group	Economic
Romgaz Group's presence on the labor market	Social
Supported infrastructure investments and services	Services
Compliance with regulations and business ethics	Economic
Responsible employment	Social
Occupational health and safety	Social
Training and professional development	Social
Ensuring diversity, gender equality, inclusion and protection of human rights at the workplace	Social
Respect for human rights	Social
Involvement in local communities	Social
Customer relationship management	Economic
Compliance with environmental regulations	Environment
Responsible use of energy, water and other resources	Environment
Biodiversity protection	Environment
Environmental protection through emissions and waste management	Environment
Technical parameters specific to the Company's activities	Services

S.N.G.N. Romgaz S.A. materiality matrix



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