



**RESPONSIBLE AND SUSTAINABLE  
PROCUREMENT AND SUPPLY  
POLICY**

**SOCIETATEA NAȚIONALĂ DE  
GAZE NATURALE “ROMGAZ” S.A.**

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## **Preamble**

SOCIETATEA NAȚIONALĂ DE GAZE NATURALE “ROMGAZ” S.A. (hereinafter referred to as “ROMGAZ” or “the Company”) is focused on building long-term business relationships with partners and suppliers based on mutual respect, trust, stability and reliability. Our suppliers play an important role in helping us achieve our sustainability goals by maximizing efficiency, generating value and reducing CO2 emissions throughout the lifecycle of our products and services.

This Policy sets out the general principles of how ROMGAZ integrates environmental, social and economic considerations into its procurement practices to ensure sustainability.

We recognize that improving our procurement performance is an ongoing process and that our suppliers are important partners in our journey to become more sustainable.

The specific sustainability requirements for suppliers are set out in ROMGAZ Supplier Code of Conduct. We believe that we can increase our overall sustainability performance through continuous and collaborative supplier development and consistent supplier management.

## **Definition of Some Terms**

Sustainable procurement refers to the process of acquiring goods, services and works in an economically, socially and environmentally responsible way, taking into account not only the financial cost but also the long-term impact on the environment and communities.

ROMGAZ procurement process is designed to ensure that the company's needs, in terms of cost, quality, time, supply chain support, are met.

The supplier is the organization that provides a product, service or work used in ROMGAZ supply chain.

- A supplier is characterized by an actual direct or indirect business relationship with the organization;
- Examples of suppliers may include, but are not limited to: contractors, subcontractors, brokers, consultants, manufacturers, distributors, etc.

The supply chain is a complex system of processes and organisations involved in the production, distribution and delivery of a product, service or work to the final consumer.

The upstream supply chain is represented by the entire range of activities or processes performed by entities upstream of the company, supplying products, services, works used for the development of the company's activity. This includes upstream entities having a direct relationship with the company (often referred to as first tier suppliers) and entities with an indirect business relationship.

Forms of economic inclusion refer to the assimilation of small and medium-sized suppliers, suppliers represented by women, suppliers that are represented by or recruit workers from members of vulnerable, marginalized or underrepresented social groups.

## **References**

- Law No. 99/2016 on sector-related procurement;
- GD No. 394 of June 2, 2016 on approving enforcement guidelines for provisions related to awarding the sector-related contract/framework agreement of Law No. 99/2016 on sector related procurement;
- Law No. 100/2016 on concessions of works and services;
- ANAP Order No. 2395/2023 on approving ecological criteria applicable to the categories of products that have an impact on the environment during their entire life cycle, set out in Annex no. 2 to the Enforcement Guidelines;
- Directive 2014/24/EU on public procurement;
- SR ISO 20400:2021 Sustainable procurement. Guidelines.

## **Sustainable Procurement Principles**

- reducing environmental impact - preference for materials that are recyclable, energy efficient or have a low carbon footprint;

- social responsibility - suppliers respect employee rights, do not involve forced or exploitative labour, and contribute to community development;
- economic sustainability - ensuring that products, services and works are sustainable and efficient in the long term, not only in terms of immediate costs, but also in terms of maintenance or reuse.

### **Sector-Related Procurement Principles**

- non-discrimination and equal treatment, a principle which implies ensuring conditions of effective competition between economic operators;
- mutual recognition of products, services and works lawfully offered on the European Union market, of diplomas, certificates and other documents issued by the competent authorities of other States, and of technical specifications and/or standards equivalent to those required at national level;
- transparency, ensured by making available to the public all information relating to the award of the contract for the supply of products, services and works;
- proportionality, which is the principle of ensuring a correlation between the need of the beneficiary, the scope of the sectoral procurement contract and the requirements to be fulfilled;
- Accountability, a principle which implies clearly defining tasks and powers of the persons responsible for sectoral procurement, with a view to ensuring professionalism, impartiality and independence of the decisions made during the process.

### **Company Governing**

- we uphold the highest standards of economic, social, ethical and environmental practices;
- comply with applicable laws and regulations in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights;
- we strive to integrate sustainable procurement principles into our procurement management systems and processes and ensure that our management systems meet high standards of practice as generally recognized and accepted by the global business community;
- identify and monitor risks associated with the procurement process. We identify strategic suppliers, who are defined as vital partners for the company's strategic continuity and success;
- ensure continuous improvement of our sustainability practices and results and encourage our suppliers to do the same;
- ensure data protection in procurement processes. We protect confidential information and/or intellectual property of business partners and personal data and/or personal information, including, but not limited to, the privacy of the individual.

### **Human Rights and Work Practices**

- we promote human rights values and equality of the supply chain;
- we do not tolerate slavery, forced labour and child exploitation along the supply chain;
- we ensure that our employees and those of our suppliers are protected in ROMGAZ working environment;
- we do not tolerate discrimination and harassment and create a safe and inclusive work environment;
- we implemented complaint mechanisms for anonymous comments, which are kept and established procedures for handling and settling issues identified through this mechanism.

### **Environment**

- we maintain as our main objectives to reduce waste, minimize energy consumption and reduce the environmental footprint throughout the life cycle of the services, products and works we

purchase. To achieve this, we encourage our suppliers to undertake initiatives to promote greater environmental responsibility, such as:

- responsible waste and water management and removal;
- reduce greenhouse gas emissions and other emissions harmful for the environment and implement energy efficient programs;
- preserve non-renewable natural resources and control over chemicals;
- we request our suppliers to support our efforts in taking accurate measures to determine the origin of components, namely of minerals, used in products and to receive information from their suppliers on the origin of the materials used for the products that finally are supplied to ROMGAZ, these should not originate from areas officially declared as conflict zones or areas where the exploitation of environment and communities does not comply with the principles of environmental responsibility.

### **Best Operational Practices**

- we ensure that environmental, social and economic impacts are adequately taken into account when assessing value for money in the preparation of Award Documents;
- we are committed to improving employee knowledge of environmental issues and sustainable practices;
- we support full and fair diversity in our supply chain where possible, with open competition to all suppliers, including local suppliers and small and medium-sized organizations;
- we are committed to creating a sustainable value chain, responsibly integrating upstream and downstream partners, to ensure efficient and sustainable procurement and supply of resources, reducing environmental impact and promoting ethical practices throughout the entire value chain.

### **Community Involvement**

- we propose to commit our key suppliers to adhere to our Code of Conduct for suppliers;
- we strive to anticipate and avoid negative impacts on local communities wherever possible;
- we avoid procurement practices with negative supply chain impacts.

### **Payment Policy to Suppliers**

- Payments to be made in contracts shall be made only after the invoice was issued further to ROMGAZ approval of products, services, works related to the activities provided by the Supplier, in accordance with the Tender Specification;
- Payment deadline is 30 days from the date ROMGAZ receives the invoice, in accordance with the Tender Specification;

### **Sanctions for Culpable Breach of Obligations**

- If the Supplier does not timely fulfil the obligations to supply products/services/works, ROMGAZ has the right to levy a legal interest penalty provided at article 3 para 2<sup>1</sup> of Government Ordinance No. 13/2011 establishing the remunerative/penalty statutory interest related to monetary obligations, as well as certain financial and fiscal measures in the banking sector, as subsequently amended and supplemented. The interest applies to the value of not delivered products/services/works, for each day of delay, but not exceeding the value of not delivered products/services/works.
- In the event of non-performance or inadequate performance of other contractual obligations, the Supplier shall fully cover the damage caused to ROMGAZ.
- The legal penalty interest accrues lawfully starting from the day immediately following the due date for obligations undertaken according to the contract.

## International Sanctions

- When concluding any contracts, memoranda, agreements, partnerships or any other documents establishing relations involving commitments of the parties, prior checks shall be carried out to identify potential situations in which future partners are subject to the international sanctions regime.
- Any participant in a procurement procedure carried out by ROMGAZ is required to submit a tender offer accompanied by an affidavit and, the procurement documentation shall include the indication that the award of the contract/acquisition order contract is conditional on the non-existence of international sanctions.
- If, after signing the contract, the supplier receives an international sanction, the supplier has the obligation to immediately notify ROMGAZ. In this case, the contract shall terminate, without having the possibility to compel ROMGAZ to pay damages for such termination.

## ROMGAZ Role and Responsibilities

- All company's employees have the joint responsibility to integrate the provisions of this policy in their decision-making practices.
- We report annually to the Board of Directors and publicly to key stakeholders regarding our progress in implementing this policy, in our Sustainability Statement, integral part of the Annual Report of the Board of Directors.

## Monitoring and Evaluation

- ROMGAZ acknowledges the importance of monitoring this sustainable procurement policy and will ensure that it collects statistics and information to see how the policy is being applied and whether the application is effective.
- We also evaluate our suppliers based on ESG criteria and performance, ensuring that our procurement decisions support ROMGAZ commitment to sustainability and we will support achievement of our sustainability objectives and targets.

## Final Provisions

- The policy may be reviewed and/or updated whenever necessary, at each significant change, in compliance with internal rules and legal provisions.
- ROMGAZ management ensures that the Policy complies with the organisational culture, with long term objectives and strategies as well as with company's interests.

**Chief Executive Officer**  
**Răzvan POPESCU**