

ROMGAZ

**Expertise, innovation and commitment
for a low carbon future**

Sustainability report 2023



Contents

MESSAGE FROM THE CEO	2	FINANCIAL	54
INFORMATION ABOUT THE SUSTAINABILITY REPORT	3	Financial performance	55
Stakeholder engagement	6	EU Taxonomy	57
Materiality analysis	7	Reserves	60
ABOUT THE ROMGAZ GROUP	10	Management of exploitation/exploration wells	63
History	11	SOCIAL	64
The ROMGAZ Group	12	Our employees	65
Structure of ROMGAZ's share capital	13	Occupational health and safety	74
Activities of the ROMGAZ Group	14	Training and education	78
Customer relations	19	ROMGAZ's involvement in local communities	80
The ROMGAZ supply chain	20	ENVIRONMENT	84
COMPANY MANAGEMENT	22	Environmental management and compliance with environmental standards, laws, and regulations	85
The Board of Directors	24	Climate change	89
Advisory Committees	25	Greenhouse gas emissions	92
Executive directors and authority delegation	26	Infrastructure integrity and gas leaks	94
Selection of members for the company's management bodies	28	Energy	96
Remuneration for members of the Board of Directors	30	Water	100
Conflicts of interest	32	Waste management	104
CORPORATE GOVERNANCE, ETHICS, AND ANTI-CORRUPTION EFFORTS	33	Ecosystem restoration and biodiversity	110
Corporate governance	34	Use of materials	113
Ethics	39	AFFILIATIONS	114
Anti-corruption	43	KEY TAXONOMY PERFORMANCE INDICATORS	116
Risk management	47	GRI INDEX	123
Climate change approach	52		

Message from the CEO

Dear colleagues, shareholders, and partners,

ROMGAZ's commitment to sustainability and social responsibility is a key element of our long-term development strategy. As the CEO of ROMGAZ, I am pleased to present our annual sustainability report, which reflects our ongoing efforts to generate added value for the company, employees, and shareholders, while protecting the environment and supporting the communities in which we operate. Throughout this past year, we have continued to be actively involved in community projects, supporting key areas such as education, health, and sports, and we strongly believe that our success must be closely linked to community well-being and environmental protection.

Over the years, we have made it a priority to engage in actions and activities that promote sustainable development, business performance, competitiveness, and the rigorous management of the environmental risks arising from climate change. We pay close attention to all the environmental issues on which we can have a positive impact through our activities and we also focus on reducing greenhouse emissions, so that in the coming years our carbon footprint can drop to nearly zero.

In a dynamic global context, marked by the energy transition and climate challenges, ROMGAZ has maintained its leading position in the Romanian energy sector by adopting sustainable business practices and continuously investing in technological development.

In addition to these achievements, we have made considerable efforts to improve the company's transparency and its internal and external communication. In line with the provisions of the National Anti-Corruption Strategy for the 2021-2025 period, we have set out to develop a management system with bribery prevention measures by implementing a culture of integrity and transparency that promotes trust in our relationships with partners, central and local public authorities, and state institutions.

The seventh sustainability report we hereby present to you is the result of a rigorous data collection and analysis process and provides a clear and detailed picture of our impact and progress. Developed in accordance with the Global Reporting Initiative (GRI) international non-financial reporting standards, the report informs employees, stakeholders, and partners on all relevant issues and is a tool for national and European legislative compliance on sustainability reporting.

In closing, I would like to first and foremost thank all our employees, but also our partners and shareholders for their continued support and their essential contribution to ROMGAZ's success. We will continue to take responsibility for a sustainable future and adapt our strategies to meet future challenges and opportunities.

Sincerely, CEO Răzvan Popescu



Information about the sustainability report

National Natural Gas Company ROMGAZ S.A. annually publishes its Sustainability Report to inform all stakeholders about its sustainability performance and, at the same time, to present the objectives of the ROMGAZ Group, through which the organization wants to contribute to a better future.

The ROMGAZ Group's seventh Sustainability Report presents the non-financial indicators for the January 1, 2023 – December 31, 2023 period, which aligns with the financial reporting period and includes all entities in the organization's consolidated financial reporting. The content of this report was largely determined by our stakeholders who actively participated, through an extensive consultation process in the identification of material issues of major interest, which are presented at length in the report.

The structure of the report and the topics it covers are aligned with the principles and guidelines set out by the Core Option of the Global Reporting Initiative Non-Financial Reporting Standard, issued in 2016 and updated in 2018 and 2021.

At the same time, the ROMGAZ Group's sustainability report complies with the legislative requirements stipulated by the Orders of the Public Finance Ministry No. 1,938/2016 and No. 3,456/2018, and is published no later than 6 months after the end of each financial year. To prepare the non-financial report, the Company sets up a multidisciplinary working team, which includes members of its own staff who are specialized in relevant areas for the report's content. This team works with a specialized consultant to draft the non-financial report, which is then reviewed and approved by the ROMGAZ Board of Directors. For additional information or questions about this report, please contact us at comunicare@romgaz.ro.

The CEO, the Deputy CEO and the CFO, based on the authority delegated by the Board of Directors through mandate contracts, in accordance with Law No. 31/1990, Art. 143 para. (1) and GEO No. 109/2011, Art. 35 para. (1), are responsible for economic, social, and environmental matters.



National Natural Gas Company „Romgaz” S.A. („S.N.G.N. Romgaz S.A.,” „the Company,” „ROMGAZ”) is a Romanian legal entity operating as a joint-stock company under Romanian law and its Articles of Association. The company comprises six branches, established based on the specific nature of their activities and territorial considerations (natural gas production branches), as follows:

1. Mediaş Branch, headquartered in the city of Mediaş, 5 Gării Str., postcode 551025, Sibiu County, with a total of 8 territorial sections;
2. Târgu Mureş Branch, headquartered in the city of Târgu Mureş, 23 Salcânilor Str., postcode 540202, Mureş County, with a total of 9 territorial sections;
3. Mediaş Well Workover, Capital Repair, and Special Operations Services Branch (SIRCOSS), headquartered in the city of Mediaş, 5 Sibiului Str., post-code 551009, Sibiu County, with a total of 3 territorial sections and 5 work-shops;
4. Târgu Mureş Technological Transport and Maintenance Branch (STTM), headquartered in the city of Târgu Mureş, 6 Barajului Str., postcode 54101, Mureş County, with a total of 5 territorial sections and one laboratory;
5. Iernut Electricity Production Branch (SPEE), headquartered in Iernut, 1 Energeticii Str., postcode 545100, Mureş County, with a total of 7 sections;
6. Drobeta-Turnu Severin Branch, headquartered in the city of Drobeta-Turnu Severin, 27 Aurelian Str., Mehedinţi County.



ROMGAZ Group (“The Group”) comprises S.N.G.N. ROMGAZ S.A as the parent company and its fully-owned branches:

1. S.N.G.N. ROMGAZ S.A. – Underground Gas Storage Subsidiary DEPOGAZ Ploiesti SRL (“Depogaz”), headquartered at 184 Ghe. Grigore Cantacuzino Street in Ploieşti, postcode 100492, Prahova County, Romania;
2. ROMGAZ Black Sea Limited, a company that operates under the Bahamas Commonwealth legislation and functions through its Romanian branch, ROMGAZ Black Sea Limited Nassau (Bahamas), Bucharest Branch.

The sustainability report includes the Romanian subsidiaries as well as natural gas storage subsidiary Depogaz. Information referring only to the non-financial performance of ROMGAZ, and not to that of the Group as a whole, will be marked accordingly, with the corresponding details.



Stakeholder engagement

ROMGAZ aims to develop strong, constructive, and effective relationships, which are essential to the successful management of the organization's environmental and social risks and impacts.

As a transparent company with a longstanding tradition in Romania, we want to remain a reliable partner for all the stakeholders of the ROMGAZ Group, which is why we maintain an open dialogue with them all. An important goal for our company is to create and maintain close relationships, thus laying the foundation for fruitful collaborations that are based on mutual respect. The company seeks to ensure transparency in its relationship with stakeholders, seeking to involve them in all the processes it carries out.

Based on the requirements of standards SR EN ISO 9001:2015, SR EN ISO 14001:2015, and SR ISO 45001:2018, the company conducts annual stakeholder analysis, a necessary initial step in the development of the ROMGAZ Group's 2023 Sustainability Report. The validation and approval of the stakeholder list took into account the mutual influence between stakeholders and the company.

In order to identify and prioritize stakeholders, the Working Group set up at the company level to develop this Report carried out the following actions:

- as a first step, each member of the working team, following consultations with employees in the directorates, services, and offices within which they work, identified each potentially relevant stakeholder;
- based on the lists drawn up by each member of the Working Group, an initial centralized list of relevant potential stakeholders was drawn up;

- during a meeting of the Group, the initial list was checked and approved, resulting in a list of relevant stakeholders for the company, which included categories and subcategories, stakeholder names, contacts, phone, and e-mail address;
- each member of the Working Group prioritized the stakeholder categories and subcategories by quantifying:
 - each stakeholder's influence on the company;
 - the company's impact on each stakeholder.

The results of the prioritization process were centralized, resulting in a matrix of the results.

Strategic communication focuses on creating, publishing, and distributing online content for a targeted audience in order to engage and influence them. Content refers to valuable information that is relevant and value-adding to the audience.

The list of stakeholders involved in the process of identifying material economic, environmental, and social issues includes:

- | | |
|--|--|
| 1. Employees | 7. NGOs |
| 2. Shareholders | 8. Authorities and supervisory bodies |
| 3. Institutions, capital market participants, and banks | 9. Educational institutions |
| 4. Customers | 10. Health institutions |
| 5. Suppliers | 11. Local authorities |
| 6. Media | 12. Professional associations |

Materiality analysis

The materiality analysis is a process that involves identifying the economic, environmental, and social issues on which the company has a significant impact, as well as those that significantly affect the performance of the ROMGAZ Group.

By examining the European sustainable development context for the oil and gas sector, key standards and methodologies such as the set of GRI Standards, the G4 sector supplement for Oil and Gas, the Sustainability Accounting Standards Board (S.A.S.B.), as well as press articles from the past year and the sustainability reports of competing companies, 59 potentially relevant non-financial issues were highlighted. After thorough analysis was carried out together with the company's management, the number of potentially significant issues was reduced to 35.

The 35 potentially relevant issues were included in a questionnaire developed by an international experienced consultant and, as part of the stakeholder consultation process, it was distributed to the interested parties.

All 253 responses received—double the number from the previous year— were analyzed, with over 37% coming from ROMGAZ employees; both natural gas suppliers and NGOs each provided over 10% of the responses.

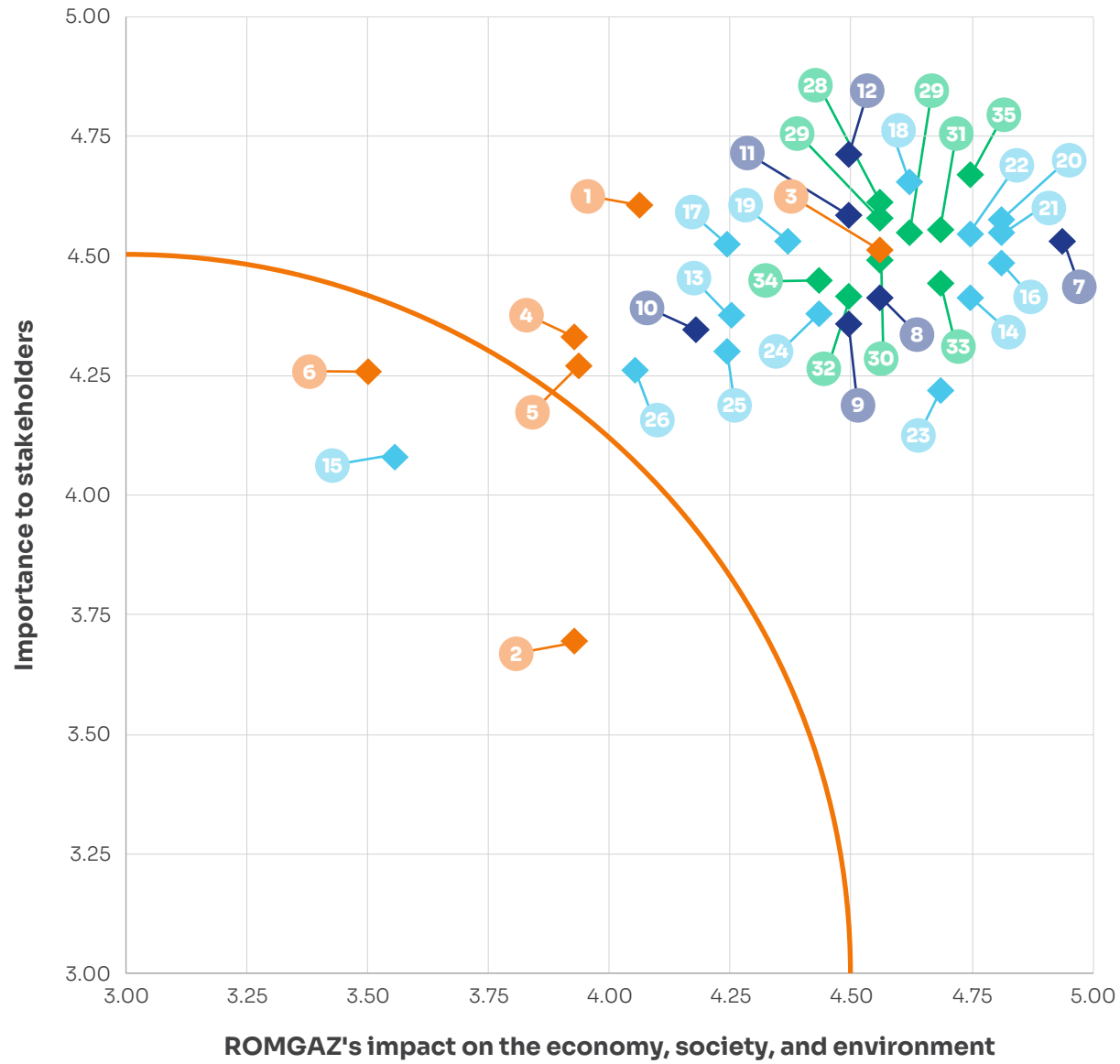
Following the analysis of the stakeholder engagement results, we identified 34 material non-financial issues, which are extensively presented in this Report, with details about the way they are managed, as well as the performance achieved by the company in 2023.



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

Analyzed issue	Analyzed aspects	No.	Analyzed issue	Analyzed aspects	No.
Business performance	Total contribution to GDP, payments to state and local budgets		Respect for human rights and equality of opportunity	Ensuring the protection of human rights inside the organization	20
	Dividends distributed to shareholders	2		Promoting the protection of human rights across the supply chain	21
	Investments in infrastructure	3		Ensuring equal opportunities and avoiding workplace discrimination	22
	Indirect economic impact of the organization’s activities	4		Promoting diversity in governance structures	23
	Attraction of European funds	5		Responsibility towards local communities	Investing in community development programs
	Participation in public policy development	6	Social responsibility projects carried out with the involvement of local communities		25
Business ethics responsibility	Fighting corruption and eliminating conflicts of interest	7	Developing research to assess the organization’s environmental or social impact		26
	Competitive behaviour	8		Care for the environment	Responsible management of the organization’s greenhouse gas emissions
	Whistleblower protection	9	Responsible management of the waste generated by the organization		28
	Personal data management	10	Responsible management of the wastewater generated by the organization		29
	Responsible management of system cybersecurity	11	Incidents of non-compliance with environmental regulations and procedures to resolve them		30
	Responsible management of information related to national energy security	12	Biodiversity protection and ecosystem restoration	31	
Labor market presence	Employee benefits and salary levels inside the organization in relation to the national minimum wage	13	Sector-specific technical parameters	32	
	Responsible practices for employee attraction and retention	14	Contribution to climate change mitigation	Investments in renewable energy production	33
	Share of top management hired from local community	15		Implementing measures to reduce the organization’s energy consumption and increase its energy efficiency	34
Respect for workers’ rights and their relationship with Management	16	Reducing gas leak volumes		35	
Care for employees	Implementation of training and education programs for the continuous improvement of employee skills and job performance evaluation	17			
	Occupational health and safety management and implementation of best practices to eliminate workplace injuries	18			
	Promoting compliance by business partners with employee rights and occupational health and safety measures	19			

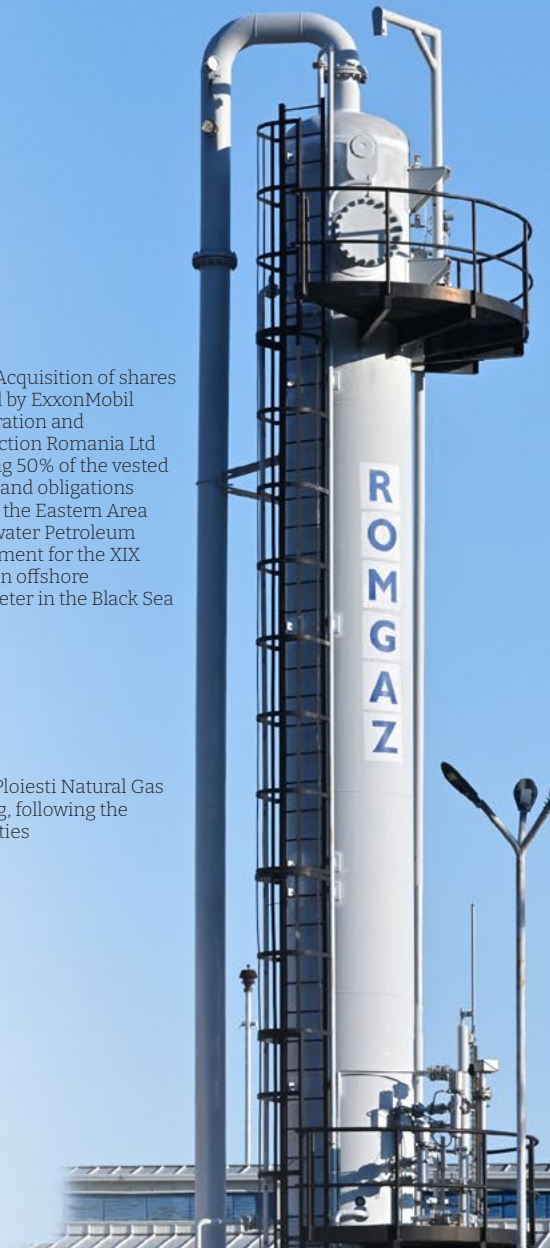
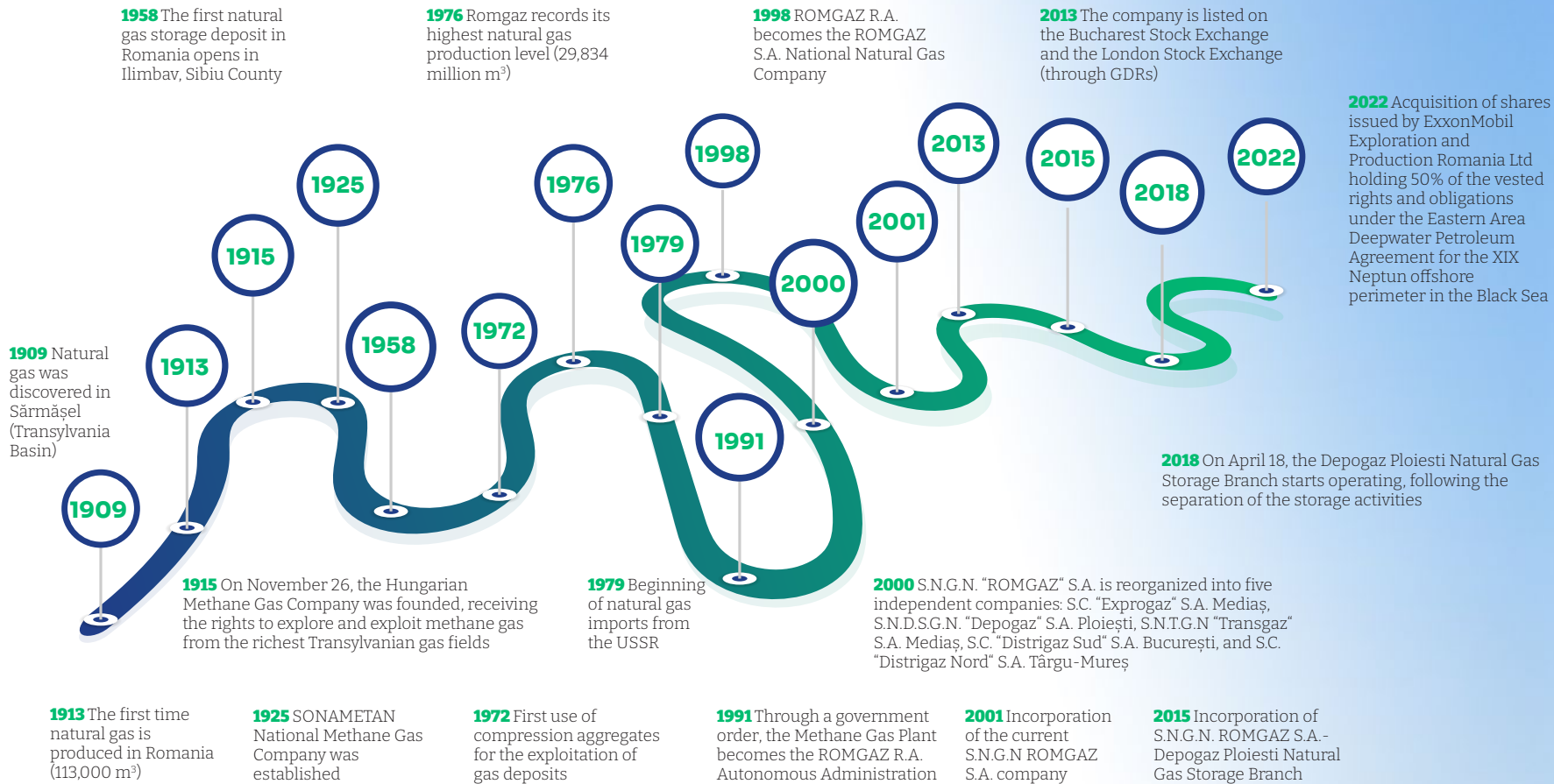
Materiality matrix



About the ROMGAZ Group

History

More than a century ago, in 1909, the first natural gas reservoir was discovered near the heart of Transylvania, in Sărmășel. The expansion of the use of this type of resource generated economic development in the area, providing clean energy to the entire country to this day.



The ROMGAZ Group

National Natural Gas Company Romgaz S.A. is listed on the Bucharest Stock Exchange (BVB) and the London Stock Exchange (LSE), and the company's shares and Global Depository Receipts (GDRs), which are based on ROMGAZ shares, are traded on the BVB and the LSE respectively.

ROMGAZ is the leading producer and supplier of natural gas in Romania. The company has a tradition of over one hundred years in the exploration and exploitation of natural gas, its history starting in 1909 with the discovery of the first commercial gas field in the Transylvanian basin, through the drilling of the Sărmășel-2 well.

In direct connection with its main operating sector, ROMGAZ owns the largest market share in Romania in terms of the underground storage of natural gas. It also owns natural gas-based electricity production capacities.

In 2023, the ROMGAZ Group operated in two types of markets: the regulated market, where it carried out natural gas distribution activities, and the unregulated market, where it had natural gas and electricity production and supply activities, as well as underground gas storage. All the natural gas traded by ROMGAZ during the year was sold on the domestic market.

ROMGAZ sold the quantities of natural gas both at the regulated price (according to GEO no.27/2022) as well as on the free market, both through bilateral negotia-

tion as well as on the centralized market managed by the Romanian Commodities Exchange (BRM).

The ROMGAZ Group:

- had a market share of approx. 50% of natural gas deliveries in Romania's total consumption, up by about 1% compared to 2022;
- had a market share of 1.72% on the wholesale electricity market;
- as a natural gas supplier, it held a national market share of 37-50% between 2015 and 2023
- is the largest provider of underground gas storage services, holding approximately 90.5% of Romania's total storage capacity.

The Group's revenues are mainly derived from the production and supply of natural gas (production and supply of own gas and gas resulting from joint ventures, delivery of gas sourced from imports and other domestic producers), the underground storage of gas, and the production and supply of electricity and other specific services.

The Romanian Government, through GEO no.106/2020 amending the Electricity and Natural Gas Law no.123/2012, also decided to rescind regulation on natural gas storage activities. Therefore, following the 2020-2021 extraction cycle, storage has no longer been a regulated activity.

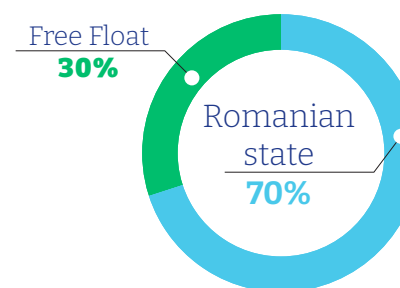
Structure of ROMGAZ’s share capital

ROMGAZ’s share capital totals RON 385,422,400, fully subscribed and paid up, and divided into 385,422,400 shares, with each share holding a nominal value of RON 1. The share capital has remained unchanged since November 2013, when ROMGAZ was listed on the Bucharest Stock Exchange (BVB) and the London Stock Exchange (LSE). As of this date, the company’s shares have been traded on the regulated market managed by the BVB under the symbol “SNG” and on the regulated market managed by the LSE, in the form of GDRs issued by the Bank of New York Mellon (1 GDR = 1 share), under the “SNGR” symbol.

No significant changes were recorded in the shareholding structure of S.N.G.N. ROMGAZ S.A. in 2023. The company’s majority shareholder is the Romanian State, through the Energy Ministry, which owns 70.0071% of the ROMGAZ share capital. The majority shareholder of ROMGAZ, together with other individuals and legal entities, benefits from the dividends approved by the shareholders. The ROMGAZ Group complies with the national legislation and pays taxes and duties in a correct and timely manner, calculated according to legal requirements.

On 31 December 2023, the company had the following shareholding structure:

	Number of shares	%
Romanian state¹	269,823,080	70.0071
Free float - total, of which:	115,599,320	29.9929
*legal entities²	95,343,630	24.7374
*individuals	20,255,690	5.2555
Total	385,422,400	100.0000



The company **made no transactions with own shares** in the 2023 financial year, and owned none of its own shares as of December 31, 2022.

Activities of the ROMGAZ Group

Activities of the ROMGAZ Group:

- natural gas exploration-production (carried out within ROMGAZ and ROMGAZ Black Sea Limited);
- underground storage of natural gas (carried out within Depogaz Subsidiary);
- natural gas supply;
- special well operations and services;
- maintenance and transport services;
- electricity production;
- natural gas distribution.

Exploration

Exploration operations have been carried out in 8 Blocks in Transylvania, Muntenia-Oltenia, and Moldova, based on a Concession Agreement approved by GD no. 23/2000, since October 1997. Currently, exploration is being carried out based on Addendum no. 6 (approved by GD no. 1011/22.09.2021) to the exploration-development-exploitation (E.D.E.) Concession Agreement, approved via GD no. 23/2000, which has a validity period of 6 years (10.10.2021 - 09.10.2027), with a minimal approved program comprising 36 wells with a length of 92,000 m and 1,000 km² 3D seismic equipment for all 8 perimeters. The total value of the program is USD 195 million.

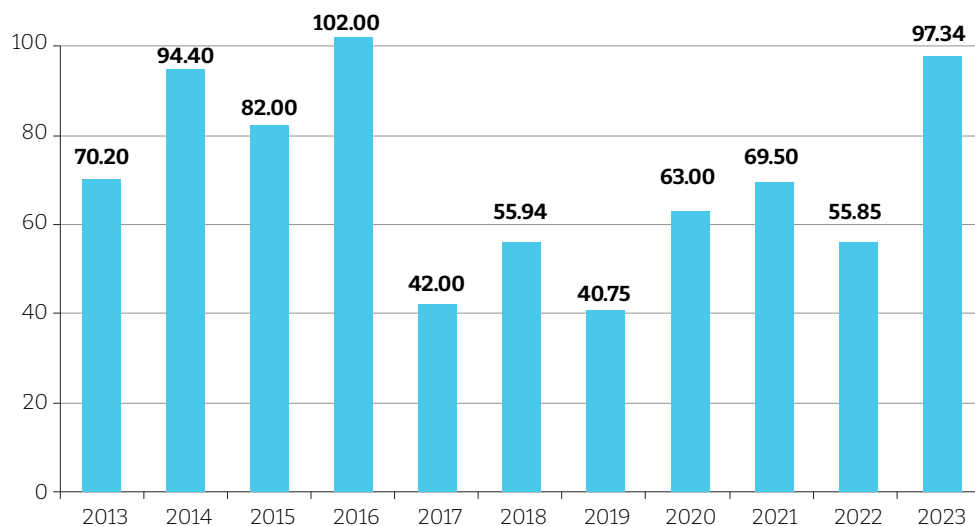
RBSL Subsidiary does not own any assets or interests and is not a party to any joint operating agreement, exploitation agreement, production sharing or similar agreement, other than the Concession Agreement for Petroleum Exploration, Development, and Exploitation in the XIX Neptun Perimeter, Black Sea Deep Water Area (Neptun Deep Project).

ROMGAZ's main achievements in 2023 were:

- Exploration well drilling:
 - two completed wells, both under gas conservation;
 - one tested well which was abandoned during testing;
 - two exploration wells awarded via tender and six others in advanced procurement procedures for drilling works;
 - 34 wells in various stages of readiness for procurement of drilling works
- an ongoing process of procurement and processing of 3D seismic data for the exploration-development-exploitation perimeters RG.01 Northern Transylvania and RG.02 Central Transylvania, covering an area of approximately 700 km².

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

The evolution of reserve replacement rates over the 2013-2023 period is illustrated in the figure below:



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

Production

The 2023 annual Petroleum operations program took into account the dynamics of natural gas demand, the ongoing reactivation, replenishment, and well intervention works, the commissioning of new exploitation wells and those resulting from exploration operations, and programs carried out to maintain compression stations and gas drying stations.

Natural gas production in 2023 reached 4,788.5 million cubic metres, 147.4 million cubic metres less than the previous year's production, representing a 3.0% decline in production. In a context where most of the commercial fields in operation are mature, in an advanced stage of energy depletion, keeping the production decline under control was possible mainly due to the following actions:

1. Implementing measures to optimize natural gas production;
2. Finalizing investment works to expand productive infrastructure and connecting new wells to this infrastructure;
3. Continuing and expanding rehabilitation projects on the main mature gas fields: Filitelnic, Delenii, Laslău, Sădinca, Coșșa Mică, Nadeș-Prod-Seleuș, Roman, Corunca Sud, Târgu Mureș, Grebenișu, Bazna, Cetatea de Baltă, Mărgineni, Corunca Nord, Iclânzul Vaideiu, Sărmășel;
4. Carrying out capitalizable repair works and operations, re-equipping and stimulating inactive or low productivity wells.

Underground storage of natural gas

At this time, 6 underground storage sites are operating in Romania, all located inside depleted deposits. Through the Depogaz Branch, the ROMGAZ Group owns and operates 5 deposits totaling a storage capacity of 4.065 billion cubic meters and an active working volume of 2.87 billion cubic meters.

At the national level, the ratio between the volume of working gas and annual consumption stood around 29.5% in 2023, in the top half of the ranking of European countries.

In 2023, the ratio between the volume of stored gas and the working volume of storage deposits stood at 102.81%. Through Emergency Ordinance no.106/2020 amending Law no.123/2012 on electricity and natural gas, the Romanian Government also decided to eliminate regulations on natural gas storage operations. As a result, following the 2020-2021 extraction cycle, storage has no longer been a regulated activity.

Supply of natural gas

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

In 2022, in the international context generated by the price increases on the energy markets, in order to ensure a rigorous discipline of the national market and a high degree of economic and social protection for consumers, the government adopted GEO no.27/2022 providing measures to be applied to final customers in the electricity and natural gas market in the 1 April 2022 - 31 March 2023 period, as well as the amendment and completion of several regulations in the energy sector. The period of application for GEO 27/2022 was subsequently extended until 31 March 2025.

As a result, since April 2022, there has been significant regulation in the household and heat producer segments, in terms of both prices and contracted quantities.

As a natural gas supplier, ROMGAZ held a national market share in the range of 37-50% during the 2015-2023 period, as follows:

	U.M.	2022	2023
Total consumption at the country level	billion m ³	10.4	9.7
ROMGAZ sales (internal + imports)	billion m ³	5.1	4.8
ROMGAZ market share	%	49.41	50.0

The quantities above include gas from the company's own internal production, including technical consumption, internal gas acquired from third parties, and imported gas. Deliveries also include gas provided to Iernut and Cojocna for electricity production.



Well workover and special operations

The SIRCOSS unit, established in 2003, provides services covering two main types of activities:

- Intervention, re-equipment, completions, and well production tests represent the totality of services carried out using tower installations and snubbing units;
- Special well operations – services carried out with various transportable machines in order to perform well or surface operations.

Operations carried out in 2023 were characterized by an upward consolidation of volumes in terms of both intervention works and well re-equipment, as well as in the volume of services provided by the special operations activity, where 8,572 operations were carried out. In terms of the status of well reactivation works, a total of 191 well works were scheduled in 2023 and works were carried out in all 191 of these wells. In 2022, the number of wells that were subject to re-equipment and capitalizable repair works, compared to the plan, was as follows:

	Mediaș Branch	Târgu Mureș Branch	ROMGAZ TOTAL
Planned	81	110	191
Completed	88	103	191
Difference	109.0%	93.6%	100.0%

Transport and maintenance

STTM was established in October 2003 through the takeover of transport fleets from the Mediaș, Târgu Mureș, and Ploiești branches. The branch provides transport services for goods and people, specific technological transport, auto repairs, and maintenance works for the company and third parties. STTM’s fleet is diversified, comprising vehicles and machinery for the following types of transport services:

- Passenger transport with cars, minibuses, buses, and coaches;
- Mixed transport with <3.5 and >3.5-ton utility vehicles;
- Technological transport with lorries, platforms, dump trucks, disposal vehicles, tankers, self-propelled trailers, and self-propelled trucks;
- Transport and machinery works: tractors, bulldozers, front loaders, earthmoving machinery, excavators. Fleet maintenance is carried out by the company’s own auto repair workshops. In its four branches (Târgu Mureș, Mediaș, Ploiești and Roman), STTM has workshops which are authorized by the Romanian Motor Registry, employing specialized staff for the maintenance of STTM vehicles and machinery.

The types of services provided within the maintenance activity are highly diverse, provided by teams who are specialized in the mechanical, electrical, and automation fields.



Electric power generation

CTE Iernut is an important junction 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 the Iernut and Cuci localities, with facilities for methane gas supply, industrial water, and power evacuation. CTE Iernut is operated through ROMGAZ's Electricity Production Branch (SPEE).

CTE Iernut has an installed capacity of 800 MW, consisting of 6 power units: 4 Czechoslovakian-made 100 MW units and 2 Soviet-made 200 MW units. The units began to operate between 1963 and 1967.

In the context of investment works starting on the 430 MW Combined Cycle Power Plant and of the need to ensure proper conditions for works at the related cooling circuit, the 200 MW group 6 was permanently shut down in November 2019.

In January 2019, units 2 and 3, with 100 MW each, were permanently withdrawn from commercial operation; in November 2019, they were followed by unit 1 (100 MW), and in June 2020 by unit 4, with all the shutdowns being due to non-compliance with environmental requirements.

In 2023, only the 200 MW energy unit 5 operated at SPEE Iernut.

Natural gas distribution

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



Customer relations

Customer relationship management is carried out by means of procedures and work instructions, internal regulations which are available to employees on the company's intranet page.

These internal regulations relate to:

- Pre-contractual negotiation;
- SIRCOSS customer complaints resolution;
- Forecast monitoring;
- Market price monitoring;
- Offers;
- Next Day Market;
- Availability statements;
- Intraday Market;
- Gas sales contracts;
- Gas procurement contracts;
- Gas delivery schedule;
- Recalculation of billing prices;
- Signing of SIRCOSS contracts;

- Tracking of SIRCOSS contracts;
- STTM contracting;
- Evaluation of customer satisfaction;
- Trading electricity on the Centralized Bilateral Contract Market (CBMP);
- Management of trading activity;
- Mediation of disagreements;
- Settlement of SD access disputes;
- Handling complaints at Iernut.

According to the procedure, customer satisfaction evaluation questionnaires are sent out annually. The results are centralized, analyzed, and reported to management. Since 2020, the year in which the Covid19 health crisis began and imposed numerous restrictions, the company has not organized any new events with customers. The categories of customers in the company's portfolio, based on activity, are: end consumers, producers of heat for households, producers of electricity, producers of chemical fertilizers, operators of natural gas distribution, transmission, and storage systems for technological consumption.



In 2023, no complaints about breaches of customer confidentiality were submitted to the company and there were no incidents regarding customer data management.

The ROMGAZ supply chain

ROMGAZ's origin and history are closely related to Romania's development, which we support and continuously try to promote throughout the company's supply chain. ROMGAZ's vital role in Romanian society and the importance of its presence in the community have led the company to develop specific procurement management procedures that allow it to comply with both legal provisions and its internal rules. ROMGAZ is also aware that its activities support stakeholders across the value chain and the company aims to have fruitful and sustainable business relationships with suppliers and contractors. The company highly values the excellent collaboration it has with its business partners and seek to continuously improve these relationships.

Process Procedure PP-02 - Procurement, which is under revision, covers all the steps involved in the procurement of a product/service/work from the time of the preparation of the proposals for the Annual Sectoral Procurement Program to the time of receipt of the product/service/work. According to the legal provisions on sectoral procurement, the company's supplier selection process cannot be and is

not based on any component related to their location, so the company does not keep such records. The number of local suppliers, the value of goods purchased from them, their share in the total number of suppliers are incidental values, not the result of actions or inactions of the company. New suppliers were not selected on the basis of the working conditions offered to their own employees. No negative social impacts have been reported in the supply chain.

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

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



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

The company’s main procurement categories are:

- Products: tubing, well cement, Christmas trees, casing, gasoline, diesel, compressor spare parts, vehicle spare parts, workplace safety equipment, software, computers, servers, UPS, gas metering instruments, natural gas and air compressors, various consumables.
- Gas well drilling works for exploration and production, refurbishments of compressor stations at gas deposits, surface works at well clusters (dehydration stations, separation, heating, cooling, adjustment, and metering, works performed on collectors from well clusters located in delivery points to SNTGN Transgaz S.A., environmental protection works, repair works for installations and equipment, gas well rehabilitation in mature fields, etc.)
- 2D and 3D geophysical surveys, well perforation services, investigations in cased and open holes, communication services, design services for investments (well drilling, gas store modernization, feasibility studies, etc.).

In line with the provisions of Order no. 2,395 of 27 December 2023, issued by the National Agency for Public Procurement (ANAP) for the approval of the ecological criteria applicable to the categories of products having an environmental impact throughout their entire lifecycle, set out in Annex no. 2 to the Methodological Norms for the application of the provisions on the awarding of the sector contract/framework agreement of Law no. 99/2016 on sectoral procurement, approved by Government Decision no. 394/2016, respectively in Annex no. 2 to the Methodological Norms for the application of the provisions on the awarding of the public procurement contract/framework agreement of Law no. 98/2016 on public procurement, approved by Government Decision no. 395/2016, ROMGAZ complies with and applies its requirements.

Suppliers’ environmental impact

All tender specifications related to the supply of goods, services or works by potential suppliers include a chapter on the environment, requiring compliance with environmental regulations. As such, using the form titled “Environmental protection requirements for the procurement of goods/services/works” attached to the Tender Specification and subsequently to the contract between parties, potential suppliers commit to complying with all the environmental protection measures required by the applicable legislation.

The operational procedure titled “Establishing requirements related to occupational safety, health, emergency situations, and environmental protection used for procurement of goods/services/works” in the Integrated Management System regulates the manner in which ROMGAZ requires providers of goods/service/works providers to comply with legal requirements on occupational health and safety, emergency situations (PSI/PC), and environmental protection. This way, the risk of third parties breaching environmental requirements related to the supplied good/service provided/work performed, due to not being informed by ROMGAZ, is minimized.

All suppliers are evaluated using environmental criteria under the following procedures: “Conducting an open tender,” “Negotiation without prior invitation to a competitive bidding procedure,” “Procurement of temporary preparatory works for drilling and production tests at exploration wells,” “Procurement of services and auxiliary products necessary for natural gas exploration,” by filling out the “PRIMARY/FINAL EXAMINATION DOCUMENT.”



All new suppliers have been evaluated using environmental criteria. No significant or potentially negative impact has been identified among suppliers in the supply and service chains.

Company management



The General Meeting of Shareholders (GMS) is the company's management body, which decides upon operational and economic policies in compliance with applicable legal provisions. ROMGAZ is managed on a unified basis by a Board of Directors (BoD) that includes 7 members (6 non-executive members and one executive member) with economics and legal backgrounds, who were appointed by the GMS for a 4-year term that started on March 16, 2023.

As of 31.12.2023, the Board of Directors included one woman and one person belonging to the category of underrepresented social groups - minorities.

The work of the Board of Directors is supported by 4 advisory committees:

1. Audit Committee
2. Risk Management Committee
3. Nomination and Remuneration Committee
4. Strategy Committee

The Board of Directors has delegated the management of the company to 3 officers: the CEO, the Deputy CEO, and the Chief Financial Officer (CFO). The administrative and executive management structure of Depogaz can be found on its website at: www.depogazploiesti.ro/ro/despre-noi/conducere.

The Board of Directors

The Board of Directors acts in the best interest of ROMGAZ to achieve the company's organizational purpose and it is legally responsible for compliance with internal laws and regulations, ethical and moral rules, and specific standards. Although it delegates some of its responsibilities to the mandated executives, the Board of Directors remains legally responsible for the fulfilment of the approved Management Plan and GMS resolutions. Governance bodies ensure that legal reporting and disclosure requirements and deadlines are met, as well as oversee that the purpose, values, organizational strategies, regulations, and governance policies are observed.

The Board of Directors establishes rules on ethical business conduct, on the control of transactions with individuals with whom ROMGAZ has close relationships, on transactions with those with insider knowledge, on the reporting of non-compliance, as well as any other rules that have effects on shareholders, directors and/or managers of the company.

The Board's responsibilities, as established by the Article of Incorporation, are mainly the following:

- to establish the main directions of the company's activity and development;
- to approve the company's management plan;
- to establish accounting and financial control system policies and approve financial planning;
- to prepare the annual management report;
- to draw up rules for its own activities, as well as those of the General Meeting of Shareholders, advisory committees, and executives.

The Board of Directors establishes the company's main development directions and submits them for approval to the General Meeting of Shareholders, in accordance with Art. 12 par. (4) letter a) of the company's Article of Incorporation, which can be viewed on the official website at: www.romgaz.ro/documente-de-referinta.

In 2023, during the period of the provisional mandates, the work of the directors and officers was carried out on the basis of mandate contracts approved by the GMS and the Board of Directors, respectively.

Following the appointment of Board members and executives for four-year mandates, the company's Governance Plan – a working tool for administrators and executives which establishes the mission, objectives, actions, resources, as well as financial and non-financial performance indicators. The management plan is correlated with the expectations letter and it is structured on the two components: administration and management.

The company's strategic objectives, developed by the BoD and approved by the GMS, the measures and actions included in the Management are turned by the executive management into programs, along with the development of tools needed for their implementation. <http://www.romgaz.ro/programe-si-strategii>

Advisory Committees

The criteria that were taken into account in establishing the composition of the Committees can be found in their internal regulations as published on the ROMGAZ website under Internal Rules of the Board of Directors: www.romgaz.ro/documente-de-referinta.

The responsibilities and competences of each committee can be found in their Internal regulations as published on the ROMGAZ website under www.romgaz.ro/documente-de-referinta.

On December 31, 2023, the advisory committees had the following structure:

Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Strategy Committee
Sorici Gheorghe Silvian - president Braslă Răzvan - member Nuț Marius Gabriel - member	Nuț Marius Gabriel - president Balazs Botond - member Braslă Răzvan - member	Sorici Gheorghe Silvian - president Braslă Răzvan - member Drăgan Dan Dragoș - member	Balazs Botond - president Braslă Răzvan - member Drăgan Dan Dragoș - member Jude Marius Aristotel - member Stoian Elena Lorena - member

A Risk Management Committee has been established within the ROMGAZ Board of Directors with an important role in the area of sustainability and ESG obligations:

- Assists the Board in defining the company's ESG strategy by understanding how the company is able to create value taking into account ESG influences;
- Monitors risk management on sustainability issues, ESG aspects, industry developments, and the implementation of effective crisis management policies;
- Monitors sustainability reporting and related processes within the company to identify information reported in accordance with relevant sustainability reporting standards;
- Monitors external ESG trends, understands the associated risks and opportunities and the expectations of the company's key stakeholders in this regard;
- Monitors the company's impact on the natural environment and its adaptation to climate change;
- Monitors the company's interactions with employees, shareholders, and the communities in which it operates, including applicable workplace policies and any social or community projects undertaken by the company;
- Reports to the Board any ESG issues that may affect the company's business, operations, performance or public image or that are relevant to the company and shareholders;
- Monitors actions or initiatives taken to prevent, mitigate, and manage risks related to ESG issues that may have a material adverse impact on the company or are otherwise relevant to shareholders and provides guidance in this regard;
- Analyzes risks and opportunities associated with social, environmental, and economic impacts as measured from a stakeholder perspective.

Executive directors and authority delegation

According to the provisions of the relevant legislation and the Articles of Association of the Company, “the Board of Directors shall delegate, in whole or in part, the powers of company management to one or more directors, appointing one of them as Chief Executive Officer”, “director” meaning “the person to whom powers of company management have been delegated by the Board of Directors.”

The powers delegated to the directors appointed by the ROMGAZ Board of Directors, i.e. the CEO, the Deputy CEO, and the Chief Financial Officer, have been expressly established by Decision.

As of 16 May 2023, following the appointment of the CEO for a 4-year term of office, **the powers delegated to the CEO** by the Board of Directors Resolution No 55 /15 May 2023 are as follows:

- to exercise all the management powers of ROMGAZ, except for those powers that have not been delegated to Directors, and those that have been delegated to the Chief Financial Officer and the Deputy CEO;
- to coordinate/be responsible for the activities carried out at the ROMGAZ level to obtain the financing of the ROMGAZ Group’s share of the Neptun Deep project;
- in the event of a positive conflict of competence between a competence of the CEO and one of the Deputy CEO or the Chief Financial Officer, the competence shall lie with the CEO;
- the CEO is also the legal representative of ROMGAZ, according to art. 143^{^2}, para. (4) of the Companies Act no. 31/1990;

- as legal representative, the CEO may empower other individuals with the capacity of ROMGAZ employee or executive, to represent ROMGAZ and/or its component branches, with prior notice to the Board of Directors, 5 days before issuing the document of empowerment;
- as legal representative, the CEO has the right to delegate the representation of the company and/or its component branches to one or more legal advisors of the company and/or individuals holding lawyer status, without giving prior notice to the Board of Directors.

In order to monitor compliance with the rules of professional conduct, ethics, and integrity by ROMGAZ’s management and staff, the ethics advisors develop half-yearly analyses and reports on the issues raised to the CEO. The reports are approved by the CEO and forwarded for information to the Commission for the Monitoring and Coordination of the Implementation and Development of the Internal Control Management System and the Audit Committee.

Ethics advisors have an independent and objective approach to all situations brought to their attention and treat all available information with the utmost discretion, confidentiality, and non-discrimination.

In 2023, a total of 57 complaints were registered in the Reporting Registry, which is managed by the ethics advisors. The regulations violated were mainly internal rules governing employees’ work, i.e. the Internal Rules, the Collective Labor Agreement, the Code of Ethics and Integrity, and the job description (annexed to the individual employment contract).

The Duties delegated to the Deputy CEO, through Article 6 of the Board of Directors Decision No. 55 of May 15, 2023, are:

- to exercise the management powers of the Strategy, International Relations, and European Funds Department, Regulations Department, Energy Trading Department, Quality, Environment, Emergency, and Critical Infrastructure Department, Information Technology Department, Investment Project Management Service, Project Management Office, Patrimony Office;
- to coordinate the activities carried out at the ROMGAZ level regarding the Neptun Deep project, except those related to obtaining the financing of the ROMGAZ Group's share of the project;
- to plan, approve, and coordinate the implementation of operations that are necessary and useful for the proper performance of ROMGAZ's activities, which, according to the law and ROMGAZ's Rules of organization and operation, fall within the competence of the above-mentioned organizational units.

The Duties delegated to the Chief Financial Officer, through Article 5 of the Board of Directors Decision No. 55 of May 15, 2023, consist of:

- to exercise the management powers of the Economic Department, whose structure includes the organizational units indicated by the ROMGAZ organizational chart;
- to plan, approve, and coordinate the implementation of that are operations necessary and useful for the proper performance of ROMGAZ's activities, which, according to the law and ROMGAZ's Organizational and Operational Rulebook, fall within the competence of the organizational units within the Economic Department.

The powers exempted from delegation to the 3 mandated directors appointed by BoD Decision 55/2023 are:

- company management duties that cannot be delegated by the Board of Directors, according to the Article of Incorporation;
- issuing/signing legal documents with values exceeding RON 300 million.



Selection of members for the company's management bodies

The ROMGAZ executives are required to regularly inform the Board of Directors on how the delegated tasks are being carried out, and they have the right to request and obtain instructions on how to carry out the tasks that have been delegated to them.

ROMGAZ complies with and applies the provisions of GEO no. 109/2011 on the corporate governance of public companies, with subsequent amendments and additions, approved by Law no. 111/2016 and the Methodological Rules of application (GD no. 722/2016) on the procedure for the selection and appointment of mandated board members and directors.

The Nomination and Remuneration Committee is essentially responsible for establishing candidate selection procedures for mandated administrator and director roles, making proposals for director roles, and being involved in the selection and re-

cruitment of mandated executives, including by making proposals for their remuneration. The Committee is also required to draw up an annual report on remuneration and other benefits granted to mandated administrators and executives throughout the financial year.

The selection and appointment of directors was made taking into account the specificity and complexity of ROMGAZ's activity and the eligibility criteria set out in the letter of expectations, meeting the current legal requirements of diversity and independence. The selection process and criteria are presented here: www.romgaz.ro/procese-selectie-ca. In addition, Article 17 of the Rules of the Board of Directors stipulates that directors are required to participate in training courses on areas of importance to the company: www.romgaz.ro/sites/default/files/2020-02/Regulament%20Intern%20al%20Consiliului%20de%20Administratie_1.pdf.



ROMGAZ follows and applies the legal requirements regarding the corporate governance of public enterprises

On December 31, 2023, the ROMGAZ Board of Directors had the following configuration:

Name	BoD role	Status*	Employer	Professional background
Dan Dragoș Drăgan	president	Non-executive, non-independent	Ministry of Energy	Economist
Aristotel Marius Jude	member	Executiv, non-independent	S.N.G.N. Romgaz S.A.	MBA Lawyer
Marius-Gabriel Nuț	member	Non-executive, independent	S.C. Sanex S.A. and S.C. Lasselberger S.A.	Economist/ Auditor
Răzvan Braslă	member	Non-executive, independent	S.C. Blom Project Management S.R.L.	Economist
Gheorghe Silvian Sorici	member	Non-executive, independent	S.C. Sobis Solution S.R.L.	Economist
Botond Balazs	member	Non-executive, non-independent	S.N.G.N. Romgaz S.A.	Lawyer
Elena-Lorena Stoian	member	Non-executive, independent	SCA Stoian și Asociații	Lawyer

According to the independence statements submitted to the company, four of the executives declared themselves as independent and three as non-independent. The independence of the members of the Board of Directors is determined using the criteria detailed in the ROMGAZ Corporate Governance Code (art.6). Accord-

ing to the information they've provided, there is no agreement, understanding or family relationship between the executives and any other person that could have determined their appointment as executives.



Remuneration for members of the Board of Directors

The remuneration policy is subject to the approval of ROMGAZ shareholders whenever there is a significant change. The remuneration policy applicable in financial year 2023 was approved by the Ordinary General Meeting of Shareholders by Resolution no. 3 of April 28, 2022, in compliance with Law no. 24/2017 on issuers of financial instruments and market operations, which introduced new requirements compared to those regulated by GEO 109/2011 on the corporate governance of public companies.

The remuneration policy establishes the remuneration principles, frameworks, structure, and benefits and/or other advantages applicable to ROMGAZ Board members and officers during their respective mandates. The policy is published on the ROMGAZ website: www.romgaz.ro/documente-de-referinta.

In establishing its Remuneration Policy, ROMGAZ took into account the following general principles:

- attracting, retaining, and motivating the best administrators and directors;
- ensuring the long-term sustainability of ROMGAZ's profit and activity;
- rewarding the achievement of financial and non-financial targets and performance indicators;
- maintaining competitiveness on the remuneration market;
- aligning remuneration with good governance recommendations;
- promoting transparency regarding remuneration and the criteria used to set it;
- maintaining a fair balance between fixed and variable remuneration.



Following the appointment of Board members and officers for four-year mandates and the approval of the Governance Plan, the Ordinary General Meeting of Shareholders approved the financial and non-financial performance indicators that are used as the basis for the variable component of the remuneration.

Details on the remuneration of mandated administrators and directors with mandate are presented in the Annual Report on the remuneration, benefits, and/or other advantages granted to the members of the Board of Directors and directors of S.N.G.N. Romgaz S.A. for financial year 2023, available at www.romgaz.ro/documente-de-referinta.

The progress on the objectives laid out by the Management Plan and the extent of achievement of the financial and non-financial performance indicators approved by the General Meeting of Shareholders are the basis for determining the variable component of the remuneration of ROMGAZ administrators and directors.

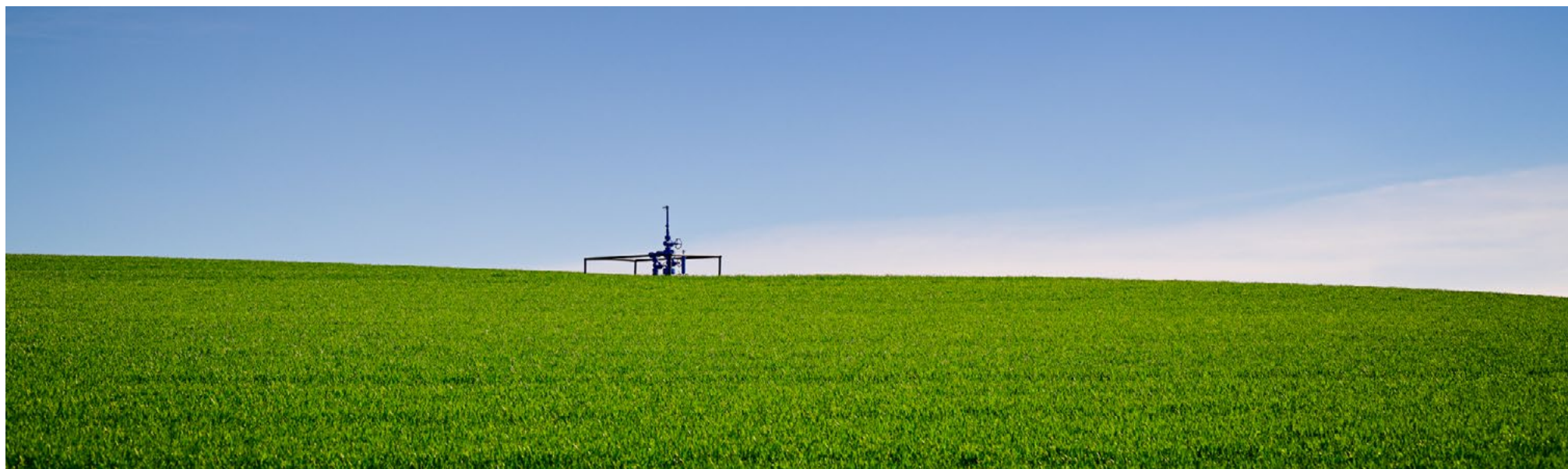
According to the provisions of GEO no. 109/2011 on the corporate governance of public companies, the evaluation of administrators is carried out annually by the

General Meeting of Shareholders with the assistance of experts in such evaluations, as appropriate. The evaluation covers the execution of both the mandate contract and the management plan.

The evaluation of the activity of ROMGAZ directors is also done annually by the Board of Directors and covers the execution of the mandate contract and the management component of the Management Plan.

ROMGAZ has developed and approved a Policy on the evaluation of the members of the Board of Directors. The document is published on the Company's website: www.romgaz.ro/sites/default/files/2020-02/Politica%20privind%20evaluarea%20Consiliului%20de%20Administratie.pdf.

No evaluation of directors was carried out in 2023. During interim terms, the remuneration of ROMGAZ directors and officers consisted exclusively of a fixed compensation.



Conflicts of interest

ROMGAZ places particular importance on the avoidance and management of conflicts of interest, through the establishment of internal regulations set out in the Code of Ethics and Integrity, operational procedure OPO-171 Prevention of potential conflicts of interest and the Internal Rules of the Board of Directors. The Audit Committee also has an important role in managing conflicts of interest under the Audit Committee Internal Rulebook. The Internal Rulebook of the Board of Directors and the Code of Ethics and Business Conduct contain conflict of interest provisions: www.romgaz.ro/documente-de-referinta.

Conflicts of interest are disclosed to stakeholders by:

- the Code of Ethics and Integrity;
- Internal Rules of the Board of Directors (Art. 13 Conflict of Interest);
- Internal Rulebook of the Audit Committee (Chapter 5 Audit Committee's Powers, point d);
- Policy on related party transactions.

In cases where the CEO has a conflict of interest in approving and/or signing any documents issued by ROMGAZ or to which ROMGAZ is a party, the Board of Directors empowers the Deputy CEO to approve and/or sign in the name and on behalf of ROMGAZ. In the event that the CEO and the Deputy CEO are both in conflict of interest for the approval and/or signature of any documents issued by ROMGAZ or to which ROMGAZ is a party, the Board of Directors shall empower the Chief Financial Officer to approve and/or sign in the name and on behalf of ROMGAZ.

Pursuant to the provisions of GEO no. 109 /2011 and the mandate contracts, the Executive Directors shall prepare and submit—quarterly or whenever requested—to the Board of Directors reports on the execution of the mandate contract and the management component of the management plan, significant changes in the business situation and in external conditions that could affect ROMGAZ's performance or its strategic prospects.



Corporate governance, ethics, and anti-corruption efforts

Corporate governance

As a company which has been listed on the Bucharest Stock Exchange (BVB) since 2013, being subject to the capital market legislation and adhering to the provisions of the BVB Corporate Governance Code, ROMGAZ applies the provisions of the BVB's Corporate Governance Code regarding the responsibilities of the Board of Directors, the risk management and internal control system, fair reward and motivation, added value through investor relations; moreover, the company has adopted its own Corporate Governance Code and follows the "Apply or Explain" principle as a mechanism for self-assessment of principles and recommendations of good practices. ROMGAZ's Consolidated Annual Directors' Report includes a corporate governance statement containing a self-assessment of how its corporate governance objectives are met, as well as the measures taken to comply with those that have not been fully met.

In the light of the principles of corporate governance for public enterprises developed on the basis of legislative and best practice standards, ROMGAZ has put in place the necessary levers to ensure compliance with governance principles, adopting and implementing a series of regulations and policies.

The structure, organization, and responsibilities of the governance bodies are regulated by the internal rulebooks of ROMGAZ's Board of Directors and advisory committees. The ROMGAZ management coordinates and monitors the rational management of resources and the running of the company's operations on principles of efficiency and effectiveness. The CEO implements and maintains an appropriate internal control system that can ensure transparency in all operational areas, trust in internal and external financial and management data, asset protection, fraud prevention and detection, skill stimulation and development, and employee involvement in decision-making based on skills and professional qualities.

ROMGAZ operates on the principle of separation of duties. There is a clear delineation between decision-making, execution, verification, and control actions. For any given activity, the four tasks are assigned to different people. These duties may be delegated according to the company's internal rules, in compliance with regulations, to designated substitute staff. This way, the risk of error, irregularity, illegality, etc. in the management of the company's assets and liabilities is reduced.



The existing management system derives its specific tasks from the requirements of the Integrated Management System, in line with the ISO-9000 standard group.

The Integrated Management System implemented at ROMGAZ supports the organization's mission to continuously increase its performance, competitiveness, and value and comprises approximately 600 system and operational procedures, work instructions, as well as Company Policy Statements.

ROMGAZ's corporate governance system comprises all the rules laid down in the Articles of Incorporation, the Corporate Governance Code, and other internal rules, which regulate the management and control of the company's activities.

The ROMGAZ corporate governance system is designed to support the following general objectives:

- Protecting shareholders' legitimate rights and interests;
- Ensuring equitable, equal, and fair treatment of shareholders;
- Protecting stakeholders' legitimate rights and interests;
- Defining clear roles, competencies, and responsibilities for the Board of Directors and executive management;

- The integrity, ethical behavior, and professional skills of ROMGAZ's management team and employees;
- The transparency and proper presentation of ROMGAZ's results and future prospects;
- The sustainable development of ROMGAZ.

The continuous improvement of the corporate governance system is a priority for ROMGAZ, to ensure the proper application of corporate governance principles in order to increase attractiveness for investors.

ROMGAZ also aims to improve its performance by identifying, analyzing, evaluating, and managing all risks that may occur at the company level in order to minimize the consequences of negative risks or, where appropriate, to increase the effects of positive risks.



During 2023, the number of Advisory Committees changed, with a Risk Management Committee being established in accordance with the legislative changes in the field of corporate governance³, which were subsequently transposed into the rules of the Advisory Committees.

ROMGAZ has also adopted and applied a series of policies that can be accessed on the website at www.romgaz.ro/documente-de-referinta. ROMGAZ implements a Policy on Administrator and Director Remuneration, Benefits and/or other advantages, a Policy on the Evaluation of Board members and officers, a Policy on Dividends, and a Policy on Affiliated Party Transactions.

In order to facilitate the exercise of shareholders' rights and to comply with the BVB Corporate Governance Code, an important corporate regulation, namely the Rules and Procedures of the ROMGAZ General Meeting of Shareholders, was drafted and approved by the ROMGAZ Board of Directors on May 11, 2023.

ROMGAZ's good corporate governance is based on:

- The ROMGAZ Internal Management Control System (IMCS) – its major objective is to increase the level of maturity so that its functionality within the company reaches an appropriate level of understanding, application, and monitoring. The degree of implementation of the IMCS standards is checked annually through self-assessment. For each standard, where appropriate, improvement measures and actions are included, with deadlines for implementation/accomplishment;
- The Integrated Management System - actions for the management of the Integrated Management System are planned for the 2023-2027 period;
- The 2021-2025 National Anti-Corruption Strategy (NACS) – requires continued efforts to meet the provisions of the NACS. In this regard, permanent actions are planned for the revision of the ROMGAZ Code of Ethics and Integrity, as well as information, awareness, and counselling sessions for employees, annual perception surveys, materials to promote the role of the ethics advisor, and the promotion of the system of values and principles laid out by the Code of Ethics and Integrity;
- Finalizing the implementation of SR ISSO 37001:2017 (anti-bribery management systems);



- The ongoing monitoring of the completion level of objectives and indicators (including performance indicators);
- The company's relationship with the capital market and investors;
- Compliance with the principles of corporate governance as set out in the applicable national regulations, namely the Corporate Governance Code of the Bucharest Stock Exchange (BVB).

An evaluation of the implementation of transparency and governance measures at ROMGAZ is carried out monthly, reporting implementation approaches to the relevant public authorities.

The evaluation covers aspects such as:

- The publication of annual/quarterly/bi-annual reports;
- The adoption and publication of Internal Rulebooks for the Board of Directors and Advisory Committees;
- The development of company policies (Remuneration policy for mandated administrators and executives, Board members' evaluation policy, Policy on transactions with affiliated parties, etc.);
- The development and adoption of the 10-year development strategy (The S.N.G.N. ROMGAZ S.A. 2021-2030 Strategy);
- The appointment of board members and executive management based on professional criteria;
- The publication of the structure of the Board of Directors, including members' names, surnames, positions within the board, and CVs;
- The adoption and publication of the Ethics and Integrity Code;
- The publication of asset and interest statements;

- The publication of GMS materials: convening notices, materials/documents related to meeting agendas, GMS decisions (OGMS, EGMS), other relevant documents;
- The adoption and publication of a Statement of BD Commitment referring to the implementation of the risk management policy and application of the internal control mechanisms, including the fact that the BoD ensures that the mechanisms are functioning properly;
- The publication of the company's Organizational Chart;
- The publication the administrative contract framework;
- The development and publication of the principles of the company's strategy (summary of the development and investment strategy, the main business lines being pursued, with a level of detail that does not jeopardize the company's competitiveness or generate a competitive disadvantage for the company);
- The adoption and publication of the social responsibility strategy;
- The adoption of the Corporate Governance Code.

The assessment of compliance with governance rules and principles is reflected in the table on compliance with the Stock Exchange Corporate Governance Code – annex to the Consolidated Directors' Report, available at www.romgaz.ro/rapoarte-anuale. ROMGAZ uses the “apply or explain” principle for clear, accurate, and timely communication to shareholders and investors on the matter of compliance with corporate governance rules.

An important achievement related to corporate governance was the completion of the procedure for the selection of administrators, in accordance with GEO no. 109/2011 on the corporate governance of public companies and the Methodolog-



An evaluation of the implementation of transparency and governance measures at ROMGAZ is carried out monthly, reporting implementation approaches to the relevant public authorities.

ical Rules of application approved by GD no. 722/2016, in March 2023, and the appointment of the Board of Directors for a 4-year term.

Until May 15, 2023, the Board of Directors had delegated the executive management of the company to 3 directors with provisional mandates, namely the CEO, the Deputy CEO, and the Economic Director, each with clearly defined areas of competence and responsibility. However, the CEO retains the power to represent ROMGAZ.

As of May 16, 2023, the positions of CEO, Deputy CEO, and Economic Director were filled, at the end of the related selection procedure, with 4-year terms of office.

The Board of Directors of ROMGAZ, consisting of 7 directors appointed by the General Meeting of Shareholders on criteria of skill, diversity, independence in thought and action, probity, and commitment, is supported in its work by the 4 advisory committees previously specified.

In the area of compliance, conduct, and conflicts of interest coordination, the Audit Committee of the Board of Directors has the following responsibilities:

- Ensures that ROMGAZ's policies and practices comply with local and international laws and regulations, regulatory recommendations, and best practices;
- Shall take all necessary steps to ensure that ROMGAZ adopts a Code of Ethics and Integrity. After the adoption of the Code, the Audit Committee will review the implementation and effectiveness of the Code of Ethics and Integrity at least once a year;
- Reviews the implementation of the Conflict of Interest Policy (or equivalent provisions). [Internal Regulation of the Internal Audit Committee_0.pdf](#) (romgaz.ro), page 7

The Risk Management Committee was established under Article 34(2) of the Treaty. (2^1) of amended GEO no. 109/2011, taking over part of the duties related to internal control and risk management from the Audit Committee. This committee is also entrusted with responsibilities related to sustainability and ESG obligations, due to the importance of ESG factors in the cost-revenue equation, development opportunities, and the structuring and implementation of any business strategy.



Ethics

The Code of Ethics and Integrity is a tool that contains important provisions regarding commitments to the company's shareholders, compliance with antitrust legislation, ensuring integrity and preventing acts of corruption, as well as fraud prevention and reporting. The fulfilment of the company's objectives, mission, and vision implies that ROMGAZ personnel carry out their activities in a way that complies with the system of fundamental values, general principles, and rules of professional conduct, ethics, and integrity according to the Code of Ethics and Integrity.

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

The Code of Ethics and Integrity refers to the National Anti-Corruption Strategy 2021-2025 and provides for the application of the precautionary principle and respect for human rights.

While there is no formal commitment to follow the principles of human rights at the company level, aspects of these principles are found in the Code of Ethics and Integrity. Furthermore, the Collective Labor Agreement contains two chapters providing information on rights and obligations arising from employment contracts/relationships www.romgaz.ro/etica-si-integritate.

Policy commitments apply to ROMGAZ staff and management in business relationships to ensure legal compliance, professional ethics, customer and partner relations, corporate social responsibility or any other issues relevant to the company's business and values. The policy commitments mentioned above have been



approved at the CEO level and are communicated internally on the ROMGAZ intranet, posted on the notice boards, and published on www.romgaz.ro in Romanian and English.

ROMGAZ ensures the necessary conditions for training and counselling on appropriate conduct with the aim of preventing the occurrence of any form of conduct that is contrary to the Code or internal rules and of putting an end to any such conduct as soon as possible after it is detected. As such, regular prevention, information, and training activities are carried out for all staff by ethics advisors, in order to inform and raise awareness on ethics and integrity issues.

Furthermore, the provisions of the Code of Ethics and Integrity are brought to the attention of management and staff as follows:

- For existing executive staff within the Company/Branches/Affiliates, training will be provided by the job managers.
- For newly hired staff, training on the Code shall be carried out before they actually start work, during general induction training. The training will be conducted by Ethics Advisors, according to the internal procedure, with the support of Human Resources Services - Head Office/Branches/Affiliates.

In 2023, ROMGAZ staff were trained on the rules of conduct, ethics, and integrity, provided for by the Code of Ethics and Integrity, the Internal Regulations, the Collective Labor Contract, and the topics included diversity and equal opportunities and non-discrimination.

Training was carried out in the company branches, among the working staff, for 112 employees.

Ethics and integrity training is essential as it helps prevent unethical behavior, reducing the risk of ethical breaches or conflicts within the company. Well-trained employees develop an increased awareness of ethical standards, improving their professional behavior and relationships with colleagues and taking responsibility for their actions. Ethics and integrity training is not only a necessity, but also a strategic investment in the long-term success of the company, helping to build a solid foundation and maintain a competitive position in the marketplace.



ROMGAZ implements the institution of the public interest whistleblower. The internal channels for reporting public interest issues and requesting ethics advice, ethics and integrity referrals/reports/warnings are open to any whistleblower, whether internal or external, and are available to both employees and the general public, both through the Whistleblower alert mechanism and through the contact details specifically displayed in the Ethics and Integrity section, directly to the ethics advisor. The ROMGAZ Code of Ethics and Integrity (available in both English and Romanian) iterates the modalities of referral/reporting to the Ethics Adviser as follows:

- a. the internal reporting channel accessible to internal/external public interest/integrity whistleblowers, available in Romanian and English on the website www.romgaz.ro Sustainability section, Ethics and Integrity, Public Interest Whistleblower www.romgaz.ro/form/avertizor-de-interes-public;
- b. by post, to S.N.G.N. Romgaz S.A., Piața C.I. Motaș nr. 4, CP 551130, Sibiu County, Romania, with the mention “Confidential – for the attention of the ROMGAZ Ethics Advisor”;

- c. by electronic mail, to the email address dedicated to the Ethics Advisor’s institution: consilierdeetica@romgaz.ro;
- d. via the Registry, in a sealed envelope, marked “Confidential – for the attention of the Ethics Advisor”;
- e. by personal submission of the report to the Ethics Advisor.

In order to improve reporting mechanisms, we regularly initiate discussions and exchange best practices with stakeholders in our specific field to maintain an open and confidential reporting system for ethical breaches, providing protection to users who report various issues.

We also implement an iterative and flexible approach in adjusting our reporting mechanisms by regularly assessing relevant legislative changes and integrating detailed employee feedback to ensure that our system is updated in line with the needs of the organization and all staff.



ROMGAZ regulates the handling of complaints received from the outside regarding information of public interest. There are 3 contact points for registering any complaints received from the community: consilierdeetica@romgaz.ro, comunicare@romgaz.ro, and petitii@romgaz.ro. For the underground gas storage service there is a dedicated phone number TELVERDE 0800833764 (08008DEPOG). Complaints can be registered online on ROMGAZ's external website by accessing the link www.romgaz.ro/formular-pentru-inregistrarea-plangerilor.

Also, through the report of the Ethics Advisor on the Monitoring of the application and observance of ethics and integrity principles and rules within ROMGAZ, issues are presented regarding possible deviations from the rules of conduct, provided for in the Code of Ethics and Integrity, the Internal Regulations, and the Collective Labor Agreement.

Ethics Advisors are responsible for counselling individuals on ethical conduct. The Code of Ethics and Business Conduct is available on the website in the Reference Documents section. Furthermore, in 2023, a brochure on the recognition and strengthening of the role and mission of the Ethics Advisor was developed and posted on ROMGAZ's internal IT network in the section dedicated to Ethics and Integrity issues. Incidents are reported via the public interest alert: www.romgaz.ro/form/avertizor-de-interes-public.

ROMGAZ carried out an annual evaluation of the implementation of employee professional conduct rules, as presented in the half-yearly reports of the Ethics Advisor for 2023. The instrument used in the evaluation of the implementation of

the Code of Ethics and Integrity for 2023 was the Questionnaire on the evaluation of the degree of awareness of the role of the Ethics Advisor, as well as that of the appreciation, knowledge, and compliance with the provisions of the Code of Ethics and Integrity within ROMGAZ. The results of the evaluations were reported by the Ethics Advisor to the General Manager and presented to the Commission for Monitoring and Coordination of the Implementation and Development of the Managerial Internal Control System and the Audit Committee of the Board of Directors.

Assessing the degree of understanding of the ethics advisor's role within ROMGAZ is necessary in order to ensure the strengthening of their role and of consistent, ethical, and honest professional conduct.

During the reporting period, a total of 9 (nine) cases of non-compliance with laws and regulations were identified; for these, the amount of RON 81,087.50 was paid to the state budget.

- The penalty imposed by the Romanian Waters National Administration, in the amount of RON 17,500 (the amount represents half of the fine), for the discharge of oil substances into the Moldova River;
- The penalty imposed by ANRE, amounting to RON 20,000 (the amount represents half of the fine), for not having a contract for the connection to the natural gas distribution system. This sanction has been contested.
- • The penalty imposed by the National Environmental Guard, amounting to RON 25,000 (half the amount of the fine), for carrying out well maintenance work without an environmental protection permit.



During the reporting period, no legal actions were registered against the organization for anti-competitive, anti-trust, and monopolistic behavior.

Anti-corruption

In 2023, ROMGAZ demonstrated a strong commitment to corporate governance and integrity by implementing and updating an extensive set of measures and procedures. The company’s Integrity Plan for the 2022-2025 period was reviewed and updated, resulting in a new plan for August-December 2023, in line with the National Anti-Corruption Strategy. Periodic evaluations confirmed the completion of the planned measures, and in December 2023 the ROMGAZ Integrity Plan for 2024 was drafted. In addition, ROMGAZ conducted an internal public audit mission to assess its corruption prevention system. During 2023, ROMGAZ implemented various system procedures for the prevention of conflicts of interest and corruption risk management. The company has also initiated an internal corruption prevention campaign and organized informative sessions for employees, reflecting its ongoing commitment to ethics and integrity.

ROMGAZ has carried out an action to identify the activities which are vulnerable to corruption across all its operations. The operation was defined as the organizational unit within ROMGAZ which, according to the provisions of the company’s Organizational and Operational Rulebook, *“can represent: a branch, department, division, directorate, center, office, service, compartment, formation, column, workshop, section, agency, warehouse - provided as such by documents or internal organizational and operational decisions.”*

100% of all organizational units within the company have been subject to such assessments.

The system procedure “Inventory of sensitive job functions” has been developed and implemented at the company level. .

Operations	2022		2023	
	Number	%	Number	%
Total no. of operations	409	100	269	100
Operations assessed for corruption risk	409	100	197	73.23

A number of risks have been identified as a result of the assessment, with the areas of high risk of corruption being: procurement, investment, human resources, information technology & telecommunications, financial, legal, drilling, exploration, production, land formalities, and sales.



The identified risks include:

1. The disclosure and dissemination of confidential information and documents to unauthorized individuals;
2. Subjective (preferential/biased) treatment of offers;
3. Subjective attitude towards evaluating audit missions;
4. Preferential relationships with contractors;
5. Public procurement of public goods, services, and works by means of circumventing applicable legal regulations in the field;
6. Developing proposals as part of the sectorial procurement plan or other documentation that might be detrimental to the company's interests;
7. Accepting the inadequate implementation of contractual clauses by the contractor;
8. Poorly managing funds by accepting works execution outside the provisions of the contract, project, tender specification, and the applicable technical regulations;
9. Subjective and/or biased awarding of the good performance certificate;
10. Selective approval of sponsorship/social aid applications;
11. An absence of formalities regarding conflict of interest management;
12. Trainer selection based on preferential criteria;
13. Preferential criteria for personnel recruitment and employment, favoring of certain applicants;
14. Issuing certificates (documents) using false data;
15. The legal advisor providing legal support coming under pressure and being influenced by circumstances and events that might influence them to provide an opinion or legal endorsement outside the legal boundaries or to interpret the law inappropriately or in ways that are non-compliant with legal requirements;
16. Unevenly applying legislation and regulations in cases and matters involving several subunits or subunits and the headquarters;
17. Subjectively assessing a legal issue and offering erroneous legal advice that may lead to severe consequences;
18. Approving documents that do not comply with the applicable regulations/procedures of the operations category to which they belong.



In order to best manage the identified risks and reduce the likelihood of their occurrence, the company implements measures to increase awareness of anti-corruption policies and procedures, as shown in the table below.

	2022		2023	
	No.	%	No.	%
Number and share of Board members who have been informed of the company's anti-corruption policies and procedures	7	100	7	100
Number and percentage of employees who have received anti-corruption training	All employees with managerial positions, corresponding to the organizational charts valid on 31.12.2022 (approximately 736 employees), within the framework of the methodological guidelines for the development of the SCIM, the principles and fundamental values of the NAS were made known, an attempt was made to increase the awareness of employees on detecting, combating, and reducing corruption, making the NAS correlated with standard 1 and 2 of OSGG 600/2018. In turn, employees with managerial positions, according to the internal regulations in force, are required to train subordinate employees on the provisions of the NAS and the System Procedure titled Inventory of Sensitive Functions.	13.5	All employees with managerial positions, corresponding to the organizational charts valid on 31.12.2023 (approximately 562 employees), within the framework of the methodological guidelines for the development of the SCIM, the principles and fundamental values of the NAS were made known, an attempt was made to increase the awareness of employees on detecting, combating, and reducing corruption, making the NAS correlated with standard 1 and 2 of OSGG 600/2018. In turn, employees with managerial positions, according to the internal regulations in force, are required to train subordinate employees on the provisions of the NAS and the System Procedure titled Inventory of Sensitive Functions.	10.3
Number and share of employees who have been informed of the company's anti-corruption policies and procedures	5971	100	5462	100
Number and share of partners who have been informed of the company's anti-corruption policies and procedures	All, by publishing on the ROMGAZ website the Declaration of ROMGAZ's accession to the 2021-2025 NAS and the Integrity Plan 100% of all tender bidders	100	All, by publishing on the ROMGAZ website the Declaration of ROMGAZ's accession to the 2021-2025 NAS and the Integrity Plan 100% of all tender bidders	100



During 2023, there were no corruption-related risks with high exposure. No acts of corruption or accounting fraud were identified in 2023.

In the period 06.06.2023 - 25.08.2023, ROMGAZ carried out the Internal Public Regularity Audit on the topic “Evaluation of the corruption prevention system – 2023,” with the audited period being 01.01.2020 - 31.12.2022. The purpose of the internal public audit mission was to verify compliance with the legal framework referenced by the 2016 – 2020 National Anti-Corruption Strategy, approved by GD no.583/2016 on the approval of the 2016 – 2020 NAS, amended and supplemented by GD no.1269/2021 for the approval of the NAS for the 2021-2025 period and related documents, referred to the implementation of preventive measures, related to the statement of assets, gifts, and assessment of corruption risks and integrity incidents.

Upon completion of the mission, the audit team’s conclusions on the implementation of the Corruption Prevention System at ROMGAZ support the provision of reasonable assurance that the audited activity is within normal parameters for the audited period, with the recommendation that, in order to maintain and continuously improve the degree of implementation of preventive measures, the company’s management should continue to work towards the implementation of these measures.

The findings presented in this report are based on audit evidence obtained at the on-site intervention stage.

The planning of the “International Anti-Corruption Day” aimed to promote ethical principles, integrity, transparency, and accountability across all activities carried out within ROMGAZ. As a result, we launched an internal campaign to prevent, inform, and raise employees’ awareness on the importance of fighting any form of corruption that may occur within the company. In this context, the Communication Service printed brochures with relevant information about the International Anti-Corruption Day on December 9th, sent an organizational document to all employees with access to the online system, and distributed printed leaflets in all ROMGAZ branches.

During 2023, there were no corruption-related risks with high exposure. If corruption-associated risks that exceed the tolerance limit set at the ROMGAZ level are identified, a plan of measures is drawn up according to the PS-07 Risk Management system procedure.

No acts of corruption or accounting fraud were identified in 2023.



Risk management

At ROMGAZ, the risk management process aimed at facilitating objectives/activities in cost-effective, efficient, and effective conditions is regulated by the system procedure PS-07 Risk Management. According to the system procedure, the organizational unit responsible for risk management is the Objectives and Risks Management Office within the Strategy, International Relations, and European Funds Directorate, and the decisions related to risk management activity are under the responsibility of the Monitoring Committee coordinated by the President and assisted by the Technical Secretariat of the Monitoring Committee.

Risk management is a process of identifying, assessing, managing (including treating), and establishing a plan of risk mitigation measures, periodic review, monitoring, and establishing responsibilities. One of the major goals of the com-

pany's management is to make staff aware of the risk management process and align it with the latest practices in the field by complying with the applicable legislation, standards, and rules related to this process.

ROMGAZ systematically analyses the risks related to its objectives and activities, draws up appropriate treatment plans aimed at limiting the possible consequences of these risks, and establishes responsibilities for their implementation.

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



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

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

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

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

The main pieces of legislation underpinning risk management regulation are:

- SR ISO 31000:2018 - Risk management. Guidelines;
- Government Emergency Ordinance No 109/2011 on the governance of public enterprises, approved by Law No 111/2016, amended and supplemented by Law No 187/2023;
- Government Ordinance No. 119/1999 on internal/managerial control and preventive financial control, republished, as amended and supplemented;
- Order of the General Secretariat of the Government No 600/2018 on the approval of the Code of internal managerial control of public entities;
- Risk management methodology, developed by the General Secretariat of the Government;
- Manual for the implementation of the internal managerial control system, developed by the General Secretariat of the Government.
- System Procedure: PS - 07 Risk Management - Act. 3.1.



The significant risks identified and monitored during the reporting period that may have implications for ROMGAZ are presented in the table below.

Risk category	Identified risk	Description of risk	Effect	Impact category	Impact on the organization	Likelihood of impact	Magnitude of impact
Legislative/regulatory risk	Failure to obtain the extension of the exploitation license for the Bazna I perimeter (mineral waters and balneotherapeutic muds)	Non-renewal of the operating license due to failure to submit the documentation on time or incomplete submission.	Temporary closure of Hotel Expro Bazna	Direct impact	High	High	Intolerable
Other risk categories – operational risks	Inconsistent or incomplete geological-geophysical data	Poor data QC	Low confidence geological model	Direct impact	High	High	Intolerable
Other risk categories – operational risks	Negative, cost inefficient or non-commercial exploration wells	Obtaining negative, cost-inefficient or non-commercial results from exploration wells due to insufficiently documented geological modeling	Low or very low reserve replacement rate	Direct impact	Very High	High	Intolerable
Legislative/regulatory risk	Failure to obtain construction permission in time for certain objectives in the investment program	Involvement of several departments within production branches and interaction with external administrative organizational structures that can generate these delays.	Failure to complete the planned drilling schedule	Direct impact	High	High	Intolerable
Other risk categories – operational risks	Ineffective input of the Economic and Risk Analysis Service in the preparation of reserve valuation studies	The preparation of reserve valuation studies is inefficient due to the delay in the data and information needed to develop economic analyses	Low quality of deposit studies	Direct impact	Medium	High	Intolerable
Other risk categories – personnel risks	Shortage of qualified personnel	The Exploration - Production Database Service lacks staff with the necessary skills to implement the seismic database project	Delay in projects under the multiannual digital transformation program	Direct impact	Medium	High	Intolerable
Legislative/regulatory risk	Delayed withdrawal from Bilca Joint Operating Agreement	Impossibility of valuing the land to be leased or sold to the partner	Average monthly losses of €4500	Direct impact	Medium	High	Intolerable

Risk category	Identified risk	Description of risk	Effect	Impact category	Impact on the organization	Likelihood of impact	Magnitude of impact
Other risk categories – strategic risks	Failure to implement the set objectives	Management decisions, as a result of situations or events likely to change the assumptions for identifying objectives and the lack of interest of specialist suppliers for the projects promoted, may lead to the non-achievement of the objectives set.	Failure to implement the development strategy	Direct impact	Very High	Medium	Intolerable
Other risk categories – information systems risks	The occurrence of a cyber security event	Cyber-attacks	Jammed computer and telecommunications systems	Direct impact	Very High	Medium	Intolerable
Other risk categories – operational risks	Late receipt of data and information for the drafting of economic analyses for reservoir studies and E&P projects	Late preparation of data and information required for economic analyses by deposit study developers can lead to delays in the development of economic and financial analyses	Delays in document drafting	Direct impact	Medium	Very High	Intolerable
Other risk categories – operational risks	Failure to provide software development and upgrade services for the SIP system	Reliance on software upgrading and development services for the development of the production information system	Failure to meet production information system development objectives	Direct impact	High	High	Intolerable
Other risk categories – operational risks	Non-completion of the repair schedule of the gas pipelines with a very long service life: collector pipeline Field N.Săsesc-Point B inv.113520 and Cond. colectoare D 250,150 sd.40 Nou Săsesc inv.112522	Failure to carry out the repair program for the gas pipelines affected by corrosion	Defect occurrence	Direct impact	High	High	Intolerable
Other risk categories – market risks	Failure to achieve planned production	Failure to achieve planned production due to increased pressures in the national transmission system, lack of major consumers	Shutdown of production capacities	Direct impact	High	High	Intolerable

Risk category	Identified risk	Description of risk	Effect	Impact category	Impact on the organization	Likelihood of impact	Magnitude of impact
Other risk categories – operational risks	Malfunctioning of installations	Lack of maintenance due to lack of: spare parts, consumables, equipment, specialised staff and specialised services by type of work.	Failure to comply with the gas trading conditions imposed by the Technical Agreement and SR 3317/2003 makes it impossible to recover the gas production.	Direct impact	High	Very High	Intolerable
Other risk categories – operational risks	Failure to fulfil car repair orders due to lack of spare parts	Lack of necessary spare parts in the annexes to the framework agreements and lengthy procurement procedure	Late completion of requested car repairs	Direct impact	High	High	Intolerable

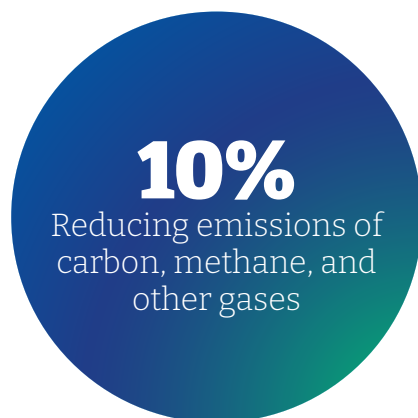
With the exception of the risk of delay/withdrawal from the Bilca Perimeter Joint Operating Agreement (monthly losses averaging EUR 4,500), the financial implications of these risks/opportunities have not been quantified.



Climate change approach

The S.N.G.N. Romgaz S.A. 2021 - 2030 Strategy is in force at the company level, having as a strategic objective, among others, the reduction of carbon, methane, and other gas emissions by a minimum of 10% (10-10-10, with the reduction set for the period of validity of the strategy, with 2020 as the reference year). The 2021 - 2030 S.N.G.N. Romgaz S.A. Strategy also includes a Decarbonization Policy. The strategy is reviewed annually or whenever situations arise that require it, in case deviations from the development directions and/or development plans are identified.

Overall, ROMGAZ has demonstrated a strong commitment to sustainability and climate governance by adopting comprehensive measures, regularly updating strategies, and ensuring high transparency on sustainability risks and performance.



To manage sustainability risks, as factors with the potential to exacerbate other types of risks, ROMGAZ has taken the following steps:

- A unified risk management system has been adopted within the company, in accordance with the methodology set out in system procedure PS-07 Risk Management, as per legal requirements. This system allows sustainability risks to be approached as a risk factor with a significant impact on the other types of existing risks that could contribute to their materialization;
- Addressing sustainability risks within the risk management system implies:
 - Identifying and assessing sustainability risks (e.g. market risk, credit risk, liquidity risk, operational risk, strategic risks, reputational risks, governance and compliance risks);
 - The integration of sustainability risks into risk management processes (linking these risks to objectives/activities, management according to adopted methodology);
 - The development of a sustainability strategy and control measures;
 - Monitoring and reporting on sustainability performance (transparency to investors, employees, and other organizations);
 - Stakeholder engagement.

In order to include sustainability risks in its risk policies, the company has recently (27.11.2023) revised its Risk Management System. It is closely related to the management of objectives and establishes clear rules on the identification, assessment, and treatment of risks related to specific objectives set at the level of each organizational unit. With the revision of the risk management system, it is possible to identify, assess, and manage sustainability risks by:

- Integrating sustainability risks into risk management policies (clear definition of processes and procedures)
- Assessing sustainability risks (climate change, resource depletion, governance irregularities);
- Establishing and implementing risk control measures (adoption of energy efficiency practices, diversification of supply sources, waste management);
- Engaging stakeholders;
- Monitoring and reporting performance.

The company has policies in place dedicated to every aspect of climate change management:

- The decarbonisation policy included in the S.N.G.N. Romgaz S.A. Strategy 2021 - 2030;
- The Carbon Management Action Direction - NetZeRomGaz, i.e. improving carbon efficiency in ROMGAZ's operations and product portfolio;
- The Corporate Social Responsibility (CSR) Policy;
- The IMS Policy;

In addition to the above-mentioned policies, it is necessary to develop a climate governance policy, including climate risk assessment by: setting targets and performance indicators, integrating climate into the organizational strategy, developing and implementing concrete measures to reduce the carbon footprint.

In order to include sustainability risks in ROMGAZ's internal processes and policies, it is necessary to revise existing policies or develop new ones, implement monitoring, auditing, and reporting systems. ROMGAZ's existing policies can provide a basis for addressing sustainability risks.

Ensuring transparency and availability of information, through effective public communication, using different communication channels, is a constant pursuit of ROMGAZ.

The challenges the company has identified regarding sustainability issues and the transition to a green economy are listed below:

- Reliance on unreliable resources (the transition is made more difficult by the reliance on renewable resources that become less available or more expensive);
- Regulatory risks (taxation, policies);
- Social and governance issues (political instability);
- High costs associated with the transition to the green economy.



Ensuring transparency and availability of information, through effective public communication, using different communication channels, is a constant pursuit of ROMGAZ.

Financial

Financial performance

The ROMGAZ Group recorded a turnover of RON 9,001.87 million in 2023, down by 32.62%, i.e. RON 4,357.77 million, compared to that achieved in 2022 (RON 13,359.65 million). The net profit of RON 2,812.10 million was higher than the net profit recorded in 2022 by RON 265.39 million (+10.42%).

Consolidated net profit per share was RON 7.30, up 10.42% on the previous year.

The investments made by ROMGAZ Group in 2023 amounted to RON 1,214.15 million and were made in order to increase the portfolio of natural gas resources and reserves, electricity generation, reduction of carbon emissions, methane, and others.

ROMGAZ Group's performance in the year ended 31 December 2023 was influenced by the following factors:

- **Total revenues** were lower in 2023 by RON 4,295.4 million, a decrease of 31.45%, due to the following factors:
 - a decrease in turnover from the sale of natural gas (RON 7,766.97 million in 2023 compared to RON 11,306.97 million in the previous year); an important effect in the 31.31% decrease in turnover from the sale of natural gas was the obligation imposed by GEO no. 27/2022 whereby ROMGAZ sold most of the production at the regulated price of RON 150/MWh (86.43% of deliveries);

- turnover from the sale of electricity also declined (RON 406.98 million in 2023 compared to RON 1,330.61 million in the previous year). Since 2023, ROMGAZ has sold almost all the electricity produced at the price of RON 450/MWh, as per the provisions of GEO no. 27/2022.
- Turnover related to storage services increased by 17.66% (RON 552.19 million in 2023 compared to RON 469.33 million in 2022), mainly due to the increase in the capacity reserved by customers for natural gas storage;
- **Total expenditure** decreased by 54.77% compared to last year, mainly due to the decrease in the tax on additional gas revenues (-RON 4,014.05 million) and royalty expenses (-RON 1,039.56 million). In the January-December 2022 period, the Group recorded expenses of RON 403.80 million with the tax on additional revenues for electricity sold, which subsequently became a contribution to the energy transition fund; given that more than 90% of the electricity was sold at a price of RON 450/MWh, this contribution is insignificant in the period under review.
- **The increase in consolidated gross profit** by 21.98% over the same period of 2022 was largely offset by corporate income tax. Corporate income tax includes the solidarity contribution introduced at the end of 2022 for the years 2022-2023. In 2023, the expenditure on this contribution was RON 1,687.37 million, up RON 684.58 million on the previous year.

Directly generated and distributed financial value

Description	2022 (RON)	2023 (RON)	Change from the previous year
Directly generated financial value	13,658,093,366	9,362,664,139	-31%
Revenues	13,658,093,366	9,362,664,139	-31%
Distributed financial value	11,533,149,816	6,643,617,292	-42%
Operational costs	959,625,428	1,382,268,064	44%
Salaries and benefits for employees	845,756,771	913,852,090	8%
Payments to capital suppliers	1,464,605,120	1,318,144,608	-10%
Payments to the government/ state budget	8,238,846,069	3,002,435,221	-64%
Community investments	24,316,428	26,917,310	11%
Retained financial value	2,124,943,550	2,719,046,846	28%

Financial assistance from public authorities

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

Description	2022 (RON)	2023 (RON)
Tax breaks and fiscal credit	96,234,741	132,751,451
Subsidies	-	140,540,963



EU Taxonomy

The EU Taxonomy is an EU classification system for environmentally sustainable economic activities. For ROMGAZ, the EU Taxonomy is a tool for assessing current and future economic activities with a view to classifying them as environmentally sustainable.

To be classified as environmentally sustainable, an economic activity must contribute significantly to at least one of the six environmental objectives below:

1. Climate change mitigation
2. Adapting to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

To align with the EU taxonomy and economic activity, the following criteria must be met:

- Substantial contribution to at least one of the six environmental objectives
- None of the objectives to be significantly affected
- Compliance with the minimum safeguards

An economic activity is eligible for the EU Taxonomy if it corresponds to the description of the activity in the Taxonomy-related Delegated Regulations. In order to identify eligible activities, a comprehensive analysis of our portfolio of activities

and projects was undertaken and compared with Annex I or II of the Delegated Climate Regulation and Annexes I-IV of the Delegated Environmental Regulation; and ROMGAZ's Taxonomy eligible economic activities are related to the environment for climate change mitigation.

Evaluation according to the EU Taxonomy

The analysis of activities is carried out annually. In 2023 ROMGAZ conducted an analysis based on the EU Taxonomy criteria and the figures presented are derived from the figures reported in the Group's IFRS consolidated financial statements. The indicators are calculated based on sales revenue, CapEx, and OpEx at consolidated level.

The proportion of Taxonomy-aligned business activities in sales revenue, CapEx and OpEx has been calculated as the share of sales revenue, CapEx and OpEx of Taxonomy-aligned business activities (numerator) divided by total sales revenue, CapEx and OpEx (denominator). The denominators for the financial indicators are:

1. The denominator for turnover is based on the consolidated sales revenue of the group as per the consolidated financial statements;
2. The denominator for CapEx consists of the entries of intangible assets, property, plant, and equipment (excluding provision for decommissioning and right-of-use assets);
3. Total OpEx consists of project operating expenses including leasing expenses.

Presentation of the Taxonomy-related financial key performance indicators for 2023 and 2022:

	2023 (thousand RON)					
	Turnover		CapEx		OpEx	
Environmentally sustainable activities (aligned with the taxonomy)	-	-	-	-	-	-
Activities which are eligible but not aligned with the taxonomy	406,976	4.5%	56,210	7.8%	920,984	21.9%
Activities not eligible for the taxonomy	8,717,166	95.5%	665,684	92.2%	3,278,236	78.1%
Total	9,124,142	100.0%	721,894	100.0%	4,199,220	100.0%

	2023 (thousand RON)					
	Turnover		CapEx		OpEx	
Environmentally sustainable activities (aligned with the taxonomy)	-	-	-	-	-	-
Activities which are eligible but not aligned with the taxonomy	1,330,607	9.9%	342	0.0%	1,705,565	18.1%
Activities not eligible for the taxonomy	12,109,114	90.1%	5,067,133	100.0%	7,728,060	81.9%
Total	13,439,721	100.0%	5,067,475	100.0%	9,433,625	100.0%

Taxonomy eligible and aligned turnover

In 2023 the share of the Group’s turnover that could be classified as Taxonomy-eligible was 4.5% (compared to 9.9% in 2022) and relates to the electricity generation activity carried out by SPEE Iernut, reflected in the notes to the consolidated financial statements of the ROMGAZ Group. No part could be classified as aligned from a taxonomy point of view at the time of the 2023 assessment.

Revenue from contracts with customers is recognized when, or as, the Group transfers the goods or services to the customer or the customer obtains control of them. Therefore, revenues from electricity are recognized as they are delivered, at the rates set out in the contracts with customers and are disclosed in note 3 to the ROMGAZ Group’s consolidated financial statements. Compared to last year they decreased because more than 90% of the electricity sold in 2023 was sold under GEO 27 at the price of RON 450/MWh; this obligation was not in force in 2022.

Eligible activities	thousand RON
Production of electricity from gaseous fossil fuels (code 4.29)	406,976
Total	406,976



Taxonomy eligible and aligned CapEx

No aligned activities were identified in 2023 but the share of eligible activities increased, so that 7.8% (compared to 0% in 2022) of the Group's CapEx could be classified as eligible for the Taxonomy.

The activity that contributed to eligible CapEx was the Iernut power plant, the largest contributor being the power plant development project currently under execution, which increased by 163% compared to 2022 as work was resumed.

The other fixed asset entries were the charging station for electric and plug-in hybrid cars and the licenses for the Iernut power plant.

Eligible activities	thousand RON
Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces attached to buildings) (code 7.4)	184
Production of electricity from gaseous fossil fuels (code 4.29)	56,026
Total	56,210

Taxonomy eligible OpEx

21.9% of the Group's OpEX (compared to 18.1% in 2022) could be classified as eligible for the Taxonomy, being represented by the early phase of the project for the construction of a photovoltaic park and the electricity generation activity representing the expenses incurred by the Iernut Power Plant, of which 26% represent environmental and social protection expenses.

In 2023 ROMGAZ resumed work with the former contractor on the new Iernut power plant and the amount paid by ROMGAZ was 114,628 thousand RON and is included in other operating expenses of the Iernut power plant and represents 12% of its expenses.

Eligible activities	thousand RON
Production of electricity from gaseous fossil fuels (code 4.29)	920,984
Total	920,984



Reserves

The company's main source of income is the exploitation of production from hydrocarbon reserves. Hydrocarbon reserves provide a projection of the company's future activity and results.

Of the 159 commercial fields under ROMGAZ concession in 2023, ROMGAZ has carried out oil exploitation operations on 121 fields, while the remaining fields are inactive, having exhausted their reserves.

Also, during 2023 ROMGAZ carried out oil operations for exploitation or construction of surface facilities for the introduction into exploitation of 13 new fields, identified within the exploration-development-exploitation perimeters.

The actual exploitation of these fields is carried out by means of active wells, surface technological facilities, mainly consisting of adduction pipelines, gas heaters (where applicable), liquid impurity separators, and technological gas measuring panels.

Hydrocarbon (gas) production

	Geographical area	Volume of crude oil produced [mboe]	Volume of natural gas produced [mboe]
2022	Transilvania, Moldova, Oltenia, and Muntenia	0.173	31.731
2023		0.188	30.783

The volumes of reserves in ROMGAZ's concessioned deposits are evaluated based on information obtained during exploitation, through the elaboration or updating of geological resource evaluation studies and the performance of the deposits in exploitation.

The evaluation of natural gas reserves is carried out in accordance with the guidelines developed by the National Agency for Mineral Resources, which are translated into procedures at the ROMGAZ level. The company has organizational units dedicated to the evaluation of natural gas reserves based on these procedures.

A computer program is used to keep track of and move geological resources and reserves for each exploitation objective within the ROMGAZ's fields.

ROMGAZ reserves have been audited by internationally recognized assessment-auditing firms in compliance with the standards imposed by the P.R.M.S. Petroleum Resources Management System, approved by the Society of Petroleum Engineers S.P.E.⁴ and the Standards for the Assessment and Auditing of Oil and Gas Reserves.

The results of the audits confirmed the results of ROMGAZ's natural gas resource and reserve assessments.

For 2023, the reserve replacement rate at ROMGAZ level was 97%, which means that almost all natural gas production in 2023 was replaced by new reserves.

⁴ www.spe.org/en/industry/petroleum-resources-management-system-2018/

Exploration works are designed by ROMGAZ on the basis of its own concepts using modern specialized software to evaluate the prospectivity of geological areas with specific features within the concessioned perimeters and are carried out by using specific exploration methods executed on the surface to identify hydrocarbon accumulation areas (prospects), followed by the execution of exploration drilling to verify the existence of accumulations.

The following activities are carried out in order to bring exploration discoveries into production:

- Conducting exploration-evaluation drilling for the quantitative and qualitative evaluation of discoveries and determining the technical and economic conditions for exploitation;
- Drilling exploitation wells;
- Building surface infrastructure to promote these new reserves.

ROMGAZ conducts intensive exploration activity to discover new reserves:

- identifying new prospects using 3D seismic acquisitions;
- exploration drilling;
- testing of newly drilled boreholes for quantitative and qualitative verification of possible deposits.

Any reservoir's gas reserves inevitably decline as it is exploited. The degree of recovery of gas from the reservoir is called the recovery factor. To increase the ultimate recovery factor of gas from reservoirs, we make major financial efforts to maintain wells in production by repairing/intervening wells, carrying out complex geophysical investigations, identifying and promoting reserves in undrilled areas.

If all possibilities for rehabilitation of a deposit are exhausted, the wells are abandoned and the exploitation/concession of the deposit is abandoned as well.



In order to increase the volume of reserves, ROMGAZ carries out exploration, development, and exploitation works.

The extent to which the growth rate of gas reserves ensures the development of production is highlighted by the rate of reserve replacement. The reserve replacement rate is a function of the amount of oil (crude oil and natural gas) added to a company's proved reserves compared to the total amount of oil the company produces during the year.

For 2023, ROMGAZ's reserve replacement rate was 97%, influenced by the results of reservoir re-evaluation, the introduction of new exploration targets, the promotion of lower category reserve volumes to proven reserves, the digging and commissioning of new wells, and the expansion of the gas compression process where the current energy level of the fields required it.

During 2023, 17 Natural Gas Resource and Reserve Assessment Studies were carried out.

All studies were carried out by the study development teams of ROMGAZ's specialist departments and were justified by:

- production differences between previously confirmed forecasts and actual achievements;
- the existence of exploitation targets are productive but have exceeded previously confirmed reserves;
- the identification of new exploitation targets or the promotion of lower category reserves through test work and experimental exploitation of wells.

New reserves have been added by bringing new discoveries from exploration activity (contingent resources) into definitive production after the experimental exploitation period, with the development of production forecasts up to the technical-financial limit of exploitation.



Management of exploitation/ exploration wells

ROMGAZ owns approximately 4,700 wells, constituted as fixed assets, of which 1,376 are abandoned or to be abandoned.

Inactive fields are those fields for which the holder (concession holder) requests the cessation of hydrocarbon exploitation operations, in line with the technical, economic and/or legislative conditions existing at that time, and the competent authority has confirmed that the commercial hydrocarbon reserves have been depleted. Well abandonment represents all the work carried out to protect all the geological formations traversed, as well as the surface work carried out to restore and rehabilitate the environment.

The abandonment of exploration/exploitation wells is required when:

- drilling work can no longer be continued for technical or geological reasons;
- the well has exhausted reserves in all known productive strata and/or has inventoried all possible saturated collectors;
- the well cannot be returned to production for technical reasons.

In the process of abandoning wells, ROMGAZ complies with the legislation in force as follows:

- performs abandonment works in the well;
- draws up environmental processes;
- draws up minutes of the return to the agricultural circuit;
- draws up and signs minutes concluded between the company and the landowners;
- obtains the National Agency for Mineral Resources' abandonment notice for each well in the event that the company relinquishes the concession for the perimeter.

During 2023, preventive maintenance work was carried out on all 87 natural gas compression and drying equipment, over 3,400 pipeline routes were inspected, 1,150 pipelines were overhauled, 11 pipelines underwent routine repairs, 3 pipeline capital repair works were completed, and 192 wells underwent capital repairs.



Social

Our employees

Through its Development Strategy for the 2021-2030 period, ROMGAZ takes a strategic approach focused on the sustainable growth of added value for the company, employees, and shareholders alike. One of the strategic objectives included in this strategy is the creation of long-term and equally profitable relationships with the market and the social environment. This strategic objective involves focusing the company's activities on developing human resources for the transition to future trends in the field of sustainable energy, as well as engaging in the project of promoting sustainable development of the society to create a greener society for citizens.

The basis for the company's economic growth is the strengthening of relationships with all the company's stakeholders, including employees, their representatives, as well as civil and academic society, taking into account the interests of local communities.

ROMGAZ's 2021-2030 Development Strategy aims to develop human resources for the transition to future trends in sustainable energy by passing the baton between today's and tomorrow's specialists through the following means:

- Supporting the quality of energy education by providing work practice for students;
- Mentoring programs;
- Recruiting young graduates;
- Increasing employee satisfaction and engagement;

The following performance indicators have been established to achieve this objective:

- Number of employed graduates;
- Employee engagement and satisfaction rates greater than 60% based on employee satisfaction questionnaires which are distributed annually.

In close connection to the company's general objectives, the ROMGAZ human resource policy is focused on highlighting the existing human potential and its capability to perform at the required level and/or to identify external human resources which can be employed to improve the specialized occupational chart and professional training level.

In this context, the mission of the Human Resources Department is to become a proactive player, with a decisive role in training and motivating staff in order to achieve ROMGAZ's objectives.

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

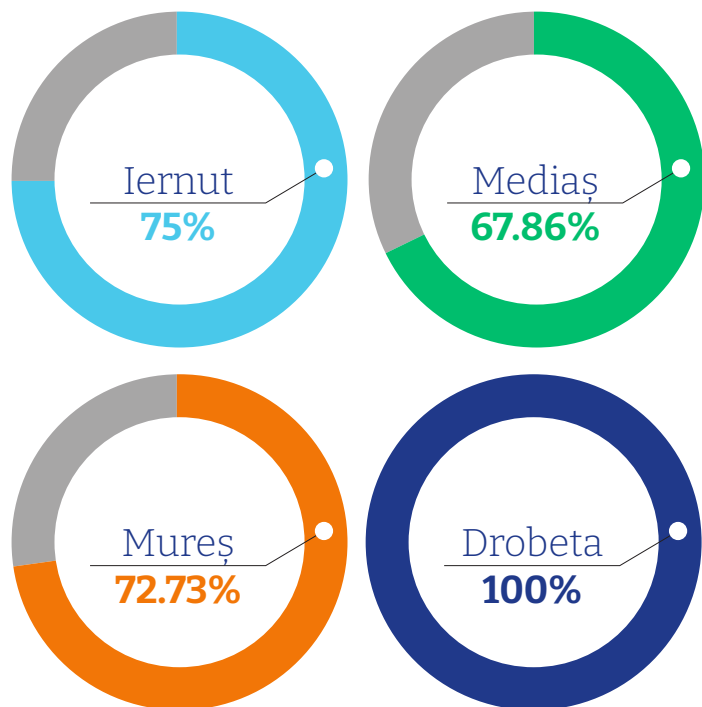
- increasing the professional skill level through employee-oriented means;
- reaching a balanced distribution of human resources both at the headquarters and in our six branches, depending on the type and share of activities carried out at these sites;
- setting up our own staff promotion system for high potential employees, with a focus on internal selection;
- consolidating our organizational culture and sense of belonging to it.

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

Our operating locations⁵ are Iernut (Iernut Branch - SPEE), Mediaş (Mediaş Branch, SIRCOSS Branch, and Company Headquarters), Mureş (Mureş Branch and STTM Branch), and Drobeta Turnu Severin (Drobeta Turnu Severin Branch). On 27 December 2023, the Buzău Branch was added to the company’s organizational chart, having become operational in 2024.

Share of top management hired from the local community

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



Information about employees and other company workers

Employed as of December 31 Gender groups	Number		Share	
	2022	2023	2022	2023
Women	812	818	14.9%	15.0%
Men	4,641	4,644	85.1%	85.0%

Employed as of December 31 Age groups	Number		Share	
	2022	2023	2022	2023
<30	314	315	5.8%	5.8%
30-50	2,332	2,280	42.8%	41.7%
>50	2,807	2,867	51.5%	52.5%
Total	5,453	5,462	100%	100%

At ROMGAZ level, the distribution of employees by gender and age category has remained largely unchanged, with a slight steady increase in the share of women in the company, which is a natural consequence of the continuous improvement of working conditions through the increased technology we provide to our workers.

Employed as of December 31 Location	Number		Share	
	2022	2023	2022	2023
Mediaş Branch	1,742	1,740	31.9%	31.9%
Târgu Mureş Branch	1,564	1,568	28.7%	28.7%
SIRCOSS	636	636	11.7%	11.7%
STTM	492	490	9.0%	9.0%
SPEE	342	348	6.3%	6.4%
Drobeta Turnu Severin Branch	2	2	0.0%	0.0%
Company Headquarters	675	678	12.4%	12.4%
Total	5,453	5,462	100%	100%

⁵ Quantitative data about employees refers only to S.N.G.N. Romgaz S.A.

New employees and staff turnover at ROMGAZ

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

Recruitment and selection are carried out according to well-established criteria, objectivity being the key factor in the selection phase of candidates for each role.

Gender/age groups	New employees				Employee turnover (fluctuation)			
	Number		Share		Number		Share	
	2022	2023	2022	2023	2022	2023	2022	2023
Women	46	39	5.7%	4.8%	28	33	3.5%	4.0%
Men	269	199	5.8%	4.3%	197	196	4.3%	4.2%
<30	46	61	14.6%	19.4%	3	3	1.0%	1.0%
30-50	175	148	7.5%	6.5%	11	19	0.5%	0.8%
>50	94	29	3.3%	1.0%	211	207	7.6%	7.3%
Total	315	238	5.8%	4.4%	225	229	4.2%	4.2%

Location	New employees				Employee turnover (fluctuation)			
	Number		Share		Number		Share	
	2022	2023	2022	2023	2022	2023	2022	2023
Mediaş Branch	101	59	5.8%	3.4%	74	65	4.3%	3.7%
Târgu Mureş Branch	74	47	4.7%	3.0%	49	51	3.2%	3.3%
SIRCOSS	67	36	10.5%	5.7%	40	37	6.4%	5.8%
STTM	21	25	4.3%	5.1%	24	26	4.9%	5.3%
SPEE	17	21	5.0%	6.0%	20	24	5.8%	7.0%
Drobeta Turnu Severin Branch	0	0			0	0		
Company Headquarters	35	50	5.2%	7.4%	18	26	2.7%	3.8%
Total	315	238	5.8%	4.4%	225	229	4.2%	4.2%

According to the company’s Internal Rules of organization and operation, company management respects employees’ right to free association, maintaining a continuous dialogue based on respect and transparency, in order to identify mutually advantageous solutions.

There are two trade union organizations inside the ROMGAZ Group:

- The “S.N.G.N. Romgaz S.A. Free Trade Union,” with a unionization level of 98.61%;
- The “DEPOGAZ Storage Branch Trade Union,” with a unionization level of 97.25%.

At ROMGAZ, since June 1, 2022, a Collective Labor Contract negotiated with the “S.N.G.N. Romgaz S.A. Free Trade Union” has been in force, valid until May 31, 2024, inclusive of and applicable to all employees.

At the Depogaz Branch, since 1 June 2022, a Collective Labour Agreement negotiated with the “Depogaz Storage Branch Trade Union Ploiesti” has been in force, valid until 31 May 2024, inclusive of and applicable to all branch employees.

ROMGAZ’s interaction with employees is carried out organically, encouraging direct communication. To this end, all employees are provided with communication tools by the company, and depending on the responsibilities in the job description, they have access to technology to streamline interaction among themselves. Employee access to top management is facilitated through the hearings program. The information and communication tools used at the company level include: internal radio available to all employees using links, internal intranet - Infoweb, induction programs for new employees.

Respect for freedom of association is confirmed by the very high degree of unionization within the ROMGAZ Group.

The notice period and the provisions for consultation and negotiation are governed by the Collective Labor Agreement, with a minimum notice period of four weeks.

No instances of conflict between management and the trade union were recorded in 2023.



Employee benefits

For all operating locations, in 2023, the minimum salary applicable to the organization's operating sector, for new and inexperienced employees, was RON 4,458 for both women and men, representing an increase of more than 17% compared to 2022.

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

Minimum gross salary Operating location	2022		2023	
	M	F	M	F
Mediaş Branch	4,643	4,343	5,293	5,046
Mureş Branch	5,486	5,486	6,394	6,136
SIRCOSS Branch	5,769	5,246	6,419	5,896
STTM Branch	5,769	6,208	6,598	6,274
Company headquarters	5,918	6,072	6,840	6,722
Iernut Branch	5,709	5,222	6,376	5,872
Drobeta Turnu Severin Branch	14,184	-	14,834	-

In addition to the monthly remuneration, employees can receive several benefits as set by the Collective Labor Agreement:

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

ROMGAZ rewards the loyalty and experience of employees who have contributed to the company's yearly progress, such that on retirement, regardless of context,

each employee receives financial aid, its amount depending on the years of service in the gas and/or electricity industry, as follows:

Seniority	Number of salaries granted
Between 5 and 10 years	Four base salaries as recorded on retirement date
Between 10 and 20 years	Five base salaries as recorded on retirement date
Between 20 and 30 years	Six base salaries as recorded on retirement date
Between 30 and 40 years	Seven base salaries as recorded on retirement date
Over 40 years	Eight base salaries as recorded on retirement date

As we place great emphasis on the quality of our workforce and their level of professional training, we have always aimed to have almost entirely full-time and permanent employment contracts. However, there is no differentiation in benefits between full-time and part-time employees, between those with permanent and fixed-term contracts or by location.

For the calculation of the total annual compensation, we took into account the salary fund + the value of meal vouchers + the employees' profit-sharing. For item 1 we calculated the ratio between the highest total annual compensation and the median total annual compensation for the remaining employees. For item 2, we calculated the total annual compensation for 2022 and 2023 and then the percentage increase of the two annual compensations in 2023 from 2022, then calculated the ratio between the two values/increases.

	2022	2023
The ratio between the total annual compensation for the organization's highest paid individual to the median total annual compensation for all employees (excluding the highest paid individual)	4.4876	4.0562
The ratio between the percentage increase in total annual compensation for the highest paid person in the organization and the average percentage increase in total annual compensation for all employees (excluding the highest paid individual)	0.5342	-0.3026

Parental leave

ROMGAZ employees have a right to parental leave as per the applicable national legislation. In 2023, 62 ROMGAZ employees took parental leave. 29 employees returned to work after the parental leave they took in previous years ended.

Diversity and equality of opportunity

Within ROMGAZ there are provisions and responsibilities related to diversity, equal opportunities, and non-discrimination in the Collective Labor Contract, the Internal Rulebooks, and the Code of Ethics and Integrity.

Combatting discrimination

Discrimination of any kind, whether direct or indirect, based on gender, maternity status or any other criterion of diversity is strictly prohibited within ROMGAZ. The company also shows zero tolerance towards any sexual or moral harassment, regardless of the persons involved, both inside and outside the company, including at social events, business trips, training sessions or conferences sponsored by the company.

The ROMGAZ Code of Ethics and Integrity was revised in August 2023, and in addition to reconfiguring and modifying the structure of the Code, completing its objectives and purpose, and updating it to align with legal provisions, a new chapter on the rules of professional and civic conduct was introduced, which includes additional information on public activity, political activity, equal opportunities, non-discrimination, diversity, non-discrimination and inclusion.

The “Equal opportunity, non-discrimination, diversity, non-discrimination, and inclusion” section of the revised Code of Ethics and Integrity states:

1. ROMGAZ respects and guarantees equal and non-discriminatory treatment in the relationship with its staff, partners, and collaborators.
2. ROMGAZ shall respect equal opportunities and treatment and prohibits any form of harassment by management and staff in the performance of their duties or in connection with their employment at ROMGAZ, and abuse, intimidation or threats of any kind shall not be tolerated.
3. Diversity, determined by each person’s set of unique traits, is an important characteristic of our team and generates a competitive advantage as it leads to the training and development of a wide range of skills and competences. ROMGAZ provides a working environment in which everyone’s skills, talents, experience, and contribution to the company’s performance are valued and respected and encourages the cultivation of an atmosphere based on trust, openness, mutual respect, and sincerity by all staff.
4. ROMGAZ promotes a work climate which is free of any form of violence or harassment (verbal, physical, visual or sexual). Any form of harassment, verbal threats, violent behavior by a co-worker, superior or collaborator is unacceptable and must be reported to the workplace manager and ethics counselor.

In addition to being part of the provisions of the Code of Ethics and Integrity, these issues are dealt with both in the Collective Labor Agreement and in the Internal Rules, where there is a whole chapter on respect for the principle of non-discrimination and the elimination of any form of violation of dignity.



ROMGAZ has in place provisions and responsibilities related to diversity, equal opportunity, and non-discrimination both in the Collective Labor Contract, as well as in the Internal Regulations and the Code of Ethics and Integrity

ROMGAZ shall provide counselling and assistance to victims of acts of discrimination, sexual/moral harassment in the workplace, investigate such acts in strict confidence, and apply disciplinary measures in case discrimination or harassment are confirmed.

Through our Internal Rulebook, specific internal procedures, and in compliance with applicable law, we ensure that appropriate measures are in place to combat retaliation of any kind against individuals who report violations of the law or who assist in the investigation of cases of discrimination or harassment of any kind. Any such actions by any employee will be considered discriminatory and will be sanctioned as such.

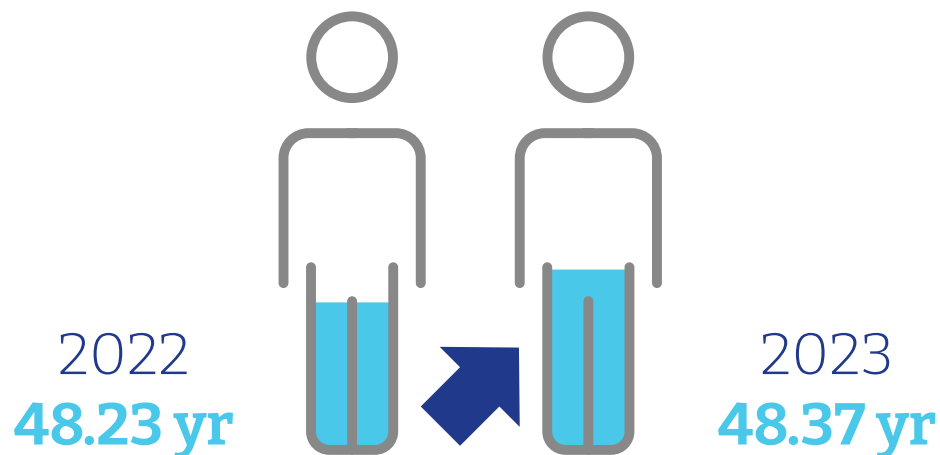
At ROMGAZ, all reports/complaints regarding diversity, equality of opportunity or non-discrimination are analyzed in advance by the ethics advisor and are reported to the CEO who, based on the advisor's general conclusions, analyses, and recommendations, decides to carry out a verification and preliminary investigation of the facts and issues they are notified about, followed by preventative and case resolution measures.

In order to resolve and prevent any kind of discriminatory events, ROMGAZ operates a system of public interest whistleblowing in a professional context, applicable to all internal and external stakeholders. Information or reporting on any form of conduct that contravenes the Code of Ethics and Integrity is available on the company website at www.romgaz.ro/etica-si-integritate.

Diversity in management and employee teams

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

Average age inside the company



In the last two years ROMGAZ has not been sanctioned for non-compliance with the legal provisions on discrimination in the workplace and no case of discrimination has been reported within the company.

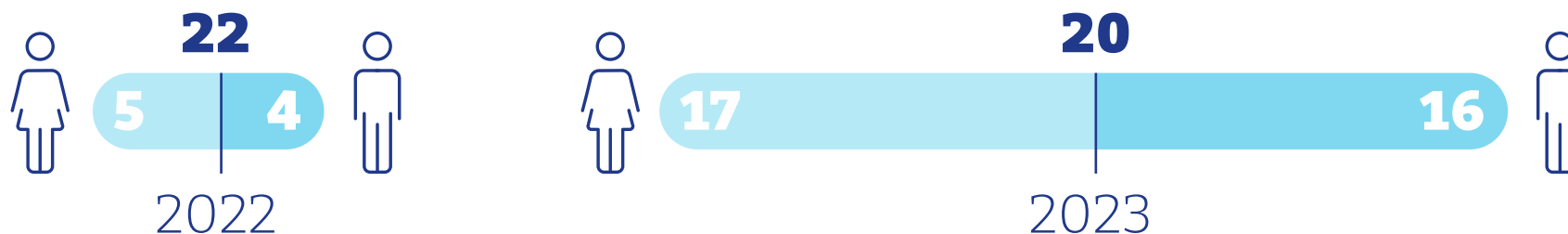
Romania's cultural model makes it so that the jobs most commonly found in our company are traditionally taken up by men, partly because they are more physically demanding and are sometimes carried out in environments with a higher degree of risk, and partly because they also require greater openness to mobility. For this reason, women make up less than 4% of the "Laborers" category. This share rises significantly in the other employee categories, reaching almost 48% among

higher education graduates and even 59% among secondary education graduates. An analysis of the gender distribution of employees segmented by age category shows that the share of women in the company is extremely low in the under-30 age category, especially for employees in the "laborers" category, where the share of women is only 1.5% of all employees in this age category.

Employed as of December 31	2022						2023					
	<30	30-50	>50	M	F	Total	<30	30-50	>50	M	F	Total
Top Management	0.0%	38.6%	61.4%	84.1%	15.9%	44	0.0%	40.9%	59.1%	77.3%	22.7%	44
Middle Management	0.0%	44.2%	55.8%	72.4%	27.6%	283	0.3%	44.5%	55.2%	72.6%	27.4%	299
Other management positions	2.6%	42.0%	55.4%	99.1%	0.9%	231	1.7%	39.0%	59.3%	98.7%	1.3%	231
Higher education graduates	4.4%	57.8%	37.8%	51.2%	48.8%	982	4.7%	58.5%	36.8%	52.2%	47.8%	1,021
Secondary education graduates	2.4%	35.3%	62.4%	39.4%	60.6%	170	3.0%	32.9%	64.0%	40.9%	59.1%	164
Laborers	7.0%	39.1%	53.9%	96.2%	3.8%	3,743	6.9%	37.5%	55.6%	96.3%	3.7%	3,703
Total	5.8%	42.8%	51.5%	85.1%	14.9%	5,453	5.8%	41.7%	52.5%	85.0%	15.0%	5,462

Employed as of December 31	2022						2023					
	<30		30-50		>50		<30		30-50		>50	
	M	F	M	F	M	F	M	F	M	F	M	F
Top Management			94.1%	5.9%	77.8%	22.2%			83.3%	16.7%	73.1%	26.9%
Middle Management			76.0%	24.0%	69.6%	30.4%	100.0%	0.0%	75.2%	24.8%	70.3%	29.7%
Other management positions	100.0%	0.0%	100.0%	0.0%	98.4%	1.6%	100.0%	0.0%	98.9%	1.1%	98.5%	1.5%
Higher education graduates	67.4%	32.6%	53.3%	46.7%	46.1%	53.9%	68.8%	31.3%	53.6%	46.4%	47.9%	52.1%
Secondary education graduates	50.0%	50.0%	40.0%	60.0%	38.7%	61.3%	80.0%	20.0%	38.9%	61.1%	40.0%	60.0%
Laborers	98.5%	1.5%	97.0%	3.0%	95.3%	4.7%	99.2%	0.8%	97.1%	2.9%	95.3%	4.7%
Total	93.6%	6.4%	83.9%	16.1%	85.2%	14.8%	94.3%	5.7%	83.0%	17.0%	85.6%	14.4%

Number of disabled employees



In our industry, there is usually a wage level difference between men and women, especially among the staff in the “Laborers” category, as most jobs with a higher degree of risk are occupied by men, and these working conditions have higher associated levels of salary bonuses. Within our company, the ratio between men’s and women’s salaries is inversely proportional to their position in the hierarchy. As such, from a ratio of 1.14 in favor of men in the “Laborers” category, we reach a sub-unit ratio at the middle and top management level. Company-wide, the ratio of men’s average salary to women’s average salary is clearly in favour of women, influenced by the distribution of women in the company by function.

Average salary by gender - RON -	Average salary		Average salary		Ratio between salaries Man/Women	
	Men		Women		2022	2023
	2022	2023	2022	2023		
Top Management	32,871	34,925	33,215	35,517	0.99	0.98
Middle Management	20,291	21,475	21,204	22,143	0.96	0.97
Other management positions	11,479	12,182	11,357	10,343	1.01	1.18
Higher education graduates	11,943	12,883	11,734	12,593	1.02	1.02
Secondary education graduates	8,748	9,367	8,255	9,051	1.06	1.03
Laborers	7,345	7,994	6,271	7,000	1.17	1.14
Total	8,843	9,608	11,424	12,459	0.77	0.77

Occupational health and safety

As the health and safety of our employees is a very important topic for us, ROMGAZ Strategy for 2021-2030 includes both targets and performance indicators related to this topic, as follows:

Zero deadly injuries
resulting from workplace accidents

Reducing the number
of incidents/accidents resulting in lost work days

Performance indicators:
Zero deadly incidents;
LITR⁶ – under 0.4

Occupational health and safety is an essential component of ROMGAZ's integrated management system and this is reflected in the company's attention to employees' working conditions, the protective equipment provided to them, and training to prevent accidents at work.

The company has implemented an occupational health and safety management system in accordance with ISO 45001:2018, ensuring compliance with all applicable legal requirements. This system covers all workplaces within ROMGAZ and is internally audited annually in accordance with the Integrated Management System Audit Procedure. The management of this system is carried out by specialized staff employed within the company, and the main occupational health and safety rules implemented refer to informing, consulting, training, and protecting workers as well as verifying the correct application of the rules established according to the applicable legislation.

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

- Hazard identification, risk assessment, and planning of checks;
- Monitoring workers' health status;
- Monitoring and measuring of professional noxious emissions;
- Preparing for emergency situations and developing the emergency response capacity;
- Identification and assessment of compliance requirements;
- Internal checks in the area of occupational health & safety;

- In-house instructions on supplementing and/or implementing occupational health and safety rules taking into account the nature of the work and the job locations/sites.

In order to make improvements to overall occupational health and safety performance, the management system is subject to an ongoing monitoring and review process that includes:

- Identifying opportunities for improvement through audits, inspections, and reviews by management, O.H.S.C. meetings;
- Establishing actions to address opportunities by assigning responsibilities to the functions involved;
- Implementing the established measures;
- Reviewing the effectiveness of the actions.

Hazard identification is carried out by the employees of the Prevention and Protection Service, together with leaders and workers, in a proactive and anticipatory manner. Following hazard identification and risk assessment for professional injuries and illness, the Jobs List is drawn up containing specific risks for each job.

ROMGAZ employees can report work-related hazards and dangerous situations in accordance with the applicable legislation in the field of Occupational Health and Safety (art. 26 of Law 319/2006, art. 102 of H.G. 1425/2006) and the Organizational Chart of Occupational Health and Safety Responsibilities drawn up at the company level. Also, in such situations employees may stop working and leave the workplace, being protected against any negative consequences from company in accordance with art. 11 para. (2) of Law 319/2006.

The management of positive and/or negative impacts related to “Health and safety at work” is carried out according to the provisions of Law no. 319/2006, on occupational health and safety and of H.G. no. 1425/2006, for the approval of the methodological norms for the application of the provisions of the Law on occupational health and safety no. 319/2006, with subsequent amendments and additions.

During 2023, we started a procedure for the procurement of personal protective equipment for all ROMGAZ employees for a number of 63 PPE types, which will be contracted for a period of 4 years from the date of signing the framework agreement.



As per the operational procedure for employee health monitoring, medical examinations are carried out periodically in the Occupational Medicine Office, the results of which are recorded by the occupational physician in each employee's medical file. The contents of this file and the results of the medical examinations are strictly confidential.

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

Worker participation, communication, and consultation on the management of occupational health and safety issues is carried out through the Occupational Safety and Health Committee.

OHS Committees are in place both at the company level as well as in each branch except for the Drobeta Turnu Severin branch, as per current legislation. The Committees meet quarterly and as needed, according to legal requirements, and the reports generated after the meetings are brought to the attention of all employees. The Committees are equally made up of employee representatives as well as company management.

The employer presents the Annual report on occupational health and safety to the OHS Committee.

Workplace injuries

The company maintains a Unique Registry that records all workplace injuries.

During the reporting period, 01.01.2023-31.12.2023, there were 7 workplace injuries, of which one was fatal. As a result of these injuries, 65 days of temporary work incapacity were recorded, and the LTIR performance indicator was 0.157, falling within the Action Directions established in the HSSE field in the S.N.G.N. Romgaz S.A. 2021-2030 Strategy, i.e. LTIR < 0.4.

	2022	2023
Number of workplace injuries	6	7
Number of deaths as a result of workplace injuries	0	1
Number of workplace injuries with serious consequences (excluding fatalities)	0	0
Working days with temporary work incapacity due to workplace injuries	155	108
Number of hours worked	9,005,242	8,962,901
Lost Time Incident Rate (LTIR)	0.133	0.157

The most important work-related hazards that pose a risk of serious injury are explosion, fire, and electrocution.

i **The processes and procedures followed for investigating work-related incidents are compliant with the applicable Occupational Health and Safety legislation (Chapter VIII of H.G. 1425/2006).**

Workers with high associated risk for occupational or professional disease

Due to the nature of the work, some jobs at ROMGAZ present a higher risk of occupational disease. Workers in compression stations, those in production sample formations, and workers involved in workover processes on wells are generally exposed to higher risk of developing occupational diseases, particularly associated with the loud noises amid which these activities are carried out. Employees in these jobs are made aware of these risks when they are first hired as well as regularly through occupational health and safety training.

	2022	2023
Number of employees in lines of work with high associated risk of occupational disease	328	321
Number of deaths caused by occupational diseases	0	0
Number of recorded occupational disease diagnoses	0	0

Promoting a healthy lifestyle among company employees

During regular check-ups, the Occupational Medicine Office staff promotes the adoption of a healthy lifestyle among ROMGAZ employees by bringing up best practices, advice, and recommendations during discussions.

The training of workers on occupational health and safety is based on ROMGAZ's own instruction on the training of workers in the field of occupational health and safety.

The training topics in the field of occupational health and safety are developed annually, in line with legal requirements, and approved by the employer. The evaluation of the training effectiveness is done by annual testing according to the approved annual training testing program.

In 2023, all employees were tested for occupational safety and health in accordance with the annual training-testing program.



Training and education

Through its 2021-2030 Development Strategy, ROMGAZ is committed to raising awareness of business ethics for all employees through training and communication programs, with the aim of achieving the NetZeRomGaz goal. In addition to training programs that are directly related to the company's operational scope, we are also committed to paying significant attention to human rights training sessions for all employees exposed to human rights risks, and at the same time to develop more internships and training programs inside the company.

Performance indicators:

- Number of employees who have completed training courses and/or communication programs on the NetZeRomGaz compliance requirements;
- Number of employees trained in human rights topics by 2025;
- Number of participants in internships and training programs.

ROMGAZ ensures that its employees receive continuous training in the areas which are relevant to their role within the organization, even if some of them are not strictly related to the authorization to practice a profession, but rather to the acquisition and development of new skills.

Out of a desire to provide our employees with the necessary professional development tools and opportunities, we have implemented a procedure within ROMGAZ that regulates the way we identify theoretical and practical training needs, as well as the means in which we carry out the training. This way, we ensure that each employee continuously meets the professional training requirements described in their job description.

Training and professional development of ROMGAZ employees is achieved through their participation in internal and external programs, according to the *Training and Professional Development Plan*. The purpose of these training and professional development programs for employees is to increase employees' skill levels. During 2023, a total of 2,499 employees from all categories of employees, regardless of function and level of education, participated in training courses. Expenditure in 2023 on training and further training amounted to RON 1,965,052 (81.26% of the total amount allocated for 2023).

The company's annual training and professional development plan was carried out in 2023 as follows:

- 847 people participated in vocational training programs on specialized topics as required by the nature of their role, carried out with providers of such programs;
- 698 people participated in licensing and relicensing courses, according to their roles;
- 954 persons participated in training programs provided by internal lecturers.

The training plan for 2023, in terms of the number of participants, was 118.38% achieved.

Average number of training hours per year, per employee	2022		2023	
	Men	Women	Men	Women
Top Management	8.92	10.50	29.88	22.20
Middle Management	12.20	12.23	24.86	22.97
Other management positions	11.93	12.00	21.16	26.00
Higher education graduates	8.34	4.12	10.68	6.78
Secondary education graduates	5.94	4.10	8.71	2.16
Laborers	10.53	1.55	14.87	1.34
Total	10.35	4.52	15.19	7.20

Performance review and professional development

Within ROMGAZ, the professional performance of employees is reviewed on the basis of an operational procedure that regulates the entire process. Reviewing professional performance allows us to constantly improve our working practices, identify staff training needs, as well as reward employees who achieve outstanding results. This is done annually on the basis of evaluation criteria and sub-criteria established by staff category.

The purpose of assessment is to recognize each employee’s skills and performance, to increase and strengthen their confidence in their own strengths, to stimulate their development, to increase motivation and satisfaction with the activities they carry out, to identify potential, as well as to strengthen the relationship between the employee and the direct coordinator (manager).

When the evaluation is complete, depending on the grades each employee obtained, an action plan may be drawn up to enable them to improve their job performance and/or pursue professional development.

The action plan may include:

- steps to be taken by the employee to improve on their weaknesses;
- the level of improvement to be achieved in specific areas of performance and the timeframes within which this level should be achieved;
- what should be done in case there are obstacles to achieving these goals between the current review and the next one;
- what kind of support the evaluator (line manager) can provide to help the employee effectively move through the stages of their action plan;
- the proposed thematic training programme that could lead to improved job performance, professional development.

Employees whose performance was reviewed	2022			2023		
	Men	Women	Total	Men	Women	Total
Top Management	57%	100%	64%	94%	100%	95%
Middle Management	88%	87%	88%	97%	98%	97%
Other management positions	100%	100%	100%	99%	100%	99%
Higher education graduates	93%	94%	93%	95%	95%	95%
Secondary education graduates	100%	86%	92%	97%	97%	97%
Laborers	97%	99%	97%	98%	91%	98%
Total	96%	93%	96%	98%	95%	97%

ROMGAZ's involvement in local communities

ROMGAZ's 2021-2030 Strategy commits the company to support the sustainable development of the society and local communities in which it operates, in order to provide a greener society for citizens.

In order to achieve this goal, we have set the following performance indicators:

- No new investment projects without a social impact assessment;
- A minimum of 10 health projects for local communities every year.

Thanks to an ongoing dialogue with the community at large, ROMGAZ understands the expectations and interests of the community in which it operates, which facilitates active involvement in the development of communities in response to their short, medium, and long-term needs. ROMGAZ seeks to develop strong, constructive, and effective relationships with local communities, which are essential for the successful management of environmental and social risks and impacts of activities on local communities.

ROMGAZ's involvement in projects or programmes of interest for the progress of communities is motivated by the desire to meet society's expectations through financial support/partial or total sponsorship of actions and initiatives, within the limits of our budgeted financial resources, demonstrating a proactive stance in the field of social responsibility and raising awareness among stakeholders about the importance and benefits of applying the principles of social responsibility.

ROMGAZ has developed a community consultation and information sharing mechanism in order to respond to the expectations and interests of community members to intervene to improve the quality of life and well-being of the community. Through this mechanism, it makes its [Sponsorship Policy and Sponsorship Guide](#) available to all stakeholders. These generate an internal mechanism to prioritize initiatives with the potential to improve the quality of life, assess community needs, the eligibility of sustainable community development projects, and the annual budget planning for the purpose of investing in the community.

Community investments are a natural result of ROMGAZ's sustainable development strategy, as well as a response to the community's desire to develop and evolve in a sustainable way. From a social responsibility perspective, ROMGAZ considers its actions to be relevant in preventing social risks and boosting the progress of communities.

The areas of community engagement identified by ROMGAZ are based on expressed community need, analysis of community benefits and opportunities, and determination of the materiality value of each action area.

Prior to the implementation of projects, we assess their impact on the community, which involves consultation with stakeholders in the project area, and we maintain throughout all the stages of the project open dialog with the community, assess the associated social and environmental risks, and keep communication channels available, respecting both mindsets and applicable legislative rules, so that their

concerns are adequately and promptly addressed. Internal standards, procedures and regulations, community involvement, the Corporate Social Responsibility Policy and Sponsorship Policy, internal and external organizational communication, open dialogue with partners and collaborators, authorities and specialized bodies contribute significantly to the correct approach to the implementation processes of projects of interest to all stakeholders.

ROMGAZ aims to support projects or programs of interest for the progress of communities that aim to improve the quality of life, welfare, and health of communities, particularly targeting the areas in which it operates, but without excluding the expansion of the area of intervention:

- Supporting programs to improve health services and increase the quality of healthcare for the benefit of patients and programs dedicated to the development of disadvantaged communities;
- Making efficient investment in human capital by supporting the implementation of tangible and relevant projects for the benefit of the education and training system;
- Supporting community representatives who demonstrate an aptitude for sport performance, as the values of sport become essential tools for social and educational integration;
- Taking action to support local-regional community identity and respect for cultural heritage and traditions;
- Getting involved in voluntary actions on environmental issues, projects for the sustainable management of existing resources, increasing public and private awareness of the importance of environmental conservation actions;
- Carrying out social responsibility projects involving local communities and developing voluntary action initiatives to create collective values and achieve positive social impact;
- Transferring knowledge and values to society through collaboration agreements with the scientific community and the educational environment.

Total sponsorship spending in 2023, of which: (RON)	26,589,127
Medical and health	11,371,732
Education, schooling, social, and sports	12,306,028
Other actions and activities	2,911,367

In its actions to support/participate in the implementation of projects, social responsibility actions or initiatives, ROMGAZ has taken into account the provisions of the 2023 Sponsorship Policy and Sponsorship Guidelines, published on the company website in the CSR section (www.romgaz.ro/sponsorizari). Projects and programs for communities are supported according to the needs and opportunities identified by community representatives.

Information on the most important projects and programs supported by ROMGAZ in 2023 can be found in the Annual Sponsorship Report, available on the company website: www.romgaz.ro/raport-anual-sponsorizari or on the social responsibility webpage: www.romgaz.ro/domenii-de-implicare.

The largest share of ROMGAZ’s annual sponsorship budget is directed to the medical system to support the provision of medical equipment as well as repairs needed by these units. In 2023 we supported several such projects in Bucharest and in the Mureş, Sibiu, Ilfov, and Mehedinţi counties.

Dual learning and ROMGAZ Scholarships Program

The “ROMGAZ Scholarships” project started out in August 2021 with the aim to identify ambitious students with outstanding academic results, young people with well-defined career goals, in order to provide them with financial support during their university studies. In this project, ROMGAZ has involved universities specialized in natural gas exploration and exploitation, as well as energy. Through this program, ROMGAZ offered bachelor’s and master’s degree students a scholarship of RON 1,500 per month until the end of their studies, as well as internships under

the guidance of tutors, support for the development of their theses, and opportunities for professional and educational development in the energy field.

Over the course of the program, 16 students have benefited from ROMGAZ scholarships, and 13 of them became our colleagues after graduation in 2023.

ROMGAZ has signed multiple partnership contracts with Mediaș National Gas School College and Iernut Technological High School, which provide practical training to students through dual education, level 3 qualification.

Through these contracts, ROMGAZ ensures the practical training of students in its two natural gas production branches and its electricity production branch.

Furthermore, throughout the duration of the partnership contract, during both the theoretical and practical training periods, students receive a monthly grant of RON 300.

During 2023, 65 students benefited from these partnerships.

In addition to the dual education partnership contracts, ROMGAZ has signed a framework agreement with the Mediaș National School of Gas College, which aims to carry out the practical training internship of students of the college (high school, vocational education, adult training courses) for the following specializations: installer of local distribution networks and gas mains, operator in the extraction, treatment, transport and distribution of gas, environmental technician, technician in economic activities.

In the future, ROMGAZ intends to make a tradition of these scholarship programs in order to bring ambitious, enthusiastic, creative, and hard-working young people into the company.

Besides the above projects, we also financed other investments in equipping or repairing kindergartens, schools, high schools, and universities.

Documentation and Information Center – Natural Gas Museum

In collaboration with representatives of local authorities, organizations or educational institutions, in the space of the Documentation and Information Center (Natural Gas Museum) in Mediaș, ROMGAZ organizes and hosts a series of events dedicated to the local community based on the principles of documentation, information, quality, accountability, performance. Social responsibility actions are meant to improve quality of life inside communities where ROMGAZ operates.

Emergency preparedness

The company has its own procedures and instructions for emergency situations, as follows:

- Own OHS instructions for first aid;
- System procedure for emergency readiness and response capacity.

ROMGAZ draws up and periodically updates specific plans for Emergency Preparedness (Firefighting and Civil Protection), in order to prevent the occurrence of events with severe consequences.

The main actions that were planned and implemented during 2023 for emergency preparedness included:

- The identification of specific risk factors and the assessment of specific types of risks that could generate dangerous events, which may occur at ROMGAZ's main sites (54 sites);
- The revision of the Security Plan for the critical infrastructure objective that ROMGAZ owns and operates;
- Carrying out 86 civil protection exercises and applications at ROMGAZ sites;
- Carrying out 57 inspections to verify compliance with legal, regulatory, and other requirements applicable to emergency situations at ROMGAZ sites.

SPEE Iernut is one of the most important economic operators providing jobs in the Iernut area, being located at a distance of about 5 km from the town. Given its distance from the community, the nature of its activity (electricity generation using natural gas as raw material), the unit's impact and risk on the community is minor.

For natural gas storage facilities, impact studies have been carried out at various stages when promoting various major investments. Since 2007, when these objectives were included on the list of objectives at risk of major accidents due to the large quantities of hazardous substances present on the site, the local, county, and national authorities have been informed by means of notifications and public interest information posted on the company's website and at town hall notice boards.

These studies have shown the economic importance for the local community, but also the possible risks of fires or explosions due to the highly flammable hazardous substances present and how the local community and authorities should react.

At Depogaz, we updated the Safety Reports and the Internal Emergency Plans. In this context, we updated the risk analyses for all the relevant technological installations of the natural gas storage facilities.

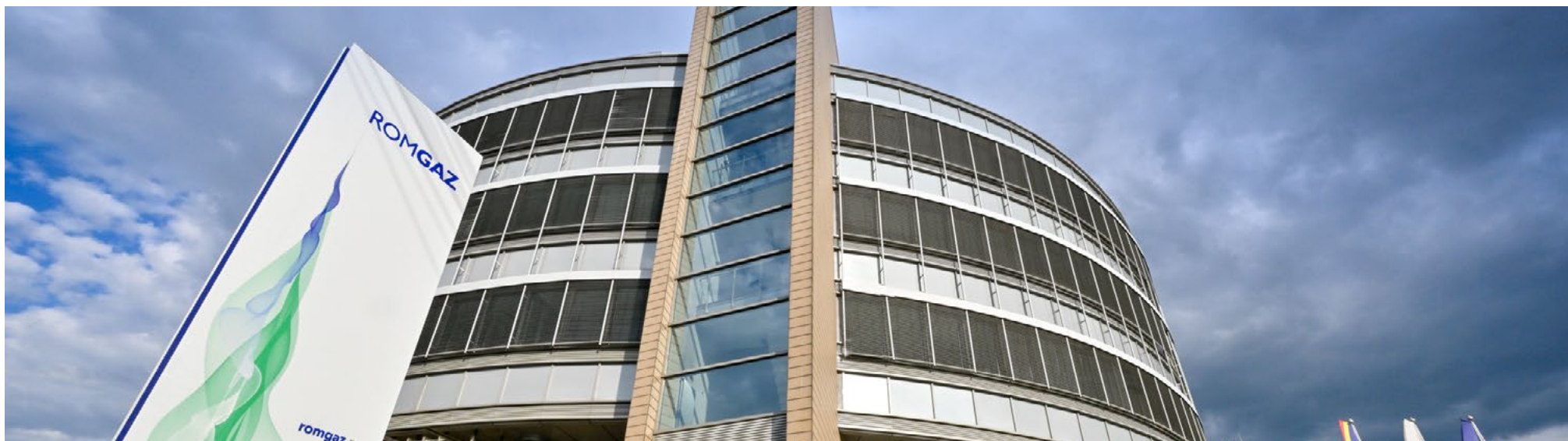
Noise measurements were carried out in the vicinity of the Natural Gas Compressor Stations, at the boundary of the industrial premises, and emission measurements were taken at all compressor stations, drying stations, well heaters and field compressors.

Also at Depogaz, the risk scenarios in the Safety Reports and the Internal Emergency Plan were assessed through exercises involving the Emergency Inspectorates, representatives of the Local Police, Town Halls, and First Aid Medical Services.

As required by current legislation, ROMGAZ informs the local population about all the activities it is planning, as follows:

- Announcements/notifications regarding documents submitted in order to obtain environmental agreements;
- Public debate meetings upon the submission of documentation for the Integrated Environmental Authorization.

The above-mentioned documents can be accessed on the www.romgaz.ro website, in the “[Environmental notices](#)” section, respectively on the depogazploiesti.ro website, in the “[Notices requesting environmental agreements, opinions, and authorisations from regulatory authorities](#)” section.



Environment

Environmental management and compliance with environmental standards, laws, and regulations

ROMGAZ demonstrates its strong commitment to environmental protection through comprehensive environmental management focused on compliance with applicable standards, laws, and regulations. The company continuously seeks to maintain certification of its integrated management system, which includes strict procedures and clear responsibilities to ensure compliance with legal requirements and continuous improvement of environmental performance. This commitment is reflected in all operational aspects, from energy and water use to waste management and ecosystem restoration.

ROMGAZ maintains certification of a robust and well-structured integrated environmental - quality - occupational health and safety (IMS) management system to ensure environmental compliance, including clear policies, procedures, and responsibilities. This is supported by the ROMGAZ CEO's Policy Statement on Quality, Environment, Occupational Health and Safety.

According to the "Identification and assessment of environmental aspects" system procedure, annually, or whenever significant changes occur in processes that have an environmental impact, environmental aspects are identified and assessed, and measures are established to manage their impact. There are also procedures for monitoring environmental factors and occupational noxious substances against the legal requirement, with values imposed by existing environ-



mental permits. There are no policies, procedures, responsibilities, etc. related to biodiversity within ROMGAZ's integrated management system.

The Environmental Protection Services plan the activity of measuring and monitoring environmental factors, as required by the applicable legislation. The results are recorded in the online "Environmental Factors Monitoring-Measurement

Registry". During the reporting period, the monitoring of all emission factors included for monitoring in the regulatory acts was verified. Monitoring results are documented in "test reports" issued by the laboratories with the relevant competence and entered in the Measurement-Monitoring Registry. For this purpose, the form "Planning of monitoring - measurement of environmental factors" is drawn up at the branch level.

Impacts identified at the company level:

Operation/product	Location	Potential negative impact	Affected entities
Natural gas storage through wells and gas transport pipelines	Gas transport pipelines Natural gas compression stations	Pollution of environmental factors: - water, air, soil, subsoil - affecting the economic and social life of the local community, as indicated in the existing Safety Reports for the 5 gas storage sites	Local communities on whose administrative area the gas storage sites operate.

The IMS includes the work instruction "Environmental Inspection", which details the process for conducting environmental inspections at ROMGAZ sites where activities with potentially significant environmental impact are carried out, assessing compliance with legal requirements and applicable regulations. Assessment of compliance with legal and other applicable environmental protection requirements is carried out annually by the Environmental Protection Service/Office/Department.

Inspections are structured in clear stages: identifying sites, drawing up the plan and checklist specific to the activity being inspected, carrying out inspections, and reporting the results. Procedures for identifying and assessing compliance, monitoring and measuring environmental factors, monitoring and reporting greenhouse gas emissions, environmental reporting and controlling non-conformities, and corrective actions are an integral part of this system. ROMGAZ uses an online Non-Compliance Registry for added transparency and efficiency. ROMGAZ's activities in the field of environment and water management are regulated under GEO 195/2005 on environmental protection, with all subsequent additions and amendments, as well as under the Water Law no. 107/2005, with all subsequent additions and amendments.

Meanwhile, Romgaz Black Sea Limited (RBSL), which is currently performing office activities, is designing, developing, and implementing an Integrated Management System with a focus on environmental compliance. This system includes the development of an energy management system for energy consumption, improving energy balance, reducing emissions, and reducing energy costs through more efficient use of energy.

RBSL's organizational culture is to make energy consumption more efficient in day-to-day office operations. RBSL's activities are guided by specific procedures such as waste generation prevention and management, event management, and measures for sustainable management of primary non-reusable packaging, as per Decision No. 30 of 16.02.2024. These measures reflect RBSL's ongoing commitment to environmental protection in all operational aspects.

As Co-owner and non-operator of the Neptun Deep perimeter, RBSL has undertaken the formalities required by the applicable legislative framework to obtain environmental consent (procedure underway) in partnership with the other Co-owner (as operator).

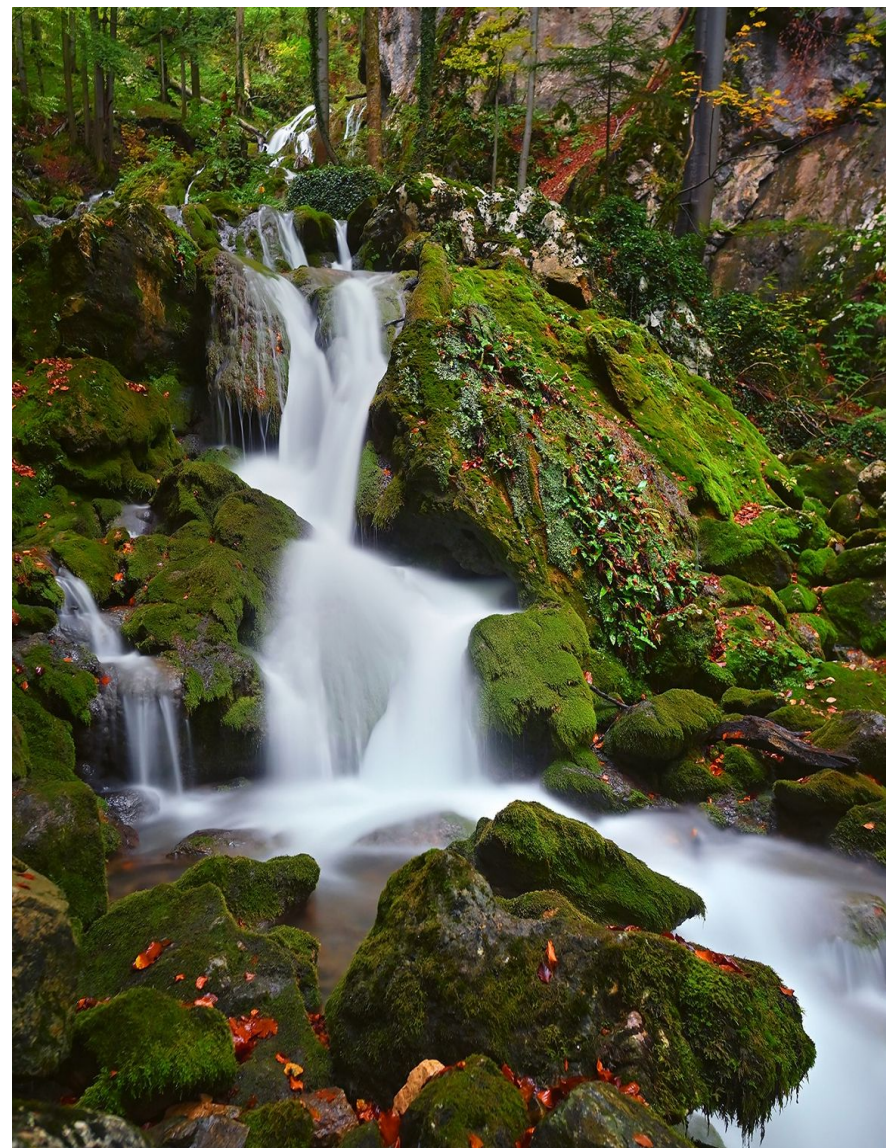
In the event of the detection of environmental noncompliance, in line with system procedure “Control of noncompliance and corrective actions,” the noncompliance is analyzed to determine the causes that led to it. Subsequently, the necessary actions to prevent their recurrence are established and implemented, and the results of the actions taken are recorded. For better transparency and accessibility, the Non-Compliance Registry is available online on the internal Infoweb website.

The “Monitoring and measurement of environmental factors” procedure details the monitoring and measurement of the main aspects of activities that may have a significant impact on the environment and that create risks of occupational injury or illness. It also includes the assessment of environmental and occupational health and safety performance, operational control in the operation of integrated management system (IMS) processes, and compliance with environmental and occupational health and safety objectives and planned outcomes for each process.

Compliance with obligations following environmental audits and inspections is also assessed.

DEPOGAZ contributes to environmental compliance management by monitoring and measuring environmental indicators related to the environmental performance required by applicable legislation and regulations, as well as stated environmental objectives and targets. Periodically, occupational health and safety (OHS) performance is monitored and measured, ensuring the use of calibrated and fully operational equipment to achieve real results. Records resulting from the application of this procedure are appropriately stored.

The performance of integrated management system processes is monitored and measured through operational control in the running of IMS processes and also monitors, measures and controls EMMs. DEPOGAZ is also committed to increasing environmental investment, thereby contributing to continuous improvement in environmental performance and regulatory compliance.



Through these actions, ROMGAZ and DEPOGAZ demonstrate a continuous commitment to environmental protection, occupational health and safety, ensuring compliance with legal requirements and improving performance in these areas.

The process of reviewing the activities associated with environmental compliance management is carried out through a series of rigorous reporting and audits to ensure compliance with legal requirements and continuous improvement of environmental performance. The evaluation of these activities is detailed in the reports carried out by the Environmental Protection Service, which are included in the annual “Management Review”.

Third party audit for compliance assessment and certification of the Integrated Management System is an essential component of this process. Within DEPOGAZ, reporting is carried out monthly, quarterly, half-yearly, and annually by the Corporate Governance Office and is addressed to the Board of Directors and the CEO.

SPEE Iernut conducts internal audits to verify compliance with legal requirements, including compliance with COMMISSION REGULATION (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC. Internal audits of the integrated management system are also conducted to verify and ensure compliance with environmental standards and requirements.

This comprehensive assessment process ensures that all activities related to environmental compliance are continuously monitored, reviewed, and improved, thus ensuring effective and responsible management of environmental impacts.

An important aspect is the continuation of the process of resuming the works for the “Development of Iernut TPP through the construction of a new combined cycle gas turbine power plant” investment.

The mechanisms implemented by ROMGAZ for the management of environmental complaints are well structured and accessible, ensuring an efficient and transparent approach to the issues raised by the public. Environmental complaints can be submitted through the following channels:

- By email, using the address petitii@romgaz.ro, available on the company’s external website.
- By registering complaints online on ROMGAZ’s website using the link www.romgaz.ro/formular-pentru-inregistrarea-plangerilor.

ROMGAZ’s IMS includes specific procedures for managing non-compliance. Heads of organizational units receiving external environmental complaints are required to forward a copy of the complaint to the Environmental Protection Service/Bureau/Department (headquarters/branch), according to the “ Non-compliance Control” procedure.

The mode of communication regarding environmental complaints is regulated by the “Communication” system procedure, which ensures an efficient and prompt handling of the feedback received from stakeholders. This ensures that all complaints are properly handled and that appropriate action is taken to resolve them, thereby contributing to the continuous improvement of the company’s environmental performance.

In 2023, the company recorded one non-compliance with environmental laws and/or regulations resulting in a fine of RON 35,000.

Due to heavy rainfall, petroleum substances from the petroleum product separators accidentally reached the storm water discharge pipe collected from the production platform (FPGN Frasin), from where they were discharged into the Moldova River. According to the Report of Findings no. 642/25.01.2023 issued by SGA Suceava, we do not have information on the volume of the spill recovered, as the recovery was carried out by Apele Romane.

Climate change

To achieve the Green Deal objectives of climate neutrality by 2050 and a 55% reduction in greenhouse gas emissions compared to 1990 by 2030 as well as Romania's objectives of decarbonizing energy sector and increasing the share of renewable energy in the total energy balance, ROMGAZ has set a strategic goal of reducing carbon, methane, and other gas emissions by at least 10% by 2030. ROMGAZ Strategy for the period 2021-2030 stipulates:

- **VISION:** To make a profit from the production and sale of hydrocarbons and electricity, including from renewable sources, in an efficient and emission-reducing way.
- **PURPOSE:** NetZeRomGAZ* in all the company's activities. The company aims to develop its business with achieving net 0 (zero) carbon dioxide emissions by 2050.
- **STRATEGIC OBJECTIVE:** Reduce carbon, methane, and other gas emissions by at least 10% (10-10-10)
- **PERFORMANCE INDICATORS:**
 - Reduce the carbon intensity of ROMGAZ operations by 10% by 2030 (compared to 2020);
 - No new projects with flaring and removal of venting into the atmosphere by 2030 at the latest;
 - Reduction of technological natural gas consumption by 10% compared to 2020 by 2030.

ROMGAZ's 2021 - 2030 Strategy includes the Decarbonization Policy, which includes:

- Renewable energy production;
- Electricity production based on natural gas with low emissions;
- The implementation of a system for the management of noxious emissions;
- The implementation of a Fugitive Emissions Detection and Reduction Program as part of the management system for the integrity of production equipment;
- The implementation of a Fugitive Emissions Reduction Program during well testing operations;
- Reducing the execution time of production infrastructure development to reduce energy consumption and emissions;
- The use of nonpolluting closed discharge system at well cluster;
- The use of electrically driven drilling rigs;
- Reducing emissions at compressor stations;
- Reducing the amount of process gas flared in a controlled manner by applying methane capture and recovery solutions;
- Reducing the transport of liquids resulting from the operating process by vehicle;
- Upgrading and making the existing fleet more efficient.

ROMGAZ’s integrated environment - quality - occupational health and safety system includes specific procedures and instructions for managing emissions. Supported by the CEO’s Policy Statement on Quality, Environment, Occupational Health and Safety, the system includes the work instruction “Monitoring and reporting of greenhouse gas emissions” which regulates the activity of obtaining the GHG emissions permit and monitoring and reporting of greenhouse gas (CO₂) emissions. The relevant environmental objective is to prevent or reduce the impact of pollution sources on air quality by keeping the level of emissions within the limits allowed by current legislation.

The quantities of CO₂ emissions from mobile and stationary sources are centralised at the head office’s Environmental Protection Service, based on the semi-annual reports received from the branch environmental protection services. Within the company, emissions from the combustion of natural gas in gas drying stations, natural gas compression, well heaters, thermal power plants, and large combustion plants (IMA-Iernut) for electricity generation are measured according to the monitoring plan. Emissions are also measured from the combustion of liquid fuels and from electricity consumption, both Scope 1 - for self-supply of electricity and Scope 2 - for purchased electricity. EPRTTR emissions and Air Pollutant Emission Inventory are reported according to Order 3299/2012.

The measures established to manage the impact of emissions are:

- Operational control;
- Measurement and monitoring of emissions;
- Staff training;
- Carrying out annual technical overhauls, periodic checks, current repairs, overhaul of work equipment;
- Prevention of abnormal situations in order to limit the uncontrolled loss of methane gas;
- Purchase of efficient equipment and installations with lower pollution levels;
- Project implementation: “Development of the Iernut TPP through the construction of a new combined cycle gas turbine power plant”;
- Equipping the engine with a flue gas exhaust system with catalytic converter (Electrical Operation Section, SPEE Iernut);
- Repairs, replacement of defective fittings, re-sealing (Gas Production Section);
- Recovery of freon from defective devices and controlled storage of freon cylinders (AMC Section, SPEE Iernut);
- The “Monitoring-Measurement Registry” application is to be completed and kept up to date;
- The Environmental Protection Service of the head office follows up the monitoring on a monthly basis and notifies the Environmental Protection Service of the branch office in writing of any missing information in the Monitoring-Measurement Registry.



ROMGAZ ensures that staff are well trained and aware of the importance of reducing material and energy consumption, thus contributing to the effective management of climate change by conducting training and awareness-raising activities on “Rules for reducing material/energy consumption.”

SPEE Iernut holds Permit No. 58/15.02.2021 for greenhouse gas emissions for the 2021 – 2030 period. SPEE Iernut has a GHG Emissions Monitoring and Reporting Plan and annually produces an Annual GHG Emissions Monitoring Report, validated by an independent verification body. The Annual GHG Emissions Monitoring Report and the CO₂ Emissions Validation Report are in turn assessed/approved by the National Agency for Environmental Protection - Climate Change Directorate to confirm CO₂ emissions. The CO₂ emissions monitoring report for the year 2023 has been validated and approved; the CO₂ emission certificates to ensure 2022 compliance have been surrendered.

SPEE Iernut owns a thermoelectric power plant with an installed capacity of 300 MWe, equipped with Czechoslovak and Soviet units, equipped with 2 power units, one 100 MWe unit and one 200 MWe unit, grouped according to GD no. 440/2010, in two (2) large combustion plants:

- SPEE Iernut no. 4 - 1 steam boiler 277 MWt;
- SPEE Iernut No 5 - 2 steam boilers 2 x 277 MWt;

The SPEE Iernut platform also includes:

- 2 GEI 300 type intervention groups (operating alternatively),
- 1 MSG 285 I Electroden intervention group,

which are designed to supply AC electricity to vital domestic consumers in the event of the disappearance of 0.4 kV AC voltage from the base and back-up grid. The emergency units are fueled by diesel.

As of 01.07.2020, SPEE Iernut no. 4 has not been in operation because it does not comply with environmental requirements (exceeds emission limit values for NO_x).

In 2023 only ROMGAZ - SPEE Iernut nr. 5 was operational.

Nr. crt.	Fuel/raw material	Emissions associated with fuel/raw material (t CO ₂ /year)	Share of the equipment's total emissions (%)
1.	Natural gas	543,771.99	99.99 %
2.	Diesel	0.1	0.01 %
TOTAL SPEE Iernut		543,772	100

RBSL is developing an Integrated Management System that will include addressing climate change and emissions reduction in its operational activities, despite the fact that it only carries out office activities.

In 2023, measurements of pollutant emissions were carried out at technological equipments (thermal power plants, boilers, drying stations, etc.) The measurements were completed by the development of Analysis Reports of indicators resulting from the combustion of natural gas. The analysis reports were made available to the Environmental Protection Agency during the checks, sent to the Environmental Protection Agencies, and were uploaded to the IMS platform's Emissions section.

Forms were also drawn up for PRTR reporting of emissions of pollutants into the atmosphere, in accordance with the provisions of Decision No. 140 of 6 February 2008 laying down measures for implementing Regulation (EC) No. 166/2006 of the European Parliament and of the Council concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC.

Greenhouse gas emissions

In 2023, CO₂ emissions were determined by inventorying emission sources owned or directly controlled by the Company.

Emissions	UM	2022	2023 ⁷	Variation
Total GHG scope 1, of which:	Tons	1,020,738.13	908,008.44	-11.04%
CO ₂ (carbon dioxide)	Tons	905,045.61	794,605.44	-12.20%
CH ₄ (methane)	Tons	115,692.52	113,402.99	-1.98%
N ₂ O (nitrous oxide)	Tons	559.8	3.88	-99.31%

The intensity of greenhouse gas emissions is 0.206 t CO₂e/toe and it falls within the industry's normal values.

Indirect greenhouse gas emissions (Scope 2)		2022	2023	Variation
Total GHG scope 2, of which:	tons CO ₂ equivalent	7,693.99	12,762.42	65.88%
CO ₂ (carbon dioxide)	tons	7,693.99	12,762.42	65.88%

Total Scope 3 emissions

Emission source	Quantity of product sold in 2022	Scope 3 emissions in 2022	Quantity of product sold in 2023	Scope 3 emissions in 2023
Total Scope 3 emissions, of which:		10,264,724 t CO ₂ e		9,770,251 t CO ₂ e
Natural gas	49,763,695,248 kWh	10,201,558 t CO ₂ e	47,320,962,292 kWh	9,700,797 t CO ₂ e
Well condensate (gasoline)	170,719,33 bbl	63,166 t CO ₂ e	187,712,545 bbl	69,454 t CO ₂ e

⁷ For each year, the calculation was made taking into account that SPEE Iernut has a GHG permit. The calculation of annual CO₂ emissions was carried out in accordance with Commission Regulation (EU) No 601/2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council) Art. 24 Calculation of emissions according to standard methodology.

CO₂ emissions = fuel flow (t or Nm³) x net calorific value (TJ/t or TJ/Nm³) x emission factor (tCO₂/TJ) x oxidation factor

The emission factor for CO₂ is 55,430 g/GJ (for natural gas combustion)

The emission factor, NCP for natural gas shall be calculated by the operator based on the information taken from the chromatographic analysis bulletins issued by the laboratory using the CORINAIR methodology.

CO₂ emissions (g/106 J) from the combustion of gasoline, diesel, and methane gas. List of national emission factors and net calorific values, specific to each fuel type and activity category, used to fulfil the requirements for monitoring and reporting of carbon dioxide emissions in accordance with Regulation (EU) No 601/2012 on monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC

Calculation-based method applied in accordance with the provisions of Regulation (EU) No 2066/2018 on monitoring and reporting of gas emissions under Directive 2003/87/EC with subsequent addendums and updates.

The calculation of Scop 3 GHG emissions for Romgaz is based on the following assumptions and considerations:

1. High uncertainty in estimation: Scop 3 emission estimates may be less accurate or have high uncertainty because they are produced outside the organisation, involving its suppliers and partners. The diversity of emission sources is large, including 15 different categories.
2. Materiality threshold: Romgaz has set a materiality threshold of maximum 0.50% of total Scop 3 emissions. Emissions below this threshold, according to the internal materiality analysis, have been excluded from the GHG inventory.
3. Relevant emission category: the relevant Scop 3 emission category in Romgaz's inventory is category 11, which refers to the use of products sold, according to the GHG Protocol.

To reduce greenhouse gas emissions, we implemented the following measures in 2023

- Upgraded auto fleet;
- Changes in employee behavior;
- Replacing some equipment with better performing versions and using the latter in production operations.

Emissions	UM	2023	2022	% Reduction
GHG scope 1	tons CO ₂ equivalent	135	264	-2.4% (STTM)

Internal analyses have identified the main atmospheric pollutants generated by the organization, as well as their sources; findings are presented in the table below.

Atmospheric pollutants	UM	2022	2023	Polluting source 2022	Polluting source 2023
SO ₂ (sulphur dioxide)	t	0,553	0,486	Compression stations, Drying stations, Heaters	Compression stations, Drying stations, Heaters
NO _x (nitrous oxides)	t	989,326	402,311	IMA5-SPEE Iernut Compression stations, Drying stations, Heaters	IMA5-SPEE Iernut Compression stations, Drying stations, Heaters
NM-VOC (nonmethane volatile organic compounds)	t	44,7	3,705	Compression stations, Drying stations, Heaters	Compression stations, Drying stations, Heaters
Particle emissions	t	0,612	0	Compression stations, Drying stations, Heaters	



Measures to reduce greenhouse gas emissions: vehicle fleet modernization, employee training, purchase of more efficient equipment

Infrastructure integrity and gas leaks

Infrastructure integrity

ROMGAZ's infrastructure management system involves the implementation and application of specific procedures designed to ensure the efficient maintenance of the natural gas infrastructure. These procedures are detailed and classified according to the type of maintenance and specific activity as follows:

- Preventive maintenance in the natural gas compression activity: Procedure 16-PO59.
- Corrective Maintenance in the natural gas compression activity: Procedure 16-PO60.
- Preventive maintenance in gas drying: Procedure 16-PO18.
- Corrective maintenance in gas drying: Procedure 16-PO19.
- Corrective maintenance to remedy accidental defects in natural gas pipelines: Procedure 16-PO20.
- Corrective Maintenance for the Remediation of Accidental Defects in Surface Facilities: Procedure 16-PO63.
- Remediation of insulation defects on collector pipes: Procedure 16-PO64.

These procedures are essential to ensuring the integrity and continued operation of the natural gas infrastructure, preventing and remedying potential failures and accidents.

To increase both energy efficiency and operational safety, ROMGAZ carries out the following activities:

- **Energy consumption analysis:** energy consumption is constantly analyzed as part of the maintenance processes. Where opportunities to reduce specific energy consumption are identified, upgrades are proposed and implemented.
- **Upgrading of equipment:** In order to increase energy efficiency and operational safety, work is carried out to replace unsuitable sub-assemblies or old equipment with more efficient ones, according to available sizes and state-of-the-art technologies.
- **Inspection and overhaul:** A systematic program has been initiated for the inspection, checking and overhaul of electrical and power installations at all ROMGAZ sites. This program is designed to ensure the correct and safe operation of these installations.
- **Fire detection and signaling:** A program for the installation of fire detection and signaling installations has been started for important objectives where there are permanent supervisory staff. These installations are essential for the prevention and rapid management of possible fires, ensuring the protection of staff and infrastructure.

By implementing these measures, ROMGAZ manages its infrastructure efficiently, reducing the associated risks and ensuring the continuity and safety of its operations.

In order to evaluate infrastructure management activities, the company has created the following within its internal electronic platform:

- A drying station maintenance registry where actions can be tracked, as well as the introduction of new maintenance situations into the operational process;
- 2 links on the Infoweb network where the Production Sections of the Medias and Mureş Production Branches post the Inspection activity of the natural gas pipeline route and the Minutes of the repair of accidental defects of the gas pipelines identified and repaired;
- an application for the operation of equipment/installations in operation at ROMGAZ level under ISCIR.

In 2023 there was a fire at a natural gas drying station triggered by a fault in the electrical installation of the control/automation cabin, which caused the gas drying station to be shut down for two weeks.

Gas leak volume

ROMGAZ has a procedure that establishes the methods of calculating the technological consumption, the responsibilities of the personnel involved in the process of calculating the technological consumption, including gas leaks (blown gas). The procedure was developed in accordance with the methodology developed by the Romanian National Agency for Mineral Resources.

The negative impact is managed through preventive and corrective maintenance works on the production infrastructure in order to minimize these leaks.

The “gas leaks” recorded in 2023 were evaluated according to the system procedure. In the year 2023, gas leaks represented 8% of the total technological consumption and were not considered significant, having no negative impact on technological consumption compared to other years.

	U.M.	2022	2023	Variation
Total gas leak volumes	thousand m ³	3,303.208	3,595.990	8.864%



Energy

The “Policy Statement on Quality, Environment, Occupational Health and Safety, and Energy” by the company CEO states that the company’s management is committed to the objectives of the integrated management system, which include:

- continuous monitoring and systematic analysis of processes to ensure their efficiency and effectiveness.

DEPOGAZ has an ENERGY POLICY STATEMENT in place.

The “Energy analysis” system procedure documents the methodology and criteria used to carry out the energy analysis inside our organization, as well as the responsibilities of staff members who are involved. It aims to establish the real rates of consumption on the proposed framework and the degree of energy efficiency, as well as identify measures to improve the energy regime and prevent the effects of environmental pollution. The Energy Analysis allows us to calculate all forms of energy entering and leaving the analyzed physical framework. It also highlights external exchanges and exchanges between the units that are subject to analysis and the way in which externally sourced resources end up being capitalized. This highlights the areas of inefficiency, as well as the magnitude of the losses it causes.

At the same time, ROMGAZ is working on the necessary documentation for the implementation and future certification of SR EN ISO 50001:2019, applicable to the entire Group. Based on ROMGAZ’s Energy Management System, which is currently being implemented, the company has appointed energy managers, whose responsibilities are established by internal decisions.

For the reporting period, we can mention the following:

- We reported to the Ministry of Economy, Energy, and the Business Environment (MEEMA) for the year 2023 on the statement of total energy consumption through the MEEMA 2022 Energy Analysis Questionnaire and reporting to the National Institute of Statistics (INS).
- We carried out monthly reporting on short-term indicators in industry, natural gas consumption on conversion to heat by thermal power plants.
- We carried out annual reporting through specific forms on energy resources and their utilization, heat production, industrial products and services.

The impact of energy management can be handled through:

- Identifying, implementing, and analysing the effectiveness of necessary improvement measures (technical and/or organizational);
- Increasing the energy efficiency of the surface facilities due to be made through the investment program;
- Reducing the energy consumption associated with our activities and carrying out a detailed analysis of energy flows and consumption for each process in order to determine opportunities for continuous improvement of energy performance;
- Acquiring equipment and machinery with reduced consumption compared to what is already in stock, as well as units with the lowest possible pollution levels;
- Keeping energy consumption under control and raising staff awareness.

For planned energy efficiency measures, the investment program sets out the estimated cost of implementing these measures and the return on investment period:

- Short-term measures (no cost or minimal cost);
- Medium-term measures (2-3 years);
- Long-term measures (3-6 years).

The company conducts training and awareness sessions on “Rules for reducing material and energy consumption” to improve operational efficiency and reduce costs, thus contributing to increased profitability. These sessions promote sustainability and compliance with legal regulations, protecting the environment and aligning with the principles of sustainable development. Educating employees on

these issues develops a responsible and effective organizational culture, which is essential for long-term success.

During the reporting period, we carried out capitalizable repairs on retrofitting, i.e., investment works with an impact on energy efficiency (e.g., lighting upgrades), monitored emission sources, and determined the amount of CO₂ emissions for 2023.

Energy consumption inside the organization* (GJ)

	2022	2023
Total consumption of fuel from non-renewable sources	20,110,379	12,280,977
Total consumption of fuel from renewable sources		400
Total electricity consumption	1,021,344	1,000,150
Total thermal energy consumption	273,889.932	8,270
Amount of electricity sold	3,738,241	3,881,858
Total energy consumption	17,667,371	9,407,938.620

*the methodology used to calculate consumption is:

Quantity of diesel in liters converted to GJ using formula

$$Mj = L * 0.84 * 44.8, \text{ where } 1L = 0.84 \text{ Kg} = 44.8 \text{Mj/kg}$$

The quantities of energy expressed in Kwh taken from the supplier bills were converted into GJ using the formula:

$$Mj = Kwh * 3.6$$



Investments with an impact on energy efficiency, modernization of the lighting system, monitoring emission sources, and determining the amount of CO₂ emissions

Total energy consumption is calculated by summing up the total consumption of electricity/fuels expressed in toe/year, (tons of oil equivalent/year) according to Law no. 121/2014: energy and gas metering. The unit of measurement is the one in the International System for Fuel and Energy, converted into GJ.

Electricity consumption is calculated according to the Performance Standard for Supply Activities and the Performance Standard for Distribution Services.

SPEE Iernut: Operational procedure “Determination of fuel consumption of power units”

ANRE Order 30/2003; PE012/1992

Large combustion plants at the SPEE Iernut site are supplied with natural gas from the gas pipeline owned by TRANSGAZ, and the volume of gas is measured through a system owned by S.R.M. Cuci (natural gas supplier).

The calculation of fuel consumption at energy blocks in SPEE Iernut was carried out using the jvAFE application.

Energy intensity (total energy consumption in GJ for RON 1,000 in turnover)

	2022	2023
Energy intensity	1.320	1.014
Types of energy taken into account	Electricity, heating, fuel	

Energy intensity continued to decline, reaching a 23% lower level in 2023 compared to the previous year.

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

- For electricity, replacing classic lighting fixtures with LED;
- Renewing the auto fleet by replacing old, high-emission and high-consumption vehicles with new vehicles;
- Upgrading internal and external artificial lighting in administrative buildings;
- Upgrading/replacing thermal heating installations;
- Reducing water-steam losses by eliminating imminent leaks;
- Using frequency converters for electrical operations;
- Organizational measures to reduce heating energy use (installing thermostats, isolating pipes that transport heating from the central unit, installing thermostatic valves, etc.);
- Monitoring fuel consumption by installing fuel level sensors and GPS equipment on the SIRCOSS auto fleet;
- Establishing optimal temperatures for the premises where staff carries out work (offices, workshops, warehouses);
- Replacing old or faulty equipment with energy-efficient equipment, organizational measures according to procedures;
- Replacing heating and power equipment to reduce energy consumption.

In 2023, ROMGAZ implemented a series of measures set through its energy consumption reduction strategy, as follows:

- Works to upgrade internal and external artificial lighting in administrative buildings;
- Upgrading/replacing thermal heating installations;
- Washing condensers to improve drizzling temperature;
- Reducing water-steam losses by eliminating imminent leaks;
- Using frequency converters for electrical operations;
- Renewing the auto fleet by replacing old, high-emission and high-consumption vehicles with new vehicles – 80% completion at STTM.
- Upgrading interior artificial lighting in all worksites belonging to STTM Tg. Mureş – 100% completion at STTM;
- Organizational measures to reduce heating energy use (installing thermostats, isolating pipes that transport heating from the central unit, installing thermostatic valves, etc.) – 50% completion of thermostatic valve installation;
- For the implementation of and commitment to an electricity consumption reduction program, we use LED projectors for lighting, contributing to a lower electricity use across the organization (SIRCOSS)
- Energy audits have been carried out at some of the production sites, resulting in a series of proposals to reduce energy consumption, such as replacement, installation of automatic capacitor banks, replacement of lighting (changeover to LED), upgrade and automation of the start-up of electric compressors, and organizational measures.
- Replacement of air conditioners with more energy efficient ones - 100% completion;
- Optimization of the natural gas injection program in underground storage.

In addition, optimal temperatures have been set in all premises where staff carries out work (offices, workshops, warehouses).

As a result of the implementation of energy efficiency measures, energy consumption has decreased by approximately 2,100 GJ at STTM and by 47.37 GJ at SIRCOSS.

Auto fleet

	2022	2023
Number of cars in company fleet of which:	707	757
Diesel	659	709
Petrol	48	48
Total distance covered using cars in company fleet (km)	12,328,619	12,078,241

	2022	2023
Distance covered inside Romania by employees for business purposes, using personal cars (km)	51,225	108,847
Distance covered inside Romania by employees for business purposes, using public transport means (taxi) (km)	1,540	2,211

	2022	2023
Distance covered by plane (km)	269,536	289,480

A budget of 1.51% of the value of the Investment Plan for 2023 has been allocated for investments in renewable energy sources, respectively 0.02% of the value of the 2023 Annual Sectoral Procurement Plan, so the company generated the same amount from renewable sources as in the previous year.

Amount of energy generated from renewable sources (GJ)

Produced amount by type of renewable energy	2022	2023
Solar energy	399.6	399.6

Water

At ROMGAZ, water is used both in the technological process as well as for domestic purposes (hygiene/sanitation) and drinking.

Water is supplied from underground sources (drilled wells), surface water abstraction or from the public network. Depending on the nature of each activity, water is discharged, after pre-treatment in treatment plants, either into public sewage networks, into natural outfalls or injected into injection wells.

One of ROMGAZ's environmental objectives is the prevention of pollutant input into surface or groundwater by complying with the limit values allowed for water quality indicators when discharging into natural outfalls or the sewerage network in accordance with the standards imposed by NTPA 001 and NTPA 002.

The management of interaction with water within ROMGAZ is carried out on the basis of system procedure "Identification and assessment of environmental aspects" and the work instruction "Monitoring and measurement of environmental factors," so as to ensure compliance with the parameters set out in the water management permits. ROMGAZ has also drawn up a procedure on "Measurement, collection, transport and disposal of reservoir water" and continuously monitors compliance with it through its internal mechanisms.

The management of the impact on the withdrawn or discharged water is carried out through ROMGAZ's Environmental Protection Service, which centralizes and reports to the authorities the information received from each of the company's sites.

ROMGAZ ensures the quantitative and qualitative monitoring of domestic wastewater, technological wastewater, rainwater, groundwater and reservoir water, the quantitative and qualitative reporting of information from test reports, the volumes of water used for industrial and sanitary purposes and the reservoir water injected into injection wells. Monitoring of water quality is carried out through test reports issued by authorized laboratories according to the internal monitoring plan and the requirements of the authorities, and the results of the monitoring are entered in the Measurement-Monitoring Registry.

Exceedances of the water environmental factor values constitute non-compliance, and once found, they must be documented through a Non-compliance and Corrective Action Report.

In 2023, the monitored indicators indicated in the environmental/water management permits for each site complied with the permitted effluent values in accordance with the legislation in force (NTPA 001 and NTPA 002), ensuring environmental protection.

The identification and assessment of water-related impacts is carried out at the stage of obtaining permits for a new site that will benefit from a water source. For areas already authorized, a re-assessment of impacts is carried out when preparing technical documentation for reauthorization from a water management point of view or in case of restriction/withdrawal of water volumes when a modification of the authorization is requested.

The measures introduced to manage environmental issues and their impact on groundwater/other waters have included:

- Operational control;
- Staff training;
- Monitoring discharges;
- Disposing of waste through authorized companies;
- Collecting reservoir water in storage tanks;
- Assembling oil recovery tanks;
- Using absorbent materials;
- Carrying out annual technical maintenance, current repairs, periodic checks, capital repairs;
- Carrying out repairs, replacing broken reinforcements, resealing;
- Using gutters and collecting deposit water in storage containers;
- Disposing of deposit water in injection wells;
- Using decanting and separation systems in the sewerage network.

ROMGAZ does not operate in areas with water shortages.

Although ROMGAZ has not developed a specific policy related to interaction with water and no specific objectives have been set through the integrated management system and existing procedures:

- staff are trained with rules on reducing material and resource consumption;
- rules are established on the prohibition of discharging wastewater of any kind onto the ground or into outfalls without bringing the parameters within the limits required by legislation;

- inspections are carried out to check compliance with the legal requirements applicable to water;
- the impact of our activity on surface water and groundwater is regularly monitored (according to the permits), including through boreholes.

The quantity of water used within ROMGAZ is in accordance with the water needs based on the Water Management Authorizations of each site.

SPEE Iernut

Given the specific nature of the Iernut Power Generation Branch's activity, which leads to the use of a very large volume of water, this branch is subject to increased monitoring by ROMGAZ management regarding its interaction with water.

SPEE Iernut is located on the upper course of the Mures river, between Luduș and Iernut, at a distance of about 5 km west of the town of Iernut.

The technological water supply is provided from the Mures River by means of a mobile catchment dam built in the minor riverbed and is used as cooling water (cooling of condensers, launders, aggregates) and for the chemical treatment plant (filtration and softening) and treatment for drinking water. To keep consumption as low as possible for the technological process, the water used in the cooling system can also operate in a mixed system, i.e. part of the cooling water is recirculated, cooled and fed back into the cooling system.



Regular monitoring of the impact of ROMGAZ's activity on surface and groundwater, including borehole monitoring

In principle, the water used for the technological process undergoes the following basic processes:

- water abstraction from the Mures river;
- pre-treatment of raw water (coagulation);
- softening;
- demineralization;
- mechanical filtration;
- neutralization.

There are several wastewater treatment plants that aim to retain pollutants in the wastewater before its discharge into the sewage network and thus into the outfall (Mures River). Water from the cooling of aggregates that is potentially polluted with oil particles is collected by the drainage network and discharged into the Mures River via four oil product separators. For the technological wastewater resulting from the regeneration of ionic filters, the plant is provided with a neutralization plant, and domestic wastewater is drained through a mechanical-biological plant.

Water consumption is monitored on a daily basis and plays an important role in the calculation of the electricity production price, being largely influenced by the following factors: production, malfunctions, number of startups/shutdowns, water temperature (taken from the Mures river), Mures river levels.

ROMGAZ holds a Water Management Permit for water supply and wastewater discharge at the Iernut Electricity Production Branch. Annually, the unit draws up and submits to the Mures Water Basin Administration - Mures Water Management System a program of water supply restrictions in case of drought. There is also a plan to prevent and combat accidental pollution from water usage within SPEE Iernut which presents the main sources of water pollution, intervention approaches in case of accidental pollution, intervention teams, etc.

At STTM, water is taken from the public network, as wastewater, and from car washes. It is then discharged into the public sewage system.

In the case of the company's other authorized activities, water is captured from underground or surface sources, is distributed according to the characteristics of the location by free fall, supply pipes, and pumping stations or is stored in tanks for usage at worksites at various stages of the technological process. The drinking water supply for employees is provided through drinking water dispensers purchased by the company.

In the gas compression cycle, the water used for cooling is recirculated through cooling towers. The water resulting from the natural gas extraction process (reservoir water) is injected into wells that are authorized as injection wells for water management purposes.



The water resulting from the natural gas extraction process (reservoir water) is injected into wells that are authorized as injection wells for water management purposes.

Total volume of water captured for use [m ³]	2022	2023
Total quantity of water captured for use, of which:	120,356,000	117,378,000
Fresh water	120,356,000	117,378,000
Surface water (from rivers, lakes, oceans, etc.), of which:	120,274,000	117,233,000
Fresh water	120,274,000	117,233,000
Groundwater	51,000	65,000
Water from precipitation, directly collected and stored	51,000	65,000
Residual water from other organizations	-	-
Water supplied by municipalities or similar utility providers, of which:	31,000	80,000
Fresh water	31,000	80,000

The water source which is significantly influenced by the extraction of water to be used in the technological process (electricity production) is the Mureș River, partially located in a protected area.

Total volume of drained water	UM	2022	2023
Total volume of drained water	m ³	700,586	606,992
Of which planned volume		700,586	1,514
Emissions in evacuated water	Kg/year	388,395	334,450
Chemical oxygen demand (COD)	Kg/year	24,348	14,547
Hydrocarbons		0	0
Total nitrogen		0	0

Total volume of discharged water, by destination	UM	2022	2023
surface	m ³	679,737	589,896
to a partner	m ³	20,849	0

Total volume of drained water by treatment:	UM	2022	2023
No treatment	m ³	0	0
Treatment 1*: Ev2 – chlorination, decanting, filtration system	m ³	195,664	85,347
Treatment 2*: Ev3 – neutralization, decanting, filtration system	m ³	493,470	504,549

Total volume of water consumption [m ³]	2022	2023
Water consumption	120,314,907	117,284,493

Total volume of recycled and reused water [m ³]	2022	2023
Total amount of water recycled and reused for usage, of which:	80,533,576	108,978,742
Surface water (from rivers, lakes, oceans, etc.), of which:	80,520,000	108,960,739
Groundwater	8,725	12,075
Water supplied by municipalities or similar utility providers	4,851	5,928

In 2023 there was an accidental spill into the Moldova River due to heavy rainfall. The effects of this spill were urgently removed by installing absorbent dams.

Total deposit water volume [m ³]	2022	2023
Total deposit water volume produced, of which:	238,108	246,147
Reused	6,319	9,402
Reinjected	231,789	236,745

As regards reservoir water management, ROMGAZ observes the rigors imposed by Water Law no.107 of September 25,1996, with subsequent amendments, which, through Art. 20, regulates the drainage of deposit waters. The reservoir water drained by the ROMGAZ Group does not contain hydrocarbons.

Waste management

A priority of ROMGAZ's waste management is the protection of human health and the environment from the harmful effects caused by the collection, transport, treatment, storage, and disposal of waste generated by our activities.

Therefore, all waste management activity must ensure compliance with the following necessary and mandatory conditions:

- to not present a risk to water, air, soil, wildlife or vegetation;
- to not cause pollution or odour nuisance;
- to not affect landscapes or protected areas/special interest areas.

ROMGAZ's environmental management system certified in accordance with the requirements of SR EN ISO 14001:2015 also covers the topic of waste management. ROMGAZ has adopted the "Waste management" operational procedure, which establishes procedures for the collection, temporary storage, transport, recovery, and disposal of all waste generated from the activities carried out within ROMGAZ, in order to comply with all applicable legal requirements. There is also Work instruction "Management of waste from office activities," which lays down rules on how to behave in an eco-responsible way, individually and collectively, in order to use natural resources sustainably and prevent environmental pollution.

According to the "Identification and assessment of environmental aspects" procedure, either annually or whenever there are significant process changes that have an impact on the environment, environmental aspects must be identified and assessed.

Measures for managing the impact of waste have included:

- Selective collection in designated spaces;
- Compliance with waste storage conditions;
- Disposal through authorized companies, as per signed contracts;
- Increasing reuse levels and annually drafting the Waste Prevention and Reduction Programme which aims, among other things, to reduce the carbon footprint;
- Waste management recordkeeping.

The assessment of waste management activities is carried out by the Environmental Protection Services in the framework of internal environmental inspections, which are carried out according to the work instruction "Environmental Inspection," and by the Integrated Management Service within the framework of internal audits, which are carried out according to the procedure "Internal Audit of the Integrated Management System." The review of the proper waste management activity is also carried out by the control bodies of the County Commissariats of the National Environmental Guard.

In 2023, an assessment of the waste management activity was carried out, resulting in the following reports:

- Internal audit reports - on compliance with legal requirements on waste management.
- Internal environmental inspection reports.

Based on the results of the waste audit, the Environmental Protection Service develops an annual “ Program for the prevention and reduction of waste generated from ROMGAZ activity.”

In 2023, both ROMGAZ and the Depogaz subsidiary each drew up a Program for the prevention and reduction of the quantities of waste they generated. These are available on the companies’ websites at www.romgaz.ro/program-de-prevenire-si-reducere-cantitatilor-de-deseuri and www.depogazploiesti.ro/ro/informatii-publice/mediu.

ROMGAZ follows the principle of waste prevention and management as the preferred waste management option, followed by minimizing the amount of waste generated. Reuse and recycling will be preferred over energy recovery through incineration, and disposal through landfill will be considered a last resort.

Prevention/reduction measures and actions taken to reduce the hazardousness/quantities of waste generated in such processes include:

- Optimizing production processes that generate waste;
- Purchasing higher quality materials with a longer life;
- Implementing systems to collect potential waste oil spills from the storage platform;
- Making products/components which are scrapped or resulting from repairs subject to sorting, repair, and selective storage in warehouses for further use;
- Establishing policies for procurement from suppliers with sound waste prevention and management criteria. The environmental requirements (integrated part of the specifications) should mention that potential product suppliers must deliver products that use clean technologies and comply with environmental protection rules;
- Participating in a collective or individual producer responsibility scheme, which extends the trader’s responsibility for a product or service to the end of its lifecycle;

- Recovering products, components, and materials from waste in preparation for re-use and recycling. For example, the company practices product reusage for drilling mud that has not changed its properties (composition, density) in operations that are carried out within the same activity and require the use of this product.
- Reducing the use of raw and finished materials by procuring secondary materials (e.g. used or recycled) or materials from renewable sources (purchasing packaging and paper with recyclable content);
- Establishing industrial symbiosis by having the organization’s waste or by-products from production become inputs for another organization;
- Purchasing products without excessive packaging;
- Reusing materials and equipment;
- Acquiring of rechargeable batteries vs. regular batteries;
- Purchasing environmentally friendly cleaning products, free of propellants, with refill systems and recyclable packaging;
- Replacing fluorescent tubes with LED lighting sources.

In terms of quality, prevention is achieved by:

- Reducing the hazardous nature of waste, in particular by minimizing the content of hazardous and/or toxic substances.

Both quantitative and qualitative perspectives lead to reduced waste management costs for company.

The reduction of paper waste is achieved through efficient paper/cardboard management, i.e.:

- Double-sided printing (approx. 50% reduction), black/white printing;
- Priority use of electronic documents;
- Archiving documents in electronic format;
- Editing documents in small fonts;
- Reuse of paper (drafts).

Preventing the generation of waste oils is achieved through:

- Monitoring the degree of recovery of waste oil generated in the compression sections, to ensure the highest possible degree of recovery and subsequent recovery and to identify any losses in the technological process;
- Monitoring the quantities of disposed waste, resulting from the production activity and the traceability of the waste disposed of (mud waste and drilling fluids).

The prevention of the generation of scrap iron and ferrous scrap in the maintenance section is achieved by:

- Raising awareness and encouraging the recovery of scrap iron and ferrous scrap from the maintenance section;
- Reuse of scrap in the work carried out in the section.

Within ROMGAZ, in order to implement a proper waste management, employees with studies or expertise in the field of environmental protection have been given specific duties in this area and an internal procedure has been developed for waste recording and management in order to identify and classify waste according to the environmental legislation in force as well as to develop and implement measures to prevent and reduce the quantities of waste generated. ROMGAZ has also provided the necessary infrastructure for segregated collection (marked waste bins, garbage bags) and has trained staff to ensure segregation and handling of waste generated by ROMGAZ activities.

At each site, the generated waste is temporarily stored in specially designated areas, with hazardous waste being separated from non-hazardous waste for delivery to authorized economic operators.

The collection, transport, recovery, and disposal of waste is carried out by authorized companies on the basis of contracts in compliance with applicable environmental legislation. The duties of these operators are specified in the contract and must be complied with when managing waste, according to existing legislation and local environmental regulations. Waste management by third parties includes the collection, transport, recovery, and disposal of waste, as well as the supervision of these operations and after-care of disposal sites. The contract specifies the obligations the third party must follow when managing the organization's waste and it is based on existing legislative obligations, such as local environmental laws and regulations, to ensure that the third party manages the waste properly.

RBSL has developed a management mechanism/system on the aspect of "Waste Management" i.e., the "Waste Generation Prevention and Management Procedure." The purpose of this procedure is to cover office activities, to track and document all waste streams, to develop and implement ways to prevent waste generation, and to demonstrate compliance with Romanian legislation and international standards. The procedure serves as a framework for maintaining the level of performance in waste prevention and waste management through regular reviews, and applies to all employees as well as visitors arriving on RBSL premises.

Additionally, for better management of SGR-labelled packaging, an instruction has been implemented at the RBSL level on the separate collection of SGR-labelled packaging and its delivery to collection centres with guarantee recovery. RBSL has a direct contract with Viitor Plus, which through the RECICLETA program offers collection services for recyclable materials such as paper, cardboard, PET, TetraPak, aluminium cans, and is also a social initiative in the sense that the transport of materials is carried out without polluting the air, with cargo-tricycles and electric cars, thus providing stable and legal jobs.

Total amount of generated waste [t]

Generated waste	2022	2023
Non-hazardous waste	2,954.093	2,963.769
Hazardous waste	403.243	495.523
Total waste	3,357.336	3,459.292

Total amount of waste diverted from disposal (recovered), off-site [t]

Recovered waste	2022	2023
Non-hazardous waste, of which:	461.634	1,136.753
Recycled	449.754	1,114.808
Other recovery operations	11.880	21.945
Hazardous waste, of which:	377.410	488.605
Recycled	337.770	486.285
Other recovery operations	39.640	2.320
Total	839.044	1,625.358

Additional information on recycled waste [t]

Recycled waste	2022	2023	Change
Sawdust, shavings, chips, etc., containing hazardous substances (03 01 04*)		1.69	
Oily sludge from plant and equipment maintenance operations (05 01 06*)		23.02	
Other unspecified waste - sludge from sedimentation of deposit water (05 01 99)		558	
Other unspecified waste - from gas purification (field water+TEG) TEG and silica gel (05 07 99)	67.707	40.7	-40%
Filings and ferrous swarf (12 01 01)	4.39	7.48	+70%
Used halogen-free lubrication solutions and emulsions (12 01 09*)	0.46		-100%
Non-chlorinated mineral engine, transmission and lubricating oils (13 02 05*)	283.759	316.698	+12%
Sludge from oil/water separators (13 05 02*)	11.675	51.32	+340%
Oily water from oil/water separators (13 05 07*)	14.056	43.64	+210%
Other halogen solvents (14 06 02*)	0.385	1	+160%
Paper and cardboard packaging (15 01 01)	9.635	9.978	+4%
Plastic packaging (15 01 02)	5.092	4.2	-18%
Metal packaging (15 01 04)	0	0.003	
Glass packaging (15 01 07)	0.02	0.379	+1,795%
Packaging containing residue or contaminated with hazardous substances (15 01 10*)	3.766	2.793	-26%
Absorbents, filtration materials (including oil filters with no other specification), polishing materials, and protective clothing contaminated with hazardous substances (15 02 02*)	5.253	4.691	-11%
Absorbents, filtration materials, polishing materials, and protective clothing, other than those specified by 15 02 02* (15 02 03)	0.369	0.091	-75%

Recycled waste	2022	2023	Change
Out of use vehicles not containing liquids or other hazardous components (16 01 06)		6.93	
Out of use tyres (16 01 03)	3.312	6.085	+84%
Oil filters (16 01 07*)	0.098	0.061	-38%
Antifreeze fluids containing dangerous substances (16 01 14*)		14.376	
Antifreeze fluids other than those mentioned in 16 01 14 (16 01 15)		6.6	
Ferrous metals (16 01 17)	94.351	34.068	-64%
Tin (17 04 06)		0.2	
Scrapped equipment. other than those specified by 16 02 09 to 16 02 13 (16 02 14)	1.26	2.272	+80%
Components removed from scrapped equipment. other than those specified on 16.02.15* (16 02 16)		0.086	
Non-organic waste. other than those specified by 16 03 03 (Centrimax powder-extinguisher) (16 03 04)	0.055	0.82	+1,391%
Chemical lab substances made up of or containing hazardous substances. including chemical lab substance mixes (16 05 06*)	0.023		-100%
Lead batteries (16 06 01*)	10.794	1.223	-89%
Alkaline batteries except 16 06 03* (16 06 04)	0.02	0.003	-85%
Batteries and power cells (16 06 05)	1.755	0.796	-55%
Wood (17 02 01)		11.64	
Copper, bronze, brass (17 04 01)		0.977	
Aluminum (17 04 02)	0.034	0.28	+724%
Iron and steel (17 04 05)	249.577	287.132	+15%
Soil and rocks containing hazardous substances (17 05 03*)	6.77	22.96	+239%
Plastic and rubber materials (19 12 04)	0.863	0.857	-1%
Paper and cardboard (20 01 01)	6.837	12.649	+85%
Glass (20 01 02)		0.089	
Textiles (20 01 11)		0.2	
Fluorescent tubes and other waste containing mercury (20 01 21*)	0.362	1.232	+240%
Scrapped electrical and electronic equipment. other than those specified by 20.01.21*, 20.01.23* and 20.01.35 (20 01 36)	3.754	4.188	+12%
Wood containing dangerous substances (20 01 37*)		1.49	
Plastic materials (20 01 39)	1.092	0.226	-79%
Biodegradable waste (20 02 01)		0.94	
Mixed municipal waste (20 03 01)		17.03	
Total	787.524	1,501.093	+91%

Total amount of hazardous and non-hazardous waste disposed of after recovery operations [t]

Disposed waste	2022	2023
Hazardous waste, of which	2,360.678	2,012.717
Incinerated (with no energy recovery)	0.005	0.010
Stored	2,360.673	2,012.707
Non-hazardous waste, of which:	24.041	6.532
Incinerated (with no energy recovery)	1.772	3.582
Stored	22.269	2.95

The disposal method for each type of waste was identified as per the provisions of GEO 92/2021 republished, on the waste regime, using the best available techniques which do not involve excessive costs for waste disposal. The recycling and storage of waste was performed through third party organizations, through responsibility transfer.

Volume of torched hydrocarbons [thousand m³]

Torched hydrocarbons	2022	2023
Torched gas	620.160	34.952
Incinerated (without energy recovery)	0.005	0.010

Total amount of drilling mud resulting from usage of water-based drilling fluids [t]

Treatment method/fluid type	Freshwater drilling fluid (water-based)		Freshwater-based drilling mud waste		Drilling mud waste containing chloride, other than those specified	
	2022	2023	2022	2023	2022	2023
Onshore storage (with/without pretreatment)	567	716	810	880	8,079	4,364

Drilling mud resulting from technological processes is treated through:

- Centrifugation with flocculation and centrifugation with barite recovery;
- Treatment methods complying with the works project developed by specialized operators based on technical assistance contracts, in capital repairs or well interventions carried out by SIRCOSS.

To reduce the amount of drilling mud, both the mud and the water from drilling mud are reused:

- Reuse of water from drilling mud used in the upper production intervals and use of this recovered and tested water in the preparation of other drilling fluids for further drilling. Water recovery is the result of the centrifugation process in synergy with the flocculation operation, and this way heavy materials, inert solids, drilled solids, and light solids are released from the mass of the drilling mud;
- Reuse of drilling mud for operations and works in activities that require the use of this product (SIRCOSS).



Ecosystem restoration and biodiversity

Due to their location, most of the company's activities interact with the ecosystems in which they take place one way or another. For this reason, ROMGAZ takes measures to identify the elements of the ecosystems in which it is due to begin activities in order to be able to apply biodiversity protection measures from the design phase of these investments. These measures have been much more rigorous for projects located either in or near protected natural areas.

For ROMGAZ projects operating in SIT NATURA 2000 protected areas, we have obtained ANANP approvals, thus proving that our operations do not affect the protected areas.

At SPEE Iernut, in order to comply with the requirements of Environmental Agreement no. 1 of 06.12.2016 regarding the project Development of the Iernut TPP through the construction of a new combined cycle gas turbine power plant, start-

ing from 2017, the ichthyofauna of the Mureş River is monitored, upstream of the intake dam and downstream of outlet no. 1. A new contract for ichthyofauna monitoring of the Mureş River has been signed with a specialised consultancy firm and is in progress.

The Environmental Protection Service has requested and obtained approvals from ANANP, for the sites (belonging to Natura 2000) in the vicinity of which we operate, which have been subjected to new authorization procedures. The company aims to:

- Develop a technical project regarding the longitudinal connectivity of the Mureş River at the intake dam of the Iernut Thermalelectric Plant;
- Begin/continue procurement procedures for fish ladder development services;
- Continue the ichthyofauna monitoring process.



Proof of compliance with environmental requirements stipulated by the “Natura 2000 Approval” has been issued by the site custodian for specific company activities being carried out in protected areas.

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

Site name	Geographical location	Site position relative to the protected area	Type of ecosystem	Status of the protected area
RO SPA 0041 – Eleșteiele Iernut – Cipău	in the western part of Mureș County (on the west side of Iernut town and south-west side of Cipău village)	at an 850 m distance	Special Bird Protection Area	custodial
RO SCI 0210 – Râpa Lechinței	in the immediate vicinity of S.P.E.E. Iernut, in the north part of the site, with Mureș River continuing upstream and downstream from S.P.E.E. Iernut	adjacent	The site represents an area of plains on the eastern bank of the Mureș river, framed in a continental bioregion that preserves natural habitats such as: subpanonic steppe grasslands that shelter xerophytic plants with species of collie (<i>Stipa stenophyla</i>) and fescue (<i>Festuca valesiaca</i>) and protect the fauna of amphibians and reptiles, fish and butterflies.	custodial

Company Impact on Biodiversity in Protected Areas

Cause of the impact	Direct impact
Specific source pollution	The direct impact is manifested by the discharge of high temperature cooling water into the Mureș River during the fish spawning season.
Reduction in the number of species	According to the standard sheet, the species for which the site has been designated are in a relatively good conservation status. However, there are no recent site-wide studies to reassess the conservation status of the habitats.



In the vicinity of SPEE Iernut, located on the left bank of the Mureş River, there is the site RO SCI 0210 - Râpa Lechinței (Natura 2000) - which is bordered by the right bank of the Mureş River. The site has been proposed especially for the protection of fish species, but also for the protection of some species of amphibians, reptiles, fish, invertebrates, as well as habitat 6240 - Subpanonic steppe grasslands. It includes the Mureş river, an area of agricultural land, as well as meadows and forests located in the administrative territory of the town of Iernut, near the village of Lechința (Mureş county). At the locality of Cuci, the site also includes a dead arm of the Mureş, which is one of the best preserved dead arms of the Mureş.

The site has been designated for the protection of the following vulnerable species, listed in Annex II of Council Directive 92/43/ EEC: yellow-bellied toad (*Bombina variegata*), European pond turtle (*Emys orbicularis*), asp (*Aspius aspius*), white-finned gudgeon (*Romanogobio (Gobio) albipinnatus*), Kessler's gudgeon (*Romanogobio (Gobio) kessleri*), European bitterling (*Rhodeus sericeus amarus*), *Cucullia mixta* butterfly, as well as for habitat 6240 - Subpanonic steppe meadows.

S.P.E.E. Iernut has operated a program to monitor the ichthyofauna of the Mureş River, upstream and downstream of the dam, since the summer of 2017. At this moment, following monitoring reports, (according to Milvus Group - custodian of the protected area in 2017) we can confirm the presence of all 4 species of community interest, as well as the detection of 3 additional species of community interest that had not been mentioned in the standard sheet of the Natura 2000 site (initial-

ly drawn up). The 7 fish species of community interest are listed on the IUCN and national conservation lists and the level of extinction risk is vulnerable.

The list of species which have been certainly detected in the area contains 13 species, of which 4 species are of community interest:

- Asp (*Aspius aspius*);
- European bitterling (*Rhodeus sericeus amarus*);
- Kessler's gudgeon (*Romanogobio (Gobio) kessleri*);
- White-finned gudgeon (*Romanogobio (Gobio) albipinnatus*)

Besides the four community interest species mentioned by the site sheet, the monitoring revealed the following additional community interest species:

- Golden loach (*Sabanejewia aurata*);
- Mediterranean barbel (*Barbus meridionalis*);
- Spined loach (*Cobitis (taenia) elongatoides*).

With regard to environmental conditions, the monitoring data show a change in the thermal regime downstream of the dam, i.e. an increase in temperature of approximately 4°C, which is 2% lower than the maximum value mentioned in the Water Management Permit. It should be noted that this increase does not result in the temperature of the discharged wastewater exceeding the value specified in the water management permit.



Monitoring of ichthyofauna in the Mureş River, upstream and downstream of the dam, started in 2017. In 2023 there was a change in the thermal regime downstream of the dam

Use of materials

Records of chemicals used during production activity are included in form “List of hazardous chemicals and formulations.” The form is updated every six months. Safety data sheets are kept for each hazardous substance used, setting out storage conditions, precautions for safe handling, and precautions for environmental protection.

Hazardous substances (acetylene, antifreeze, ethyl alcohol, calcium chloride, enamel, oils, Vaseline, etc.) are stored in designated spaces which are naturally ventilated, far away from fire sources, and in their original packaging. The substances used in the organization’s activity have no impact on the environment and no negative effect on resources.



Affiliations

ROMGAZ maintains an open and permanent dialogue with representatives of the main professional associations in the natural gas production industry and the electricity production industry, as well as with other players in the field, in order to identify solutions related to climate change and environmental issues.

ROMGAZ is a member of the following associations:

- International Association of Oil and Gas Producers (IOGP);
- Balkan and Black Sea Petroleum Association (BBSPA);
- European Federation of Energy Suppliers (EFET);
- European Association of Storage Infrastructure Operators (GIE –GSE);
- The Oil & Gas Methane Partnership (OGMP)
- Association for Stock Exchange Investor Relations in Romania (ARIR)
- Romanian National Committee of the World Energy Council (CNR-CME);
- Romanian Standardization Association (ASRO);
- Sibiu Chamber of Commerce, Industry, and Agriculture;
- Mureş Chamber of Commerce and Industry;
- Electricity Producers' Association (HENRO);
- Oil and Gas Employers' Federation (FPPG);
- Oil and Gas Engineers' Association (SIPG).

The company is a member of the FPPG (Romanian Oil and Gas Employers Federation) and IOGP (International Association of Oil and Gas Producers), professional organizations involved in public policy development and lobbying that support ROMGAZ's position for a balanced transition towards green energy, with a focus on continued support for natural gas as a transition fuel and the implementation of new technologies with zero net emissions or a significant contribution to the decarbonization process based on market rules.



Key Taxonomy Performance Indicators

2023 financial year	2023			Criteria for substantial contribution						Criteria for 'Does Not Significantly Harm' Principle (DNSH) (h)									
Economic Activities (1)	Code (a) (2)	Revenue (3)	Share of 2023 Revenue (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of revenue aligned to the taxonomy (A.1.) or eligible from the point of view of the taxonomy (A.2.) revenue, year 2022 (18)	Facilitation activity category (19)	Transition activity category (20)
		Thousands RON	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Facilitation	Transition

A. ELIGIBLE ACTIVITIES UNDER TAXONOMY

a.1. Environmentally sustainable activities (aligned with taxonomy)

Revenue from environmentally sustainable activities (aligned with taxonomy) (A.1)																			
Of which facilitation activities																			
Of which transition activities																			

A.2 Activities eligible for taxonomy but not environmentally sustainable (non-aligned activities)

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Production of electricity from fossil gas fuels	4.29 CCM	406,976	4.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.9		
Turnover related to taxonomy-eligible but environmentally unsustainable activities (non-taxonomy activities) (A.2)		406,976	4.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.9		
A. Turnover related to taxonomy eligible activities (A.1+A.2)		406,976	4.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.9		

B. NON-ELIGIBLE ACTIVITIES UNDER TAXONOMY

Revenue from non-eligible activities under taxonomy		8,717,166	95.5																
TOTAL		9,124,142	100.0																

(a) The code represents the abbreviation of the relevant objective for which the economic activity is eligible to make a substantial contribution and the section number of the activity from the relevant annex including the objective:

- CCM (Climate Change Mitigation)
- CCA (Climate Change Adaptation)
- WTR (Water and Marine Resources)
- CE (Circular Economy)
- PPC (Pollution Prevention and Control)
- BIO (Biodiversity and Ecosystems)

For example, the activity “afforestation” would have the code: CCM 1.1

If activities are eligible to make a substantial contribution to multiple objectives, the codes should be indicated for all objectives.

For example, if the operator reports that the activity “Construction of new buildings” makes a substantial contribution to both climate change mitigation and the circular economy, the code would be: CCM 7.1. / CE 3.1.

The same codes should be used in sections A.1 and A.2 of this model.

- (b)** Y - Yes, taxonomy-eligible and aligned with the relevant environmental objective
 N - No, taxonomy-eligible but not aligned with the relevant environmental objective
 N/EL – ineligible for the relevant environmental objective

(c) If an economic activity substantially contributes to multiple environmental objectives, non-financial companies indicate the most relevant environmental objective in bold for the purpose of calculating key performance indicators, avoiding double counting. For their own key performance indicators, if the use of funds obtained from financing is unknown, financial companies calculate the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective, which is reported in bold in this model by non-financial companies. An environmental objective can be reported in bold only once per line to avoid double counting economic activities in the key performance indicators of financial companies. This does not apply to calculating the alignment with taxonomy of economic activities for financial products defined in Article 2, point 12 of Regulation (EU) 2019/2088. Non-financial companies also report the degree of eligibility and alignment for each environmental objective, including alignment for activities that substantially contribute to multiple objectives using the model below:

	Share of revenue/total revenue	
	Aligned with taxonomy per objective	Eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity can align with a single environmental objective or multiple environmental objectives for which it is eligible.

(e) The same activity can be eligible without being aligned with the relevant environmental objectives.

(f) EL - activity eligible for taxonomy for the relevant objective

N/EL - activity not eligible for taxonomy for the relevant objective

(g) Activities must be reported in section A.2 of this model only if they do not align with any of the environmental objectives for which they are eligible. Activities aligning with at least one environmental objective must be reported in section A.1 of this model.

(h) For an activity to be reported in section A.1, all DNSH criteria and minimum safeguards must be met. For activities listed in A2, columns 5-17 can be voluntarily completed by non-financial companies. In section A.2, non-financial companies can specify the substantial contribution made and the DNSH criteria they meet or do not meet using: (a) for substantial contribution - codes Y/N and N/EL instead of EL and N/EL and (b) for DNSH - codes Y/N.

2023 financial year	2023			Criteria for substantial contribution						Criteria for 'Does Not Significantly Harm' Principle (DNSH) (h)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Share of 2023 Revenue (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of turnover aligned to the taxonomy (A.1.) or eligible from the point of view of the taxonomy (A.2.) CapEx, year 2022 (18)	Facilitation activity category (19)	Transition activity category (20)
		Thousands RON	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Facilitation	Transition

A. ELIGIBLE ACTIVITIES UNDER TAXONOMY

a.1. Environmentally sustainable activities (aligned with taxonomy)

Revenue from environmentally sustainable activities (aligned with taxonomy) (A.1)																			
Of which facilitation activities																		De facilitare	
Of which transition activities																			De tranziție

A.2 Activities eligible for taxonomy but not environmentally sustainable (non-aligned activities) (g)

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)				
Installation, maintenance, and repair of electric vehicle charging stations in buildings (and associated parking spaces)	7.4 CCM	184	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL				-
Production of electricity from fossil gas fuels	4.29 CCM	56,026	7.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL				0,0
CapEx related to taxonomy-eligible but environmentally unsustainable activities (non-taxonomy activities) (A.2)		56,210	7.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL				0,0
A. CapEx related to taxonomy eligible activities (A.1+A.2)		56,210	7.8	EL									0,0

B. NON-ELIGIBLE ACTIVITIES UNDER TAXONOMY

CapEx from non-eligible activities under taxonomy	665,684	92.2											
TOTAL	721,894	100.0											

(a) The code represents the abbreviation of the relevant objective for which the economic activity is eligible to make a substantial contribution and the section number of the activity from the relevant annex including the objective:

- CCM (Climate Change Mitigation)
- CCA (Climate Change Adaptation)
- WTR (Water and Marine Resources)
- CE (Circular Economy)
- PPC (Pollution Prevention and Control)
- BIO (Biodiversity and Ecosystems)

For example, the activity “afforestation” would have the code: CCM 1.1

If activities are eligible to make a substantial contribution to multiple objectives, the codes should be indicated for all objectives.

For example, if the operator reports that the activity “Construction of new buildings” makes a substantial contribution to both climate change mitigation and the circular economy, the code would be: CCM 7.1. / CE 3.1.

The same codes should be used in sections A.1 and A.2 of this model.

- (b)** Y - Yes, taxonomy-eligible and aligned with the relevant environmental objective
 N - No, taxonomy-eligible but not aligned with the relevant environmental objective
 N/EL – ineligible for the relevant environmental objective
- (c)** If an economic activity substantially contributes to multiple environmental objectives, non-financial companies indicate the most relevant environmental objective in bold for the purpose of calculating key performance indicators, avoiding double counting. For their own key performance indicators, if the use of funds obtained from financing is unknown, financial companies calculate the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective, which is reported in bold in this model by non-financial companies. An environmental objective can be reported in bold only once per line to avoid double counting economic activities in the key performance indicators of financial companies. This does not apply to calculating the alignment with taxonomy of economic activities for financial products defined in Article 2, point 12 of Regulation (EU) 2019/2088. Non-financial companies also report the degree of eligibility and alignment for each environmental objective, including alignment for activities that substantially contribute to multiple objectives using the model below:

	Share of CapEx/Total CapEx	
	Aligned with taxonomy per objective	Eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity can align with a single environmental objective or multiple environmental objectives for which it is eligible.

(e) The same activity can be eligible without being aligned with the relevant environmental objectives.

(f) EL - activity eligible for taxonomy for the relevant objective

N/EL - activity not eligible for taxonomy for the relevant objective

(g) Activities must be reported in section A.2 of this model only if they do not align with any of the environmental objectives for which they are eligible. Activities aligning with at least one environmental objective must be reported in section A.1 of this model.

(h) For an activity to be reported in section A.1, all DNSH criteria and minimum safeguards must be met. For activities listed in A2, columns 5-17 can be voluntarily completed by non-financial companies. In section A.2, non-financial companies can specify the substantial contribution made and the DNSH criteria they meet or do not meet using: (a) for substantial contribution - codes Y/N and N/EL instead of EL and N/EL and (b) for DNSH - codes Y/N.

2023 financial year	2023			Criteria for substantial contribution						Criteria for 'Does Not Significantly Harm' Principle (DNSH) (h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Share of OpEx, year N 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of OpEx aligned to the taxonomy (A.1.) or eligible from the point of view of the taxonomy (A.2.) OpEx, year 2022 (18)	Facilitation activity category (19)	Transition activity category (20)
		Thousands RON	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Facilitation	Transition

A. ELIGIBLE ACTIVITIES UNDER TAXONOMY

A.1. Environmentally sustainable activities (aligned with taxonomy)

OpEx of environmentally sustainable activities (aligned to taxonomy) (A.1)

Of which facilitation activities

De facilitare

Of which transition activities

De tranziție

A.2 Activities eligible for taxonomy but not environmentally sustainable (non-aligned activities) (g)

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)			
Production of electricity from fossil gas fuels	4.29 CCM	920,008	21.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL			18,1
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	976	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL			0,0
OpEx related to taxonomy-eligible but environmentally unsustainable activities (non-taxonomy activities) (A.2)		920,984	21.9	EL								18,1
A. OpEx related to taxonomy eligible activities (A.1+A.2)		920,984	21.9	EL								18,1

B. NON-ELIGIBLE ACTIVITIES UNDER TAXONOMY

OpEx from non-eligible activities under taxonomy

TOTAL 4,199,220 100.0

(a) The code represents the abbreviation of the relevant objective for which the economic activity is eligible to make a substantial contribution and the section number of the activity from the relevant annex including the objective:

- CCM (Climate Change Mitigation)
- CCA (Climate Change Adaptation)
- WTR (Water and Marine Resources)
- CE (Circular Economy)
- PPC (Pollution Prevention and Control)
- BIO (Biodiversity and Ecosystems)

For example, the activity “afforestation” would have the code: CCM 1.1

If activities are eligible to make a substantial contribution to multiple objectives, the codes should be indicated for all objectives.

For example, if the operator reports that the activity “Construction of new buildings” makes a substantial contribution to both climate change mitigation and the circular economy, the code would be: CCM 7.1. / CE 3.1.

The same codes should be used in sections A.1 and A.2 of this model.

- (b)** Y - Yes, taxonomy-eligible and aligned with the relevant environmental objective
 N - No, taxonomy-eligible but not aligned with the relevant environmental objective
 N/EL – ineligible for the relevant environmental objective
- (c)** If an economic activity substantially contributes to multiple environmental objectives, non-financial companies indicate the most relevant environmental objective in bold for the purpose of calculating key performance indicators, avoiding double counting. For their own key performance indicators, if the use of funds obtained from financing is unknown, financial companies calculate the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective, which is reported in bold in this model by non-financial companies. An environmental objective can be reported in bold only once per line to avoid double counting economic activities in the key performance indicators of financial companies. This does not apply to calculating the alignment with taxonomy of economic activities for financial products defined in Article 2, point 12 of Regulation (EU) 2019/2088. Non-financial companies also report the degree of eligibility and alignment for each environmental objective, including alignment for activities that substantially contribute to multiple objectives using the model below:

	Share of OpEx/Total OpEx	
	Aligned with taxonomy per objective	Eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity can align with a single environmental objective or multiple environmental objectives for which it is eligible.

(e) The same activity can be eligible without being aligned with the relevant environmental objectives.

(f) EL - activity eligible for taxonomy for the relevant objective

N/EL - activity not eligible for taxonomy for the relevant objective

(g) Activities must be reported in section A.2 of this model only if they do not align with any of the environmental objectives for which they are eligible. Activities aligning with at least one environmental objective must be reported in section A.1 of this model.

(h) For an activity to be reported in section A.1, all DNSH criteria and minimum safeguards must be met. For activities listed in A2, columns 5-17 can be voluntarily completed by non-financial companies. In section A.2, non-financial companies can specify the substantial contribution made and the DNSH criteria they meet or do not meet using: (a) for substantial contribution - codes Y/N and N/EL instead of EL and N/EL and (b) for DNSH - codes Y/N.

GRI Index

Statement of use	ROMGAZ reporting complied with GRI standards for the January 1–December 31, 2023 period.
GRI 1 used	GRI 1: 2021 Foundation
Applicable GRI Sector Standard(s)	GRI 11: 2021 Oil & Gas Standard

GRI Standards – 2021 general indicators		Report Section	Omissions			Ref. no. GRI Sector Standard
			Omitted requirement(s)	Reasoning	Explanation	
Organization profile and reporting practices	2-1 Details about the organization	Information about the sustainability report				
	2-2 Entities included in the organization’s sustainability reporting	Information about the sustainability report				
	2-3 Period and frequency of reporting and contact information	Information about the sustainability report				
	2-4 Retraction of information	Not applicable				
	2-5 External auditing	ROMGAZ does not have an audited/insured sustainability report.				
Activities and staff	2-6 Activities, value chain, and other business relationships	About the ROMGAZ group				
	2-7 Employees	Our employees				
	2-8 Non-employed workers	Our employees				
Governance	2-9 Structure and components of the organization’s management	Company management				
	2-10 Nomination and selection of organization’s management	Company management				
	2-11 Highest management position	The Chair of the highest governance body is not also the CEO of the organization.				
	2-12 Leadership’s role in overseeing impact management	Company management				
	2-13 Delegation of duties for impact management	Company management				
	2-14 Leadership’s role in sustainability reporting	Company management				
	2-15 Conflicts of interest	Company management				
	2-16 Reporting critical issues	Company management				
	2-17 Collective knowledge of the organisation’s management	EU Taxonomy and Sustainability Reporting course for Top and Middle Management				
	2-18 Management performance evaluation	Company management				
	2-19 Remuneration policies	Company management				
	2-20 Remuneration setting process	Company management				
	2-21 Annual total remuneration rate	Our employees				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	
Strategy, policy, and practices	2-22	Statement on the sustainability strategy	Message from the CEO				
	2-23	Policy commitments	Corporate governance, ethics, and anti-corruption efforts				
	2-24	Integration of policy commitments	Corporate governance, ethics, and anti-corruption efforts				
	2-25	Negative impact mitigation processes	Corporate governance, ethics, and anti-corruption efforts				
	2-26	Advice seeking and concern-raising mechanisms	Corporate governance, ethics, and anti-corruption efforts				
	2-27	Compliance with laws and regulations	Corporate governance, ethics, and anti-corruption efforts				
	2-28	Affiliations	Affiliations				
Involvement	2-29	Stakeholder involvement approach	Information about the sustainability report				
	2-30	Collective labor agreements	Our employees				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	

Material topics							
GRI	3-1	Process of establishing material issues	Information about the sustainability report				
GRI	3-2	List of material issues	Information about the sustainability report				

ECONOMIC PERFORMANCE							
GRI	3-3	Management approach	Financial; Financial performance				
GRI	201-1	Directly generated and distributed financial value	Financial performance				
GRI	201-2	Financial implications and other risks and opportunities generated by climate change	Corporate governance, ethics, and anti-corruption efforts				
GRI	201-3	Requirements of defined benefit schemes and other pension schemes	Our employees				
GRI	201-4	Financial assistance from government	Financial performance				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	
MARKET PRESENCE							
GRI	3-3	Management approach	Social Our employees				
GRI	202-1	Rate of entry-level standard salaries by gender, compared to local minimum wage	Our employees				
GRI	202-2	Share of top management hired from the local community	Our employees				
INDIRECT ECONOMIC IMPACT							
GRI	3-3	Management approach	Financial performance				
GRI	203-1	Support for infrastructure and service investments	During the reporting period (2023). ROMGAZ made no investments in infrastructure and/or public utility works.				
GRI	203-2	Significant indirect economic impact	Not applicable				
PROCUREMENT PRACTICES							
GRI	3-3	Management approach	About the ROMGAZ group The ROMGAZ supply chain				
GRI	204-1	Share of expenses allocated to local suppliers	The ROMGAZ supply chain				
ANTI-CORRUPTION							
GRI	3-3	Management approach	Corporate governance, ethics, and anti-corruption efforts; Anti-corruption				
GRI	205-1	Operations assessed for corruption risk	Anti-corruption				
GRI	205-2	Communication & training regarding anti-corruption policies and procedures	Anti-corruption				
GRI	205-3	Confirmed corruption incidents and resulting actions	Anti-corruption				
ANTI-COMPETITIVE BEHAVIOUR							
GRI	3-3	Management approach	Corporate governance, ethics, and anti-corruption efforts; Ethics				
GRI	206-1	Legal measures regarding anti-competitive, anti-trust, and monopoly behavior	Ethics				
MATERIALS							
GRI	3-3	Management approach	Environment Use of materials				
GRI	301-1	Use of materials	Use of materials				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	
ENERGY							
GRI	3-3	Management approach	Environment; Energy				
GRI	302-1	Energy use inside the organization	Energy				
GRI	302-2	Energy use outside the organization	ROMGAZ does not measure energy consumption outside the organization.				
GRI	302-3	Energy intensity	Energy				
GRI	302-4	Reduction of energy consumption	Energy				
GRI	302-5	Reduction of energy requirements of products and services	Energy				
WATER AND EFFLUENTS							
GRI	3-3	Management approach	Environment; Water				
GRI	303-1	Water extraction by source	Water				
GRI	303-2	Water sources significantly affected by water extraction	Water				
GRI	303-3	Recycled and reused water	Water				
GRI	303-4	Drained water	Water				
GRI	303-5	Water consumption	Water				
BIODIVERSITY							
GRI	3-3	Management approach	Environment Ecosystem restoration and biodiversity				
GRI	304-1	Operational sites owned, leased, managed or adjacent to protected areas and areas of high biodiversity value outside protected areas	Ecosystem restoration and biodiversity				
GRI	304-2	Significant impacts of activities, products, and services on biodiversity	Ecosystem restoration and biodiversity				
GRI	304-4	IUCN Red List species and National Conservation List species with habitats in areas affected by operations	Ecosystem restoration and biodiversity				
EMISSIONS							
GRI	3-3	Management approach	Environment; Greenhouse gas emissions				
GRI	305-1	Direct GHG emissions (Scope 1)	Greenhouse gas emissions				
GRI	305-2	Direct GHG emissions (Scope 2)	Greenhouse gas emissions				
GRI	305-4	Intensity of GHG emissions	Greenhouse gas emissions				
GRI	305-5	GHG emission reduction	Greenhouse gas emissions				
GRI	305-7	Nitrous oxides (NO _x), sulphur oxides (SO _x) and other significant gas emissions	Greenhouse gas emissions				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	
WASTE							
GRI	3-3	Management approach	Environment Waste management				
GRI	306-1	Waste generation and significant waste-related impact	Waste management				
GRI	306-2	Management of significant waste-related impact	Waste management				
GRI	306-3	Generated waste	Waste management				
GRI	306-4	Recovered waste	Waste management				
GRI	306-5	Stored waste	Waste management				
ENVIRONMENTAL COMPLIANCE							
GRI	3-3	Management approach	Environment; Environmental management and compliance with environmental standards, laws, and regulations				
GRI	307-1	Non-compliance with environmental laws and regulations	Environmental management and compliance with environmental standards, laws, and regulations				
SUPPLIER EVALUATION USING ENVIRONMENTAL CRITERIA							
GRI	3-3	Management approach	Environment; The ROMGAZ supply chain				
GRI	308-1	New suppliers selected with the inclusion of environmental criteria	The ROMGAZ supply chain				
EMPLOYMENT							
GRI	3-3	Management approach	Social; Our employees				
GRI	401-1	New employees and employee retention rate	Our employees				
GRI	401-2	Benefits offered to full-time employees that are not provided to temporary or part-time employees	Our employees				
GRI	401-3	Parental leave	Our employees				
EMPLOYEE – MANAGEMENT RELATIONSHIPS							
GRI	3-3	Management approach	Social; Our employees				
GRI	402-1	Minimum notice period for operational changes	Our employees				
OCCUPATIONAL HEALTH AND SAFETY							
GRI	3-3	Management approach	Social; Occupational health and safety				
GRI	403-1	Occupational health and safety management system	Occupational health and safety				
GRI	403-2	Identifying and evaluating risk and investigating incidents	Occupational health and safety				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	
GRI	403-3	Occupational health services	Occupational health and safety				
GRI	403-4	Employee participation, communication, and consultation on occupational health and safety	Occupational health and safety				
GRI	403-5	Employee participation, communication, and consultation on occupational health and safety	Occupational health and safety				
GRI	403-6	Promoting employee health	Occupational health and safety				
GRI	403-8	Workers covered by the occupational health and safety management system	Occupational health and safety				
GRI	403-9	Workplace injuries	Occupational health and safety				
GRI	403-10	Work-related health issues	Occupational health and safety				
TRAINING AND EDUCATION							
GRI	3-3	Management approach	Social; Training and education				
GRI	404-1	Average number of training hours per year, per employee	Training and education				
GRI	404-2	Training and education programs to improve employee skills and transition assistance programs	Training and education				
GRI	404-3	Share of employees receiving regular performance and career evaluations	Training and education				
DIVERSITY AND EQUALITY OF OPPORTUNITY							
GRI	3-3	Management approach	Social; Our employees				
GRI	405-1	Diversity among management and employees	Company management; Our employees				
GRI	405-2	Ratio of base pay to gross pay for women and men	Our employees				
NON-DISCRIMINATION							
GRI	3-3	Management approach	Social; Our employees				
GRI	406-1	Incidents of discrimination and corrective action taken	Our employees				
FREE ASSOCIATION AND COLLECTIVE BARGAINING							
GRI	3-3	Management approach	Social; Our employees				
GRI	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	The ROMGAZ supply chain				
LOCAL COMMUNITIES							
GRI	3-3	Management approach	Social; ROMGAZ's involvement in local communities				

GRI Standards – 2021 general indicators			Report Section	Omissions			Ref. no. GRI Sector Standard
				Omitted requirement(s)	Reasoning	Explanation	
GRI	413-1	Operations involving local communities, impact assessments, and development programs	ROMGAZ’s involvement in local communities				
GRI	413-2	Operations with actual and potential significant negative impact on local communities	ROMGAZ’s involvement in local communities				
SUPPLIER ASSESSMENT REGARDING SOCIAL ISSUES							
GRI	3-3	Management approach	About the ROMGAZ group The ROMGAZ supply chain				
GRI	414-1	New suppliers reviewed using social criteria	The ROMGAZ supply chain				
GRI	414-2	Negative social impacts in the supply chain and actions taken	The ROMGAZ supply chain				
MARKETING AND LABELING							
GRI	3-3	Management approach					
GRI	417-1	Product and service information and labelling requirements	Electricity supplied by S.N.G.N. Romgaz S.A. in 2023: 2023 Electricity supply label				
CLIENT CONFIDENTIALITY							
GRI	3-3	Management approach	About the ROMGAZ group Customer relations				
GRI	418-1	Complaints regarding breaches of customer confidentiality and loss of customer data	In 2023, no incidents of breaches of confidentiality or loss of customer data were identified				

Issues in the Oil & Gas Sector Standard determined as non-material		
ISSUE	Sector Standard No.	Explanation
Indigenous peoples’ rights	11.17	Not applicable to ROMGAZ operations. The company operates in Romania.