

SUSTAINABILITY
REPORT
2019

ENERGY FOR A **DYNAMIC** FUTURE

Contents

Introduction

Message of General Manager / 3

Information on Sustainability Report / 4

About Romgaz Group / 6

Development Strategy of Romgaz Group / 18

Non-Financial Performance of Romgaz Group

1. ECONOMIC / 21

1.1 Economic Performance / 22

1.2 Direct Generated and Distributed Economic Value / 23

1.3 Financial Implications and Other Risks and Opportunities Due to Climate Changes / 23

1.4 Obligations of Defined Benefits Plan and Other Retirement Plans / 24

1.5 Financial Assistance from Public Authorities / 25

1.6 Weight of Expenses with Local Providers / 25

1.7 Observance of Ethics and Integrity Rules and the Implementation of Anticorruption Procedures / 26

1.7.1 Ethics and Integrity / 26

1.7.2 Anticorruption / 28

1.7.3 Operations Evaluated for the Identification of Corruption Related Risks / 29

1.7.4 Communication and Training for Anticorruption Policies and Procedures on Romgaz Level / 30

1.7.5 Confirmed Corruption Incidents and Taken Actions / 31

1.8 Anticompetitive Behavior / 31

2. SOCIAL / 32

2.1 Corporate Governance System / 33

2.1 Information About Employees and Other Workers of the

Company / 39

2.2 Collective Employment Contracts / 41

2.3 Rates of Standard Entry Wage in Romgaz on Genders Compared to Minimum Local Wage / 41

2.4 Employees-Management Relation / 43

2.5 Occupational Health and Security (OHS) / 43

2.5.1 Representation of Employees in OHS Mixed Committees (Management – Employees) / 43

2.5.2 Occupational Security and Health Committees / 44

2.5.3 Workers with High Incidence or High Risk of Diseases Related to their Occupation / 45

2.6 Training and Education / 46

2.7 Diversity and Equal Opportunities / 51

2.8 Local Communities / 55

2.9 Supply Chain / 63

3. ENVIRONMENT / 65

3.1 Climate Changes / 66

3.2 Energy / 67

3.2.1 Energy Consumption / 68

3.2.2 Reduction of Energy Consumption / 69

3.2.3 Reductions of Energy Requirements of Products and Services / 71

3.3 Water / 72

3.3.1 Water Consumption / 73

3.3.2 Effluents and Waste / 74

3.4 Ecosystem Restoration and Biodiversity / 71

3.5 Emissions / 78

3.6 Wastes / 80

3.7 Compliance with Environmental Standards / 84

Affiliations / 89

Communication with Stakeholders / 89

Materiality Analysis / 93

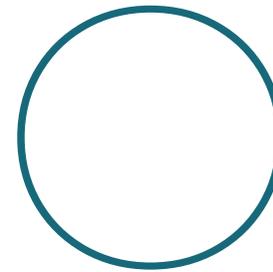
GRI Content Index / 96

Message of General Manager



Adrian Volintiru
GENERAL MANAGER

I have the pleasure to present the third sustainability report of Romgaz Group, in which we report our non-financial performance for 2019 and in which we inform the stakeholders about the issues of concern within the Group.



Our report shows the key points, objectives, performance indicators and actions performed during 2019 as well as future development directions we wish to address. The elaboration of the sustainability report was made according to the international Global Reporting Initiative (GRI) non-financial reporting standard and complies with the legislative compliance requirements on national level on non-financial reporting.

“Energy of a Dynamic Future” approaches the relevant matters within Romgaz Group on our economic, social and environmental performance and creates an overview for a better understanding of our position on the natural gas and electricity supply markets, in the company, in the relation with employees, providers, customers and other stakeholders. Also, we wish to have a more open and transparent communication with our public in terms of our management approach, policies, projects in which we are involved as well as our performance assessment indicators which you shall find in this report.

The year of 2019 represented a continuation of the objectives set in the previous years on economic, social and environmental levels. We actively involve and continue to pay a special importance to all development projects, this is why this year we made investments worth LEI 891.6 million. The support for local communities was made by granting sponsorships worth LEI 19.5 million that regarded the support of projects in the medical, education and learning, social and sports, cultural, energy and environment fields.

On short and long term, the adoption of a company digitalization strategy is an important future objective we aim to implement for facilitating the transfer of information and simplification of our operations. I wish to thank all involved parties and assure you that our commitment to contribute to company consolidation and ensuring a sustainable future shall continue.

GRI: 102-14

Information on Sustainability Report

S.N.G.N. Romgaz S.A. is pleased to present this year the third sustainability report of the Group, which details nonfinancial indicators corresponding to 2019. The report is based on the material thesis identified as a result of the materiality study in the Group as well as on material topics that have a special interest for external stakeholders.

The report structure and approach of topics are structured according to the principles and guiding lines set by the Global Reporting Initiative non-financial reporting standard, Core option, issued in 2016.

At the same time, the report of Romgaz Group meets the legislative requirements provided in the Orders of the Minister of Public Finance no. 1938/2016, respectively no. 2844/2016 which provide that entities with an average number of more than 500 employees during the financial year should report information on the development, performance and position of the entity, as well as the impact of its business on environmental, social and staff issues.

The information provided in the 2019 Sustainability Report of Romgaz Group includes the reporting period 1st of January 2019 – 31st of December 2019 and is preceded by two other reports that show non-financial information corresponding to 2017 and 2018.

Our commitment to report annually the proposed targets and performance indicators of the Group

is an important step of the strategy to contribute to a sustainable future, to a more responsible society and to a more developed community.

In order to elaborate the sustainability report, Romgaz was assisted by consultancy specialists of the company OSAL LLC INTERNATIONAL. Data collection was made by our colleagues in Romgaz departments whom we thank for their professionalism, promptness and involvement.

The information exposed in this report provide a vision of the non-financial performance of Romgaz Group (“the Group”), consisting of S.N.G.N. Romgaz S.A. (“the Company” / “Romgaz”) as parent company and S.N.G.N. ROMGAZ S.A. - Depogaz Ploiești S.R.L. Natural Gas Storing Branch (“Depogaz”), branch 100% owned by S.N.G.N. Romgaz S.A.

The information referring only to the non-financial performance of SNGN Romgaz S.A. and not the entire group shall be specifically marked, with related specifications.

Romgaz Group has as primordial principles transparency, involvement and communication in all business it conducts and it is confident in encouraging a proactive relationship with company stakeholders. This is why they are invited to communicate their concerns and information they need to the communication departments of our company. In terms of the report audit, we specify that the report has not been audited by a third party.

Contact point

Natural Gas National Company
4 C.I. Motas Square, 551130
Mediaș, Sibiu, Romania

Phone:

+4-0374-401020,
+4-0374-474325

Fax:

+4-0269-846901

E-mail:

secretariat@romgaz.ro

Site:

www.romgaz.ro

Contact person

Radu Costică Moldovan

Position:

Manager Counselor

Department:

General Manager Office

E-mail:

radu.moldovan@romgaz.ro

Phone:

0374 401 032

A photograph of a modern, curved glass building at dusk. The building has multiple floors with large windows, and the interior lights are glowing, making the building stand out against the dark blue sky. In front of the building, there are several flags on poles, including the European Union flag and the Romanian flag. The building is surrounded by a row of small, dark evergreen trees. The overall scene is illuminated by the building's lights and the ambient light of the twilight sky.

About Romgaz Group

Romgaz Group structure:



Main activities performed in Romgaz Group are:

- Natural gas exploitation-production;
- Natural gas underground storage (performed in Depogaz Ploiești S.R.L. Branch);
- Natural gas supply;
- Special operations and services for wells;
- Maintenance and transport services;
- Electricity production and supply;
- Natural gas distribution.

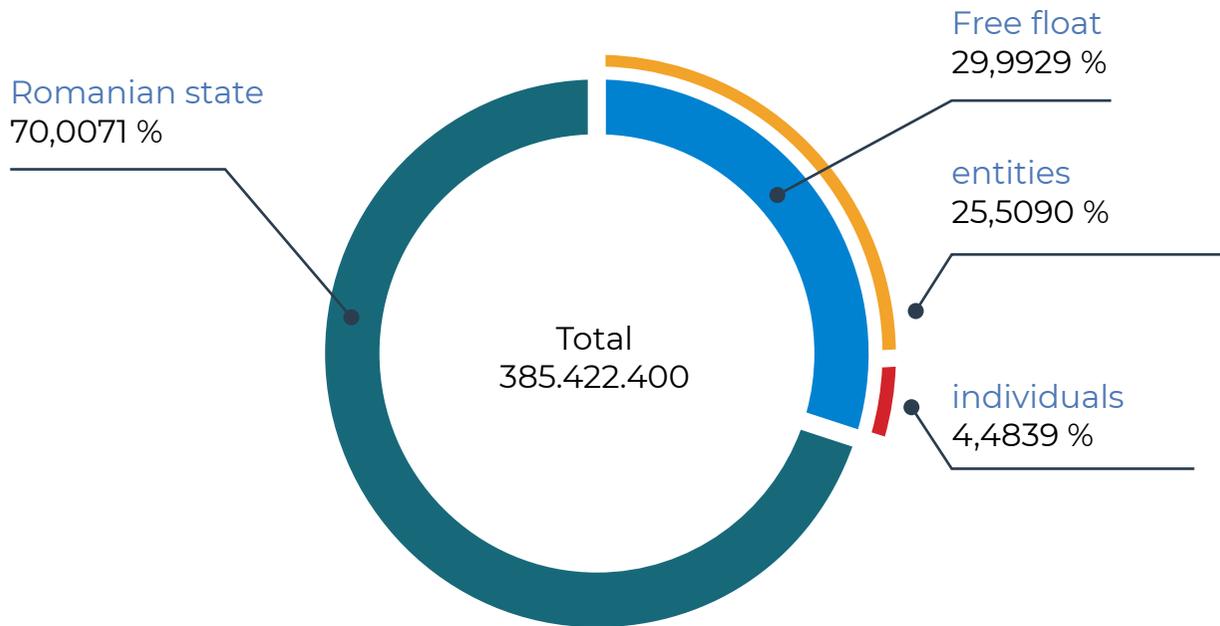
From the standpoint of ownership, Romgaz is a Romanian entity, with the legal form of joint-stock company and conducts business according to the Romanian laws and the company's Articles of Incorporation. The share capital of SNGN Romgaz S.A. is LEI 385,422,400, fully subscribed and paid, divided into 385,422,400 shares, each share with a nominal value of LEU 1.

On 12th of November 2013, Romgaz was listed on the Bucharest Stock Exchange (BVB) and London Stock Exchange (LSE). Starting with this date, the company shares have been transacted on the regulated market managed by BVB under the symbol "SNG" and on the regulated market managed by LSE as GDR-s issued by The Banks of New York Mellon (1 GDR = 1 share), under the symbol "SNGR".

Shareholding Structure

On 31st of December 2019, the company's shareholding structure was:

	Number of shares	%
Romanian state ¹	269.823.080	70,0071
Free float – total, of which:	115.599.320	29,9929
*entities	98.317.285	25,5090
*individuals	17.282.035	4,4839
Total	385.422.400	100,0000



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

Romgaz Group is:

01

The most important gas producer in Romania, with a market share of about 56% of deliveries in the gas consumption from internal production and a share of about 44% of deliveries in the total consumption of Romania on the level of 2019;

02

The greatest natural gas provider in Romania, with a market share in 2013-2019 as provider between 37 – 46%;

03

The most important natural gas underground storage services provider, ensuring more than 90% of the profile services.

The main business of the Group, generating the highest revenues and profit is the extraction of natural gas.

The natural gas underground storing business conducted by Romgaz Group is a regulated business, the revenues being earned from storage charges: capacity, injection and extraction tanks.

Starting with 1st of April 2019, the storage business is conducted through a branch called SNGN Romgaz SA - "DEPOGAZ" Ploiești SRL Natural Gas Storing Branch, with office in Ploiești, 184 Ghe. Grigore Cantacuzino St., Prahova County.

The supply of natural gas, production and supply of electricity are also business generating profit for the company and its shareholders.

Exploration – Production

Romgaz is holder or co-holder, in Romania, in oil agreements, such as:

- Oil operations in exploration-development-exploitation areas in 9 areas as holder, with a participation share of 100% and 4 areas as co-holder, based on concession agreements;
- 139 commercial rezervoirs and 12 rezervoirs with uninstituted area (sole grantee) and 11 rezervoirs operated in association with Amromco;
- Exploration and production rights in Slovakia.

Exploration

The exploration activity is performed in 8 areas in Transylvania, Moldova, Muntenia and Oltenia according to the Concession Agreement approved by the Government Decision no. 23/2000, starting with October 1997.

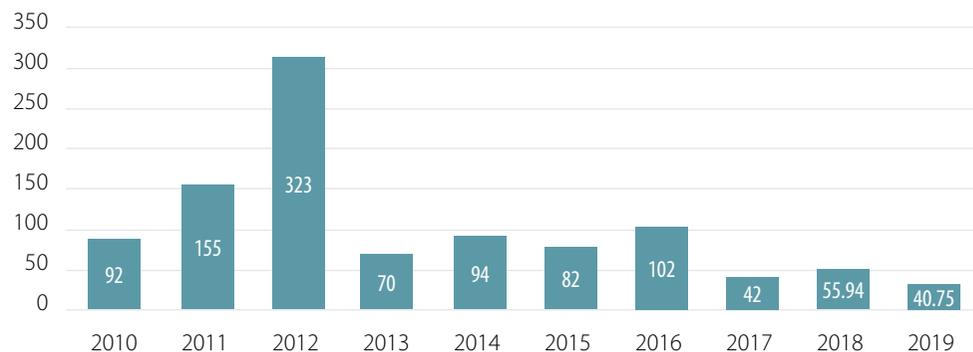
In 2019, a number of 6 exploration wells have been recorded with positive results for production tests, which were transferred to pres-

ervation until the building of the required infrastructure for experimental and final exploitation stage, out of 10 wells completed from drilling and production tests. This recorded a success factor of 60%, falling in the average margin of 35-65% recorded on international level in the hydrocarbons exploration activity.

The exploration works are designed and scheduled by Romgaz based on own concepts using modern specialized software, assessment of prospects of geological areas with specific peculiarities in the concession areas and they are performed by using specific exploration methods executed on the surface for the identification of (possible) hydrocarbons accumulation areas, followed by exploration drills for the verification of the existence of accumulations.

The results were concretized in the reserves replacement rate which, in 2012, reached a maximum level of 323%.

The evolution of reserves replacement rates in the period 2008-2019 is presented in the following figure:



The reserves replacement rate was affected by the low volume of achievement of updates of certain commercial rezervoirs and postponement of completion of investments on the necessary infrastructure for the commissioning of certain production capacities.

Production

The annual program of oil operations for 2019 considered the dynamics of natural gas request, operations for wells reactivation, recompletion and intervention, commissioning of exploitation wells and wells resulting exploration activities, maintenance programs for compression stations and drying stations, commissioning of new purchased compressors and dynamics of import gas flows and in/from storage deposits.

The company's natural gas production registered, in 2019, a minimal decline, being less than the one related to 2018 by 1.05% (5,277 million cbm vs. 5,333 million cbm). With this production, according to the estimated data, Romgaz had a market share of about 56% of deliveries in the gas consumption from internal production and a share of about 44% of deliveries in the total consumption of Romania.

The production recorded on the level of 2019, of about 5,277 million cbm, was influenced by:

1. Investment efforts in the extension/modernization of surface infrastructure. Thus, by commissioning new wells on Caragele structure, the achieved production on this structure represented 6.9% of the total production achieved by Romgaz, and the condensate production was 10,677 tons, representing 61.5% of the total condensate production of Romgaz;
2. Continuation of production rehabilitation operations on main mature reservoirs of Filitelnic, Delenii, Laslău, Sădinca, Copșa Mică, Nadeș-Prod-Seleuș, Roman, Corunca Sud, Târgu Mureș, Grebeniș, Piscu Stejari-Hurezani;
3. Performance of repair operations that can be capitalized and wells reequipping for 169 wells, these works generating a production contribution of 195.95 million cbm, that is 3.7% of the total production.



Underground Storage of Natural Gas

Starting with 2019, 6 storing deposits are operational in Romania, all arranged in depleted reservoirs. Romgaz holds and operates 5 deposits that total a storing capacity of 3,965 billion cbm and active work volume of 2,770 billion cbm.

On national level, the ratio of the work gas volume and annual consumption was about 22% in 2019, in the first half of the classification of values in Europe.

In 2019, the ratio between the stored gas volume and the work volume of storing deposits was 69.31%.

The underground storing activity for natural gas, performed in Depogaz Branch, is an activity regulated by ANRE in terms of licensing deposit operators, the access to underground storing deposits, as well as in terms of setting the charges for the performance of storing activities.

Natural Gas Supply

The Romanian sector of natural gas, after a profound restructuring, is currently divided into independent activities. The structure of the Romanian natural gas market includes an operator of the National Transport System (Transgaz), producers (of which Romgaz and Petrom hold 97%), operators for underground storing deposits, natural gas distribution and supply companies for captive consumers and providers on wholesale market. The natural gas market in Romania consists of the *competitive seg-*

ment, which includes the trading of natural gas between providers and providers and eligible consumers, and the *regulated segment*, which includes natural monopoly activities performed based on the framework contracts (transport, underground storing, distribution and supply for regulated prices).

Romgaz, as natural gas provider, held in the period 2012 – 2019 a market share on national level between 37 – 46%, thus:

	U.M.	2012	2013	2014	2015	2016	2017	2018	2019
Total consumption on country level	bill. cbm	13,5	12,5	12,2	11,6	11,8	12,3	12,3	11,5
Romgaz marketing (domestic + import)	bill. cbm	5,9	5,7	5,7	5,1	4,4	5,7	5,6	5,1
Romgaz market share	%	42,82	44,5	46,1	44,0	37,1	46,3	45,5	44,1

The above quantities include gas from own internal production, internal gas purchased from third parties, gas from the association with Schlumberger 100% (for 2012 – 2018) and import gas. Compared to previous years, the deliveries of 2018 and 2019 also include gas delivered to Iernut and Cojocna for the production of electricity, as well as technological consumption.



Intervention Services and Special Operations for Wells

SIRCOSS was incorporated in 2003 based on the Decision of the General Assembly of Associates of 13th of June 2003.

The branch performs two main activities:

- Interventions, reequipping, completions and production tests for wells;
- Special operations for wells.

The activity of *Interventions, reequipping, completions and production tests* represents the entirety of services made with tower installations. The second basic activity of the branch is Special operations for wells and it represents services made with various transportable devices for the performance of operations in the well or on the surface.

During previous years, most services were made for wells belonging to the company, but intervention and special operations services have been provided for wells and for other companies that hold in concession and operate in gas wells on Romanian territory.



Transport and Maintenance

STTM was incorporated in October 2003, by taking over transport means from Mediaș, Târgu Mureș and Ploiești Branches.

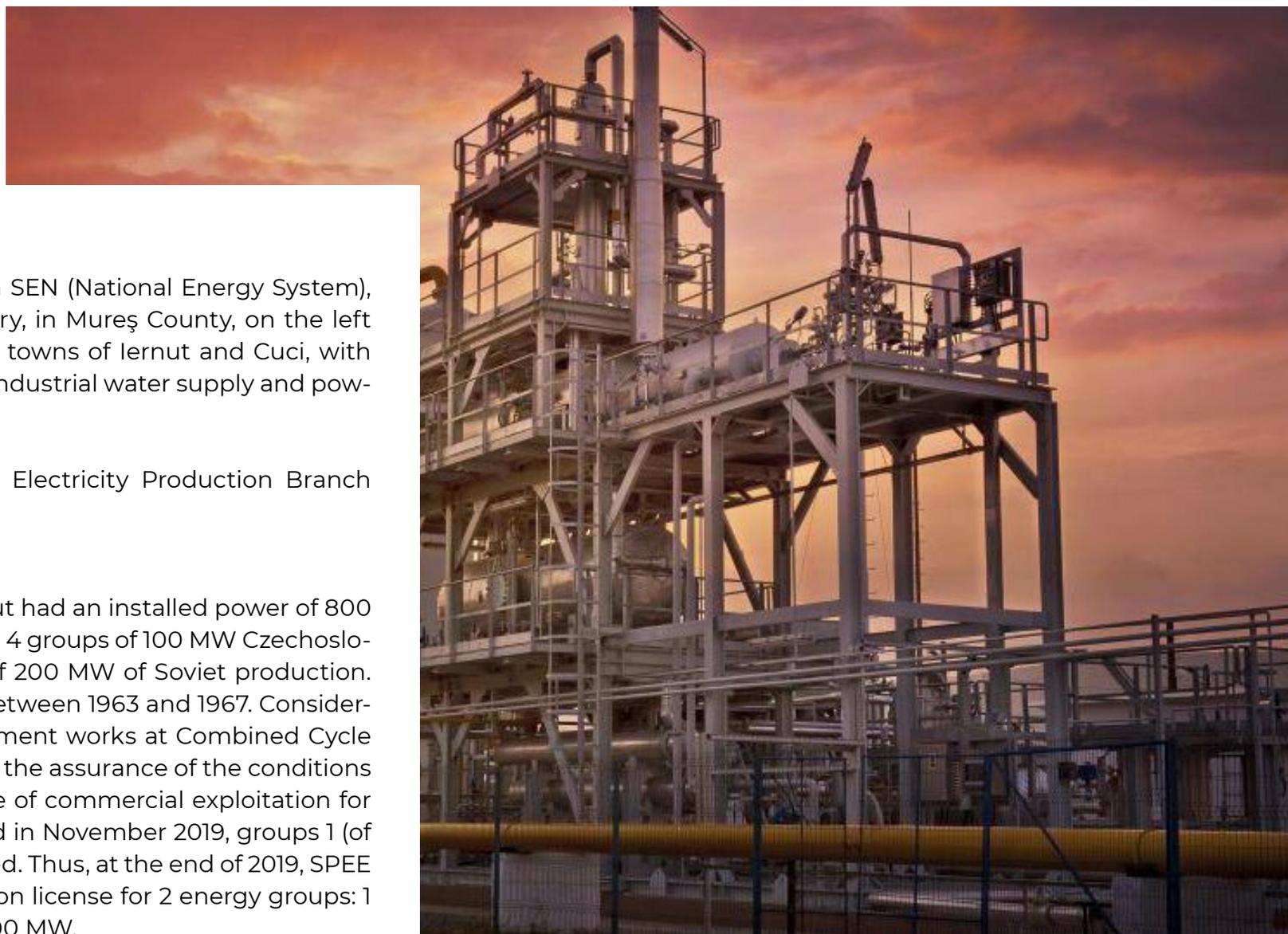
The business objective of the branch is merchandise and persons transports, specific technologic transport and maintenance in the company interest and for third parties.

Production and Electricity Supply

CTE Iernut is an important hub in SEN (National Energy System), located in the center of the country, in Mureș County, on the left bank of Mureș River, between the towns of Iernut and Cuci, with easy possibilities of methane gas, industrial water supply and power evacuation.

CTE Iernut is exploited by Iernut Electricity Production Branch (SPEE) in Romgaz.

At the beginning of 2019, CTE Iernut had an installed power of 800 MW, consisting of 6 energy groups: 4 groups of 100 MW Czechoslovakian production and 2 groups of 200 MW of Soviet production. The groups were commissioned between 1963 and 1967. Considering the commencement of investment works at Combined Cycle Power Plant of 430 MW and needs the assurance of the conditions corresponding to the performance of commercial exploitation for the groups 2 and 3, of 100 MW, and in November 2019, groups 1 (of 100 MW) and 6 (of 200 MW) followed. Thus, at the end of 2019, SPEE Iernut has a commercial exploitation license for 2 energy groups: 1 group of 100 MW and 1 group of 200 MW.



Natural Gas Distribution

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

Products and services

Main “operations” producing revenues that are performed by Romgaz Group are: natural gas production and supply, electricity production and supply and natural gas underground storing. These three activities contribute to the achievement of more than 90% of

the turnover.

Besides the three main business, the Group also performs transport and maintenance activities, special operations for wells, natural gas distribution and tourism business.

The turnover achieved by the Group in 2019 is LEI 5,080.5 million, of which:

- Natural gas production and delivery - LEI 4,709,8 million;
- Electricity production and delivery - LEI 237,8 million;
- Natural gas underground storing - LEI 454,4 million.

Total number of operations



Net revenues (turnover) – millions lei



Offered products :

- natural gas;
- electricity;

Offered services:

- natural gas underground storing;
- technological transport and maintenance;
- special operations for wells;
- natural gas distribution;
- tourism.

In 2019, Romgaz sold natural gas and electricity only on Romanian markets.

Main natural gas customers of the company were (90% of revenues from natural gas sale):

- ENGIE ROMANIA
- SC Electrocentrale Bucuresti SA
- SC E-ON Gaz Furnizare SA
- SC E-ON Energie Romania SA
- SC OMV Petrom SA

- SC Termoficare Oradea SA
- SC Premier Energy SRL
- SNTGN Transgaz SA
- AIK Energy Ltd London – Bucharest Branch.

Iernut Electricity Production Branch did not conclude sale contracts in 2019, the quantities being transacted on OPCOM centralized market and on trading platforms managed by Transelectrica.

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

Served area (country, region etc.)

Sectors

Types of customers and beneficiaries

 <p>ROMANIA</p>	 <p>INDUSTRIAL</p>	<ul style="list-style-type: none"> ○ End consumers ○ Distributors ○ Providers ○ Electricity/thermal energy producers ○ Transporters (electricity, natural gas) ○ Natural gas underground storing operators ○ Intermediaries (Operators of Centralized Markets – Natural Gas)
	 <p>RESIDENTIAL</p>	
	 <p>THERMAL ENERGY PRODUCTION FOR POPULATION</p>	
	 <p>ELECTRICITY PRODUCTION</p>	
	 <p>TECHNOLOGICAL CONSUMPTION</p>	

Reserves

Volume and Type of Proven Reserves and of Estimated Production Reserves

are a strategic field of Romgaz Group, the increase of reserves and resources portfolio and the discovery of new resources and the improvement of recovery of already discovered resources being essential activities for the processes we execute. The capitalization of production achieved from the exploitation of reserves is the main source of revenues of the company. The reserve provides projection on future business and results of the company.

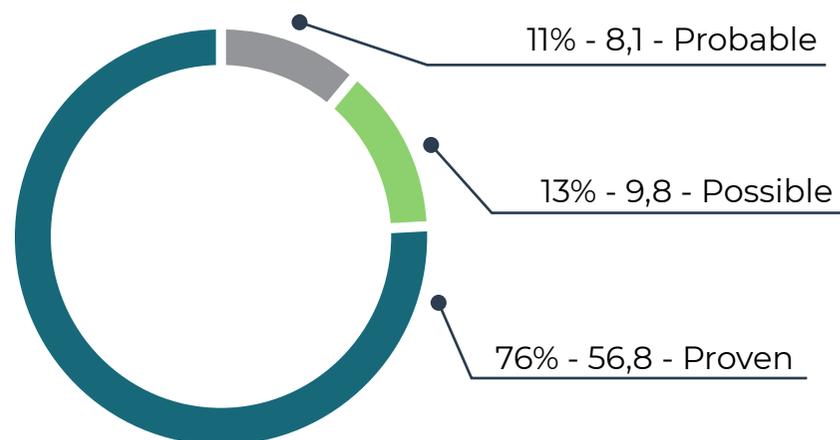
The proven reserves of natural gas are exploited under technical-economic conditions set by complex reservoir studies, elaborated while using modern specialized software, by Romgaz specialists and approved by ANRM. The volume of such reserves is periodically updated when production resulting from the exploitation of reservoirs registers certain deviations from the production provisions in studies.

Naturally, with the exploitation of reservoirs, the proven reserves volume decreases, but it is compensated to a lesser or greater extent by new proven reserves from the exploration activity and by promoting inferior class reserves through works in exploitation wells.

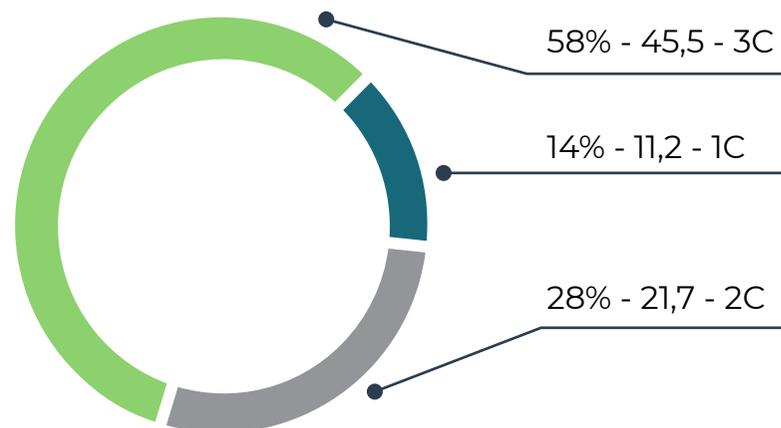
In the first semester of 2018, the external audit process for *natural gas reserves and contingent resources* in Romgaz patrimony was conducted by the American company DeGolyer & MacNaughton, the final Report being sent to Romgaz on 31st of May 2018.

The results in the Report confirm the assessments of natural gas resources and reserves made by Romgaz, with the reference date of 31st of December 2017 and they also confirm the value of the annual rate of reserves replacement.

Romgaz reserves situation
(billion.cbm/% of total)



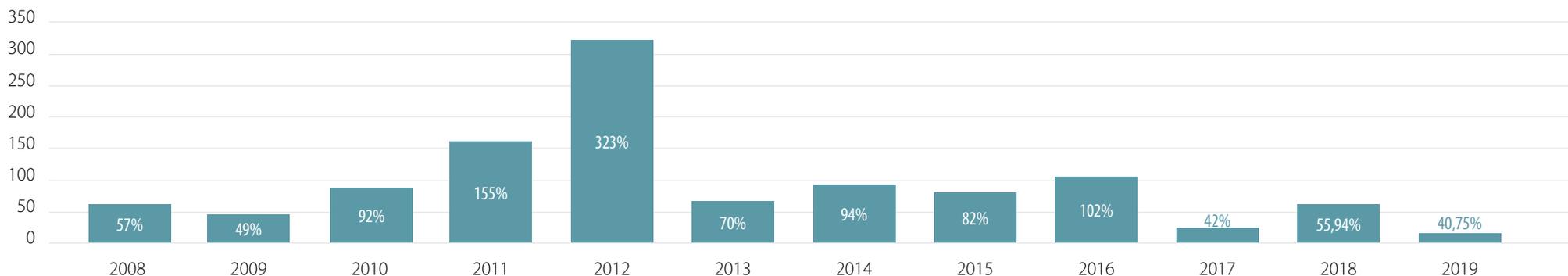
Contingent reserves situation*
(billion.cbm/% of total)



*1C contingent resources include developed proven reserves with exploitation schedule after 31st of December 2042, date that is the end of concession terms in force.

The evolution of reserves replacement rate in 2008-2019 is shown in the next figure:

Reserves replacement rate



Proven hydrocarbon reserves for 2019 showed a slight decrease compared to their level in 2018, decrease partially compensated by adding new reserves from exploration works and by performing repairs/intervention operations to wells, by conducting complex geophysical investigations, by identifying and promoting reserves from undrained areas.

During recent years, as a result of the oil operations in commercial reservoirs and the 8 onshore exploration areas, Romgaz recorded proven reserves replacement rates (“RRR”) between 40.75% and 323%.

RRR is a function of the oil quantity (crude oil and natural gas) added to proven reserves of a company, compared to the total oil quantity the company produces during the year. Evidently, the ideal case is when RRR is constantly above 100%, as this would indicate that it

discovers more crude oil and gas than it produces.

Romgaz reserves were audited by evaluation-audit companies recognized on international level, according to the guiding principles of Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, by the World Petroleum Council, American Association of Petroleum Geologists and by the Society of Petroleum Evaluation Engineers.

The results of audits confirmed the results of the evaluations of natural gas resources and reserves conducted by Romgaz.

For 2019, 22 Evaluation Studies for natural gas resources and reserves and 2 updates of production provisions for reservoirs with objectives without reserves, but which are still in production were prepared, as a result of which the existing reserves on Romgaz level were updated.

All studies were made by the studies elaboration teams from specialized departments of Romgaz, and they had the following elaboration arguments:

- Production differences between the study provisions and actual achievements;
- Existence of exploitation objectives that produce but no longer have confirmed reserves.

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

Hydrocarbons production recorded in the last three years

	Geographical area	Product condensed volume [mboe]	Product natural gas volume [mboe]
2017	Transylvania, Moldova, Oltenia and Muntenia	0,042	33,225
2018		0,065	34,286
2019		0,144	33,923

Our Vision, Objectives and Strategy

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

Romgaz pursues an intensive development on local market as well as development on international level with the objective of becoming an important player on the regional energy market.

The values promoted by Romgaz are:

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

“The Development Strategy for 2015-2025” underlies the improvement of the leadership position on the market of natural gas supply and meeting the national energy demand in a responsible manner. In this respect, we focus our attention and resources on the main business we conduct, carefully monitoring the performance indicators and criteria, so as to be able to meet average and long term objectives and to maintain our stability and position of leadership on the market.

Strategic Directions



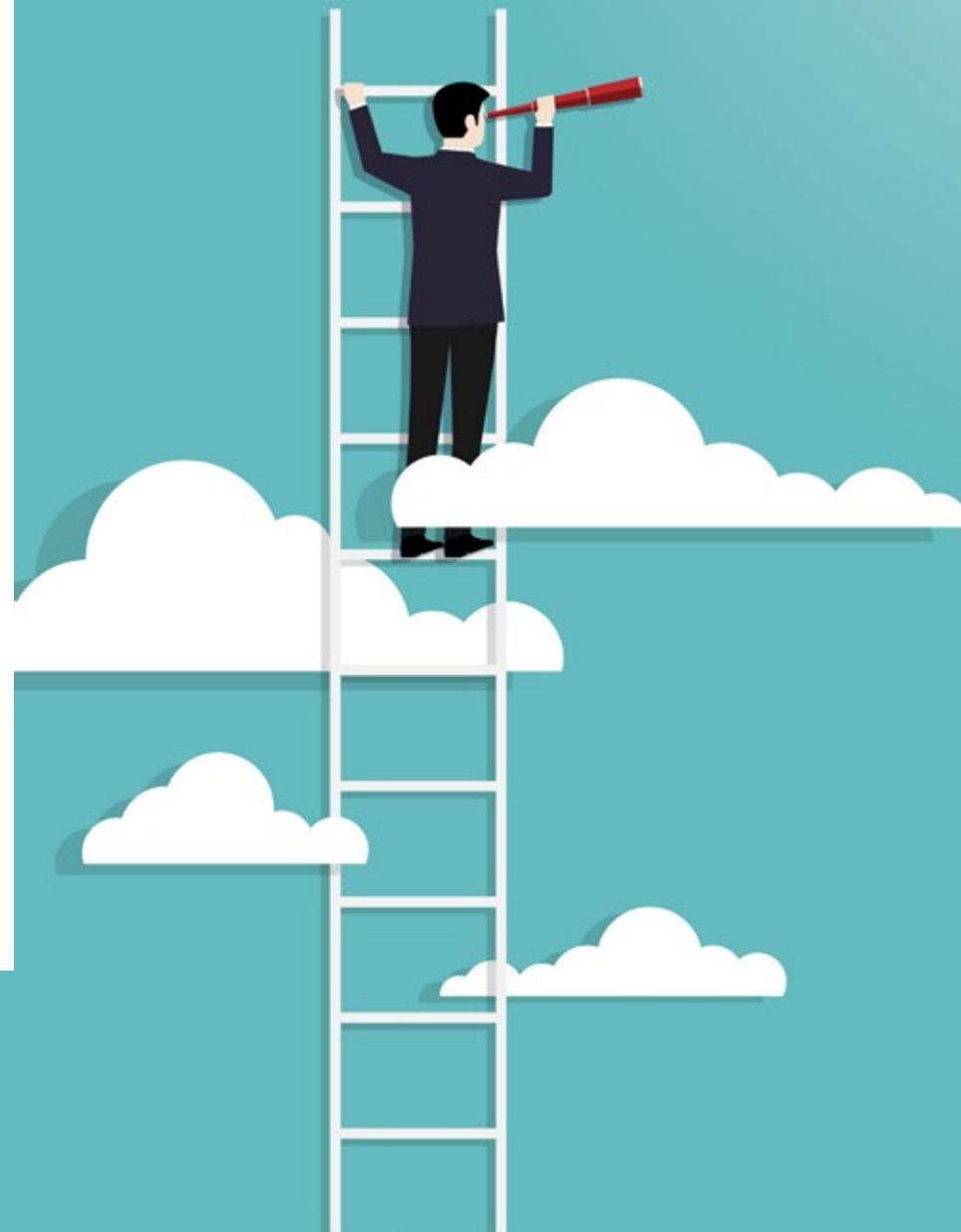
Analysis of Risks and Opportunities

Key Risks, from Economic, Social and Environmental Standpoint

- The reserves portfolio is located in one geographic area (Romania);
- Production decline;
- Lack of a sanctioned business model that always provides the maximization of assets value and profitability;
- Lack of regional mark on supply business level;
- The natural gas trading policy is not end consumer-oriented, for the maximization of supplied gas value;
- Lack of digitalization of production fields and digitalization of the entire exploration and exploitation management process;
- Inconsistency in applying certain concepts and standards adopted on international level in the matter of exploitation and production optimization;
- A relatively efficient planning of investment;
- Relative management of risks in the natural gas investment and trading activities;
- Lack of involvement of employees in achieving/meeting strategic objectives;
- Weak external visibility of the company.

Key Opportunities from Economic, Social and Environmental Standpoint

- New gas sources and infrastructure projects from the Southern Corridor and possibly the extraction of hydrocarbons from the Black Sea, which provides the premises for adopting a new business model in the supply business;
- Households market in Romania and the liberalization of natural gas price from domestic production;
- New technologies (for increasing gas fields profitability);
- Digitalization;
- Production of electricity based on gas (as a result of uncertainties on the future of nuclear energy and withdrawal from exploitation of certain obsolete capacities for electricity production based on natural gas and coal, as well as the beginning of modernization of existing ones – e.g. Mintia Power Plant);
- Possible development of certain new electricity production capacities from renewable sources (wind, solar, geothermal and biogas energy);
- Increase of market share in the electricity production (possible exploitation of new investments in Iernut power plant);
- Application of international standards and models in oil and gas in the matter of partnerships;
- Application of international standards and models in the matter of assets management.





1. ECONOMIC

1.1 Economic Performance

Romgaz Group recorded in 2019 a turnover of LEI 5,080.5 million, increasing by 1.52%, respectively LEI 76.3 million, compared to the one achieved in 2018. Net profit of LEI 1,089.6 million was less than the net profit recorded in 2018 by LEI 276.55 million. The achieved margins of consolidated net profit (21.5%), consolidated EBIT (24.4%) and consolidated EBITDA (51.1%) confirm the continued maintenance of a high profitability of Group's business.

The investments made by Romgaz Group in 2019 were worth LEI 891.6 million, LEI 296.9 million, respectively 24.98% less than 2018, and the value of fixed assets in operation was LEI 522.8 million.

The natural gas consumption in Romania in 2019 recorded a drop of about 4%, from 12.3 billion cbm to 11.5 billion cbm, according to the consumption estimates of ANRE and the company.

The natural gas production of the company recorded, in 2019, a volume of 5,277 million cbm, 1.05% less than the production related to 2018. This production level is high reported to the hydrocarbons extraction area, in which the production decline continuously reduces the production potential of reservoirs. With this production, according to the estimated data, Romgaz had a market share of about 56% of gas consumption deliveries from domestic production and a share of about 44% of total consumption deliveries of Romania.

The electricity production of Romgaz in 2019 was 590.13 GW, 49.35% less compared to the production achieved in 2018, as a result of the unavailability periods of groups as a result of the works to the new power plant. The market share held by Romgaz, according to Transelectrica, is 1.00%.

Synthesis of Main Economic-Financial Indicators on Romgaz Group Level (millions lei):

	2017	2018	2019
Turnover	4.585,2	5.004,2	5.080,5
Gross profit	2.119,8	1.585,2	1.275,2
Profit tax	316,1	219,0	185,6
Net profit	1.803,6	1.366,2	1.089,6
Number of employees on 31st of December	6.198	6.214	6.251
Number of Operations	7	7	7
Capitals	8.975,4	7.668,6	7.174,1
Debts	1.943,1	1.466,3	1.079,1
Quantity of supplied products:			
*total delivered methane gas (million cbm)	5.656,3	5.602,7	5.132,1
*produced electricity (GWh)	1.863,8	1.165,2	590,1
Quantity of provided services:			
*gas injection in deposits (million cbm)	1.497,6	1.731,2	2.620,5
*gas extraction from deposits (million cbm)	1.745,5	1.949,9	1.271,8
Shareholding structure (% and majority shareholder identity)	70% (Romanian state)	70% (Romanian state)	70% (Romanian state)

1.2 Direct Generated and Distributed Economic Value

Description	2017 (RON)	2018 (RON)	2019 (RON)
Economic value directly generated	4.953.468.418	5.075.788.540	5.150.103.487
Revenues	4.953.468.418	5.075.788.540	5.150.103.487
Distributed economic value	4.360.731.495	5.366.744.463	4.003.338.810
Operational costs	493.029.807	810.776.738	704.793.487
Wages and benefits for employees (including related taxes and duties)	465.863.494	608.516.630	674.578.018
Payments to capital providers	2.220.002.960	2.640.143.440	1.244.914.352
Payments to government/state budget	1.174.091.739	1.293.308.195	1.359.552.953
Investments in community	7.743.495	13.999.460	19.500.000
Withheld economic value (<i>calculated as "Directly generated economic value" minus "Distributed economic value"</i>)	592.736.923	(290.955.923)	1.146.764.677

1.3 Financial Implications and Other Risks and Opportunities Due to Climate Changes

We specify that there is no risk management approach on Romgaz level that concerns climate issues; at the same time, we specify that in the Risks Registry there are certain risks identified by the organizational units in charge of environmental protection within the company (company office and branches), but these risks are not significant.

1.4 Obligations of Defined Benefits Plan and Other Retirement Plans

There is no plan defined within the company concerning the retirement scheme and contributions of employees. The legal provisions in this respect are applied.

However, on retirement, the retiring employee shall receive on retirement, irrespective of the retirement reason, an aid granted once, depending on the seniority in the industry of methane gas and/or in electricity industry, in the amount set below:

Seniority	Number of wages granted
from 5 to 10 years of seniority	three monthly basic wages held on retirement date
between 10-20 years of seniority	four monthly basic wages held on retirement date
between 20-30 years of seniority	five monthly basic wages held on retirement date
between 30-40 years of seniority	six monthly basic wages held on retirement date
between 40 years of seniority	seven monthly basic wages held on retirement date



Private Benefits Plans for Insurance and Retirement of Employees

For the improvement of working and living conditions of employees, the company constitutes funds, within the limit of revenues and expenses budget, mutually agreed with the representative union, and prepares concrete programs, having among designations:

- Expenses made on behalf of employees to facultative pensions funds, within the limit of an amount representing the equivalent in LEI of EUR 400/employee, in one tax year, observing the legal provisions;
- Expenses with voluntary health insurance premiums, within the limit of an amount representing the equivalent in LEI of up to EUR 400, in one tax year for each employee.

1.5 Financial Assistance from Public Authorities

Total monetary value of financial assistance received by the organization from any public authority in the reporting period

Description	2017	2018	2019
Exemptions from taxes and tax credits	LEI 16.198.807	LEI 35.286.505	LEI 37.678.735
Subsidies	EUR 90.618	LEI 21.107.667	0
Grants for investments, grants for research and development and other relevant types of grants	0	0	0
Money indemnities/Prizes in cash	0	0	0
Breaks from royalties payment	0	0	0
Financial assistance from crediting agents for export (ECA)	0	0	0
Financial incentives	0	0	0
Other financial benefits paid or payable by any public authority for any operation	0	0	0

1.6 Weight of Expenses with Local Providers

The company has no such records. The number of local providers, value of goods acquired from them, their weight in total providers are random values, not being the result of an action or inaction of the company. The process of selecting company providers cannot be announced, according to the legal provisions on sectorial acquisitions, and is not based on any element related to their location.

1.7 Observance of Ethics and Integrity Rules and the Implementation of Anticorruption Procedures

1.7.1 Ethics and Integrity

Romgaz observes and promotes in the performed business the ethics and integrity principles and value, as they are described in the Code of Ethics and Integrity that provides important issues on: conflict of interests, trading company shares, compliance with laws on competition, assuring the integrity and preventing corruption deeds, preventing and reporting frauds, money laundering etc. In 2018, the ethics and integrity rules have been adapted to the legislative requirements on corporate governance, internal control and National Anticorruption Strategy (SNA) to which the company adhered.

The executive management elaborated the Code of Ethics and Integrity, which was approved by the Board of Directors through Decision no. 47 of 1st of October 2018, and it observes, applies and follows the application of the ethical conduct rules.

The Code of Ethics and Integrity was approved by the Board of Directors and it is valid beginning with 1st of October 2018 and it is available for review on Romgaz company website, in Romanian as well as English.

The Code is structures thusly:

- a) General principles and ethical value of Romgaz;
- b) Workplace conduct rules;
- c) Relations with shareholders, business partners, authorities and community;
- d) Compliance assurance.





The ethics and integrity rules have mandatory nature and apply to all persons working for the company: employees, managers with mandate contract as well as members of the Board of Directors.

The stakeholders of Romgaz Group are notified about the existence of counseling services on organizational ethics, law and integrity issues by publication on the company website of the Code of Ethics and Integrity, 2019 Integrity Plan and the Declaration for Adhesion to the National Anticorruption Strategy.

The person in charge of implementing and applying professional ethics and conduct rules is the ethics counselor, person appointed by the decision of the General Manager, starting from staff training, providing permanent support and counseling in matters of ethics and monitoring deviations from ethics rules.

The ethics counselor addresses in an independent and objective manner all matters notified to them and they treat all information that is notified to them with maximum discretion.

The ethics counselor is bound to keep the information to which they have access in performing their attributions confidential.

According to the Code of Ethics and Integrity, the Ethics Counselor notifies the company management about the notified irregulari-

ties, follows the method of settling intimations and reports to the general manager the settlement method.

The audit committee within the Board of Directors is notified per semester about the found irregularities, method of settlement and ordered measures.

In 2019, a number of 46 notifications on breach of conduct rules have been recorded. 46 notifications were settled of which 37 notifications were confirmed. In case of confirmed notifications, disciplinary measures were ordered for a number of 37 employees.

Also, in the organization, no counseling services requests existed for the reporting period on organizational ethics, law and integrity issues.

1.7.2 Anticorruption

Decision no. 28/17th of January 2019 adopted the Integrity Plan of SNGN Romgaz SA for 2019. This set of rules sets the framework that manages the matters providing anticorruption actions.

Another action performed in 2019 in Romgaz targeted the identification of business exposed to corruption vulnerabilities for each operation. The operation was deemed organizational unit within Romgaz which, according to the provisions of the company's Organization and Functioning Regulation *"may be: branch, department, division, direction, center, office, service, compartment, formation, column, workshop, section, agency, deposit – provided as such in internal documents or decisions for organization and functioning"*. All organizational units within the company have been subjected to these evaluations.

The positive and/or negative impact the "Anticorruption" matter produces is managed according to the measures identified with the identification of business exposed to corruption vulnerabilities.

The inventory of sensitive and/or exposed positions especially to corruption, as well as the list of persons occupying these positions were approved by Decision No. 6645/25th of February 2019.

On the level of Romgaz company, for the increase of the anticorruption awareness and education degree among employees, a support material was made available that brought to attention several essential concepts of SNA (National Anticorruption Strategy).

Considering the increase of the anticorruption awareness degree and education level of all employees and correlated to the intensifi-



cation of managerial internal control system implementation activities, a methodological guiding action was started in the period 23rd of September – 30th of November 2019 on the implementation of SCIM (Managerial Internal Control System) and the implementation of SNA.

On the company level, an "Intermediary Audit on SNA Implementation 2016-2020 – Project SI POCA 62" took place, audit conducted by the Ministry of Justice. In this respect, the "Reporting sheet of the SNA 2016-2020 implementation stage for the period 2016-2018" and the "Questionnaire for the evaluation of the SNA 2016-2020 implementation degree for the period 2016-2018".

1.7.3 Operations Evaluated for the Identification of Corruption Related Risks

Operations evaluated from the standpoint of risks associated to corruption deeds on Romgaz level

As a result of the evaluation, a series of risks were reported, the areas that show high risk of corruption being: acquisitions, investments, human resources, information technology and telecommunications, economic, legal, drilling, exploration, production, lands formalities and trading.

Identified risks were:

1. Disclosure and dissemination of confidential information and documents to unauthorized persons;
2. Subjectively (preferentially/partially) dealing with bids;
3. Preferential relations with contractors;
4. Preferential relation with the approvals applicant;
5. Influence or authority for obtaining, for self or for another person, money, properties or other undue benefits;
6. Drawing up proposals in the sectorial acquisitions plan or documentations that may prejudice the interests of the company;
7. Accepting bad fulfillment of contractual terms by the contractor;
8. Bad management of funds by accepting the performance of works outside the provisions of the contract, project, tender specifications and technical regulations in force;
9. Subjective and/or biased granting of the certificate of good execution;
10. Selectively dealing with sponsorship/social aids applications;
11. Lack of official management of conflict of interest;
12. Selecting trainers on preferential criteria;
13. Recruiting and employment on preferentially set criteria, so that this may benefit certain participants;
14. Issue of certificates (documents) with unreal data.

Operations	Operations 2018		Operations 2019	
	Number	%	Number	%
Total number of operations	270	100	270	100
Operations evaluated from corruption risks perspective	270	100	270	100



1.7.4 Communication and Training for Anticorruption Policies and Procedures on Romgaz Level

	2018		2019	
	Number	%	Number	%
Number and percentage of BoD members who were notified about anticorruption policies and procedures of the company	All by publishing on Romgaz website the Statement of Romgaz adherence to SNA 2016-2020, as well as the Integrity Plan	100 %	All by publishing on Romgaz website the Statement of Romgaz adherence to SNA 2016-2020, as well as the Integrity Plan	100 %
Number and percentage of employees who benefited from training in anticorruption field	All employees with management position, according to the organizational charts valid on 31st of December 2018 (402 employees, about 14.15% of all employees), in methodological guidance for SCIM development, were notified about the fundamental principles and values of SNA, the increase of employees' awareness degree was attempted for the screening, fighting and reduction of corruption, correlating SNA with standards 1 and 2 of OSGG 600/2018. On their turn, employees with management position, according to the internal regulations in force, are bound to train subordinated employees about the provisions of SNA and Sensitive Positions Inventory System Procedure.	100 %	All employees with management position, according to the organizational charts valid on 31st of December 2019 (443 employees, about 13% of all employees), in the methodological guidance for SCIM development, were notified about the fundamental principles and value of SNA the increase of employees' awareness degree was attempted for the screening, fighting and reduction of corruption, correlating SNA with standards 1 and 2 of OSGG 600/2018. On their turn, employees with management position, according to the internal regulations in force, are bound to train subordinated employees about the provisions of SNA and Sensitive Positions Inventory System Procedure.	100 %
Number and percentage of employees who were notified about anticorruption policy and procedures	5.688	100 %	5.738	100 %
Number and percentage of business partners who were notified about anticorruption policy and procedures	All by publishing on Romgaz website the Romgaz Statement of adherence to SNA 2016-2020, as well as the Integrity Plan	100% of all bidders in acquisitions	All by publishing on Romgaz website the Romgaz Statement of adherence to SNA 2016-2020, as well as the Integrity Plan	100% of all bidders in acquisitions

1.7.5 Confirmed Corruption Incidents and Taken Actions

In 2019, on Romgaz Group level no cases of corruption have been recorded or confirmed.

Description	2017	2018	2019
Total number and nature of confirmed corruption cases	0	0	0
Total number of confirmed incidents for which employees were fired or sanctioned for corruption deeds	0	0	0
Total number of confirmed incidents on contracts terminations or non-renewals with business partners due to corruption incidents	0	0	0
Number of lawsuits for corruption deeds against the organization or its employees	0	0	0

1.8 Anticompetitive Behavior

Legal measures for anticompetitive, antitrust and monopoly conduct

In terms of the matters associated to anti-competitive, anti-trust and monopoly conduct, in 2019, Romgaz Group did not record any incidents and it was not involved in any legal action referring to the breach of good practices related to this field.





2. SOCIAL

2.1 Corporate Governance System

Governance

As issuer of securities traded on regulated market, Romgaz must fully meet the corporate governance standards provided by the applicable national regulations, respectively the Corporate Governance Code of BVB.

Annually, Romgaz prepares and reports the Apply or Explain Statement, first element based on which the quality of the corporate governance system on company level is evaluated.

The quality of this system is also reflected by the rating obtained by Romgaz on the occasion of the evaluation made by ARIR – Romanian Investor Relations Association, evaluation which had as subject the implementation of the best practices in the communication with investors and compliance with the Corporate Governance Code of BVB.

The organization of Romgaz company corresponds to a hierarchic-functional type structure, with six hierarchic levels from company shareholders to execution staff.

Hierarchical structure:

- General Assembly of Shareholders (GAS)
- Board of Directors (BoD)
- General Manager
- Deputy General Managers
- Chief of functional and operational departments subordinated to the General Manager and Deputy General Managers, branch managers
- Execution staff.



SNGN ROMGAZ S.A. is managed by a Board of Directors consisting of 7 members, for a period of maximum 4 years. The Board of Directors fulfills all necessary and useful actions for the achievement of the company's business objective, except for the ones provided by law as the competence of the General Assembly of Shareholders.

General Assembly of Shareholders is the management body of the company, which decides on the economic business and policies according to the legal provisions in force.

The Articles of Incorporation of the company and the Organization and Functioning Regulation on organization level are documents that set the attributions of the **Board of Directors**.

The General Manager, Deputy General Managers, Economic Manager, as well as the managers of the branches provide the

high quality of the management in the company structure. The compartment chiefs (branches, departments, directions, services) connect the higher structure and the employees of that unit. Each compartment has clear attributions defined, set by the company's Organization and Functioning Regulation, all these elements merging in one unitary system.

The **administrative management** of the company on 31st of December 2019 had the following structure:

No.	Surname and first name	Position in BoD	Statute	Professional qualification	Institution of work
1	Stan-Olteanu Manuela-Petronela	president	non-executive non-independent	Legal adviser	General Secretariat of Government
2	Jude Aristotel Marius	member	non-executive non-independent	Legal adviser MBA	SNGN Romgaz SA
3	Hărăbor Tudorel	member	non-executive independent	Economist	-
4	Marin Marius-Dumitru	member	non-executive independent	PhD Engineer	MDM Consultancy Deva
5	Balazs Botond	member	non-executive non-independent	Legal adviser	SNGN Romgaz SA
6	Ciobanu Romeo Cristian	member	non-executive independent	PhD Engineer	Technical University of Iași
7	Jansen Petrus Antonius Maria	member	non-executive independent	Economist	London School of Business and Finance

For directs in office on 31st of December 2019, the term of mandates is as follows:

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

Executive Management

On 31st of December 2019, the General Manager of the company was Mr. Volintiru Adrian Constantin.
Other persons with management positions to whom the BoD did not delegate management competences:

Surname and first name	Position
ROMGAZ - office	
Tataru Argentina	Deputy General Manager
Paraschiv Nelu	Deputy General Manager
Veza Marius Leonte	Accounting Department Manager
Bobar Andrei	Financial Department Manager
Dediu Mihaela Carmen	Director Direcția explorare-evaluare
-	Exploration-Evaluation Department Manager
Boiarciuc Adrian	Information Technology Department Manager
Lupa Leonard Ionuț	Acquisitions Department Manager
Chertes Viorel Claudiu	Regulations Department Manager
Ciolpan Vasile	Energy Marketing Department Manager
Ioo Endre	Legal Department Manager
Stan Ioan	Human Resources Department Manager
Cindrea Corin Emil	Quality, Occupational Health and Safety, Environment Department Manager
Radu Cristian Gheorghe	Strategy, International Relations, European Funds Department Manager

Surname and first name	Position
Mediaș Branch	
Dobrescu Dumitru	Manager
Achimeț Teodora Magdalena	Economic Manager
-	Production Manager
Man Ioan Mihai	Technical Manager
Târgu Mureș Branch	
Roiban Claudiu	Manager
Dîmbean Cătălin	Economic Manager
-	Production Manager
Baciu Marius Tiberiu	Technical Manager

Surname and first name	Position
Iernut Branch	
Balazs Bela	Manager
Oros Cristina Monica	Economic Manager
Oprea Maria Aurica	Commercial Manager
Bircea Angela	Technical Manager
SIRCOSS	
Rotar Dumitru Gheorghe	Manager
Bordeu Viorica	Economic Manager
Gheorghiu Sorin	Technical Manager
STTM	
Cătană Cristian Victor	Manager
Ilinca Cristian Alexandru	Economic Manager
Cioban Cristian Augustin	Exploitation-Development Manager

The members of the executive management of the company, except for the general manager who has a mandate contract, are employees of the company, being employed with individual employment contract for unlimited term.

The Board of Directors sets according to the Articles of Incorporation of Romgaz company the main development directions of the company and elaborates with the managers the Management Plan for their mandate term. The Management Plan is subsequent-

ly subjected to the approval of GAS together with the key indicators for financial and nonfinancial performance.

The strategic objectives elaborated by the Board of Directors and approved by GAS as well as the measures and actions stipulated by the Management Plan elaborated on administrative and managers level, according to the strategic objectives of the company, approved by BoD, are subsequently transposed by the executive departments of the company in programs and actions, elaborating the instruments required for their achievement.

Structure of the Board of Directors

	2017	2018	2019
Total number of members of the board of directors	18	10	14
Of which women	2	2	2
Of which members below 30 years of age	0	0	0
Of which members between 30 and 50 years of age	14	7	6
Of which member above 50 years of age	4	3	8
Of which members of minorities	0	0	0

According to the Internal Regulation of the Board of Directors, BoD members benefit from training courses, periodically organized by the President of the BoD, in various fields and relevant for the business conducted by Romgaz.

Consultative Committees

In ROMGAZ, there are three consultative committees with the following structures and positions on 31st of December 2019:

I) The nomination and remuneration committee, with attributions in setting the principles for the selection of candidates for the position of member of the Board of Directors, selection of candidates for their election or reelection as members of the Board of Directors, submitting proposals on remuneration of managers and members of the Board of Directors and submitting proposals subject to the decision of the Board of Directors.

The nomination and remuneration committee:

- Balazs Botond (president)
- Hărăbor Tudorel
- Stan-Olteanu Manuela-Petronela

II) The Audit Committee, which fulfills the legal attributions provided by art. 65 of Law no. 162/2017 on the statutory audit of annual financial statements and consolidated annual financial statements and for the amendment of certain enactments, consisting, mainly, of monitoring the financial reporting process, internal control system, internal audit and risks management in the company, as well as the supervision of statutory audit activity for annual financial statements and managing the relation with the external auditor.

Audit Committee:

- Jansen Petrus Antonius Maria (president)
- Ciobanu Romeo Cristian
- Jude Aristotel Marius
- Marin Marius Dumitru
- Hărăbor Tudorel

III) The Strategy Committee, with the role of assisting the Board of Directors in fulfilling its attributions in the field of elaborating and updating the general development strategy of the Company.

The Strategy Committee

- Hărăbor Tudorel (president)
- Stan-Olteanu Manuela-Petronela
- Jansen Petrus Antonius Maria
- Marin Marius Dumitru
- Jude Aristotel Marius
- Ciobanu Romeo Cristian
- Balazs Botond.

Selection and Remuneration of Members of the Board of Directors

The members of the Board of Directors are selected and nominated according to the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public companies, subsequently amended and supplemented, approved by Law no. 111/2016 and the Methodological Application Rules (Governmental Decision no. 722/2016).

The selection process provides equal chances to all candidates, the possibility to impose conditions/restrictions/requirements in terms of age, gender, position towards company (stakeholder) etc. not existing. The process of evaluating the performance and efficiency of the Board of Director takes place annually through an internal procedure.

The remuneration of the members of the Board of Directors is set in the decision of the General Assembly of Shareholders based on

the provisions of art. 153^18 of Law no. 31/1990 – Companies Law, republished, subsequently amended and supplemented within the structure and limits provided by art. 37 and art. 38 of the Governmental Emergency Ordinance no. 109/2011. The managers' remuneration is set by the Board of Directors with classification within the limits set by the General Assembly of Shareholders.



Significant Changes in the Organization and Its Supply Chain

During 2019, no significant changes existed on the level of company shareholding.

We conduct business in a sector where human resource is vital for activities and provision of efficient, quality and safe services. Our employees are the core that drives the entire range of products and services of Romgaz and this is why we wish to make sure that the recruitment process is made under rigorous



conditions according to the requirements and complexity of positions they have.

The proper internal climate and safety of working environment, as well as the correct training of employees are the basic considerations on which we focus in terms of your company's staff. Also, we instituted a rigorous selection procedure of human resources, from quantitative and qualitative standpoint.

2.1 Information About Employees and Other Workers of the Company



The total number of employees after employment contracts (permanent or temporary), depending on gender and region

Depending on the type of contract	Administrative		Branches	
	Men	Women	Men	Women
Permanent	995	648	4.916	805
For limited term	5	6	10	7
Total	1.000	654	4.926	812

Total number of employees after type of work relations (full time or part time), depending on gender

After type of work relations	Men	Women	Total
Full time	4.925	809	5.734
Part time	1	3	4
Total	4.926	812	5.738

Percentage of Higher Management Employed from Local Community

Percentage of higher management (managers and chief engineers) in significant operation locations who is employed from local community:

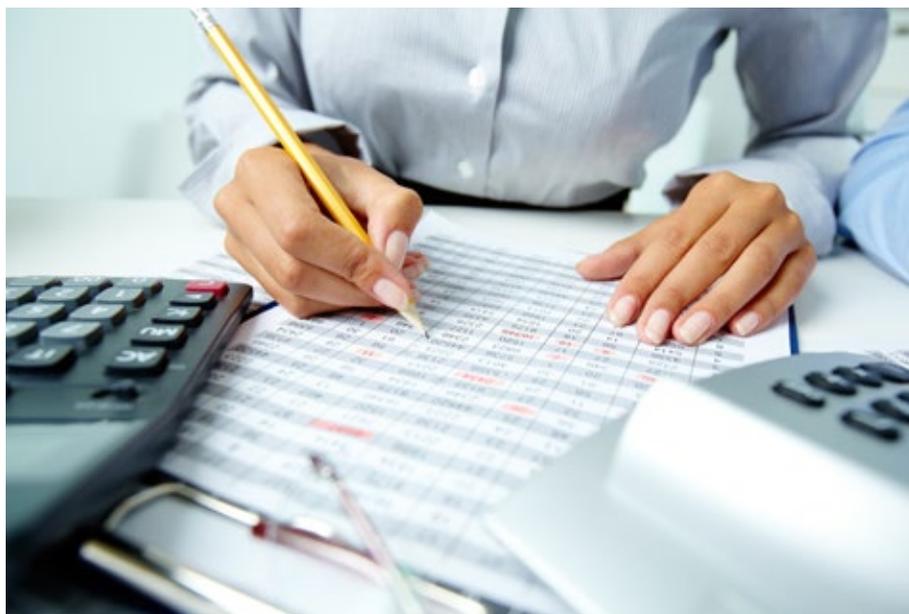
- P.E.E. Iernut Branch = 20%
- Medias Branch = 76,19%
- Mureş Branch = 100%
- Ploieşti Subsidiary = 100%.

New employees and staff fluctuation in Romgaz

Category	New employees						Employees Rotation (employees fluctuation)					
	Number			Percentage			Number			Percentage		
Gender	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Women	32	57	53	13,85	23,65	22,27	40	51	14	14,23	20,90	7,45
Men	199	184	185	86,15	76,35	77,73	241	193	174	85,77	70,10	92,55
Total	231	241	238	100	100	100	281	244	188	100	100	100

Age groups												
Age groups	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
<30	60	59	60	25,9	24,48	25,21	4	3	4	1,42	1,23	2,13
30-50	128	146	140	55,41	60,58	58,82	38	42	20	13,52	17,21	10,64
>50	43	36	38	18,62	14,94	15,97	239	199	164	85,05	81,56	87,23
Total	231	241	238	100	100	100	281	244	188	100	100	100

Location												
Location	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Mediaș Branch	73	70	47	34,60	39,11	24,10	92	73	48	34,98	34,43	27,75
Târgu Mureș Branch	44	55	73	20,85	30,73	37,43	44	62	65	16,73	29,25	37,57
Ploiești Branch	26	1		12,32	0,56		25	7		9,51	3,30	
SIRCOSS	32	31	24	15,17	17,32	12,31	24	26	31	9,13	12,26	17,92
STTM	20	17	38	9,48	9,50	19,49	27	23	21	10,27	10,85	12,14
SPEE	16	5	13	7,58	2,79	6,67	51	21	8	19,39	9,91	4,62
Total	211	179	195	100	100	100	263	212	173	100	100	100



2.2 Collective Employment Contracts

Two distinct Collective Employment Contracts are negotiated within the Group.

On 27th of November 2019, the parties established the conclusion of a new Collective Employment Contract concluded on SNGN Romgaz SA level, registered in the Territorial Labor Inspectorate of Sibiu under no. 18161/04th of December 2019, valid from 29th of December 2019 until 28th of December 2021, inclusively.

On Depogaz level, a Collective Employment Contract is in force negotiated with “Romgaz Free Union”, contract to which “Depogaz Ploiești Natural Gas Storing Subsidiary Union” also adhered, its validity being until 27th of March 2021.

2.3 Rates of Standard Entry Wage in Romgaz on Genders Compared to Minimum Local Wage

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

Operation location	Minimum wage for male employees	Minimum wage for female employees
Medias Branch	2.735	2.735
Mures Branch	2.735	2.735
SIRCOSS Branch	2.735	2.735
STTM Branch	2.735	2.735
Company Office	2.824	2.824
Iernut Branch	2.735	2.735

The wage set by the organization, for new employees, without experience, in each significant operation location

Operation location	Minimum wage for male employees	Minimum wage for female employees
Medias Branch	3.369	2.789
Mures Branch	3.801	3.909
SIRCOSS Branch	4.141	3.593
STTM Branch	3.801	4.339
Company Office	4.263	4.026
Iernut Branch	3.881	3.593

Benefits granted to full time employees, which are not granted to employees on limited term or part time employees

Besides the monthly remuneration, employees benefit from a set of benefits:

- Expenses made on behalf of employees to facultative pension schemes, within the limits of an amount representing the equivalent of EUR 400/employee, in a tax year, observing the legal provisions;
- Expenses with the voluntary health insurance premiums, within the limit of an amount representing the equivalent in LEI up to EUR 400, in a tax year for each employee;
- Coverage in case of disabilities or invalidity, resulting from work accidents;
- Settlement of tourism services packages;
- Retirement benefits;
- Granting material aid on the occasion of special events in employee's life.



We specify that there is no difference between granting benefits to full time employees and part time employees, limited or unlimited term, or depending on location.

Parental Leave

Parental leave	Men			Women		
	2017	2018	2019	2017	2018	2019
Number of days (total)	1.946	2.925	1.938	5.585	10.250	10.650
Number of employees who took parental leave	21	20	23	40	41	30
Number of employees who returned to the workplace at the end of the parental leave	21	10	8	40	16	18
Number of employees who returned to the workplace at the end of the parental leave and who were still employed after 12 months	21	10	8	40	16	18
Rate of return to workplace	100%	100%	100%	100%	100%	100%

In 2019, a number of 53 employees of the company benefited from parental leave. 36 employees returned to the workplace at the end of the parental leave in previous years. The rate of their return to the workplace was 100%.

2.4 Employees-Management Relation

Minimum notification period in terms of operational changes

The notification period and orders for consulting and negotiation are regulated by the Collective Employment Contract, the minimum notification period being four notification weeks.

2.5 Occupational Health and Security (OHS)

2.5.1 Representation of Employees in OHS Mixed Committees (Management – Employees)

A quality, environmental and occupational health and security integrated management system is implemented in the company according to SREN ISO 9001:2015, SREN ISO 14001:2105, respectively SR ISO 45001:2018 standards.

We permanently aim to maintain and update the working procedures through which we set the responsibilities and rules for the identification of hazards, evaluation of risks and establishment of controls on professional risks, for the purpose of protecting the health and security of workers, by applying proper technical, organizational and hygienic-sanitary measures.

These procedures are applied to all units in the structure of Romgaz company and its employees.

We pay special attention to notifying all employees on the risks



for occupational security and health, as well as the prevention and protection measures and activities implemented on organizational level, generally as well as on the level of each workstation and each position.

In 2019, on Romgaz level, the control objectives of the legal requirements on occupational security and health have been achieved 100%.

2.5.2 Occupational Security and Health Committees

On the level of the company and each branch, according to the laws in force, there is an Occupational Security and Health Committee in charge of occupational safety, security and health on Romgaz level.

The Occupational Security and Health Committee consists of the following members:

- a) employer or its legal representative;
- b) representatives of the employer with occupational security and health attributions;
- c) representatives of workers with specific liabilities in the field of workers' security and health;
- d) occupational medicine physician.

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

Also, the Procedure for monitoring the health condition of employees has been drawn up and reviewed according to the legal provisions in force. All occupational health and security rules have been implemented as a result of the obligations to observe the legal requirements and have been adapted to the specifics of activities performed in Romgaz.

Types of work accidents, occupational diseases, medical leave days and absenteeism and number of deaths caused by accidents at the workplace

For employees	Women			Men		
	2017	2018	2019	2017	2018	2019
Number of accidents	0	0	0	6	8	3
Types of accidents:	0	0	0	6	8	2
· Accidents requiring hospitalization						
Injury rate (IR)	0	0	0	0,01%	0,129%	0,047%
Occupational diseases rate (ODR)	0	0,31%	0	0	1,59%	0,509%
Working days with temporary incapacity for work, caused by work accidents	0	0	0	345	387	148
Rate of days with temporary incapacity to work (LDR)	0	0	0	0,23%	6,27%	2,357%
Absenteeism (AR)	0	0,67%	0,678%	3,36%	2,77%	2,711%
Deaths	0	0	0	0	1	0
Total hours				2017	2018	2019
Total number of medical leave hours the employees had as a result of workplace accidents or as a result of professional diseases				2,760	4,032	1,632
Total number of medical leave hours (also including medical leave not related to occupational accidents and diseases)				415,344	424,120	425,360
Total number of hours that should have been worked				12,350,400	12,378,288	12,554,016

2.5.3 Workers with High Incidence or High Risk of Diseases Related to their Occupation

There are workers classified in special working conditions and special labor conditions.

	2017	2018	2019
Number of employees involved in activities with high risk to develop professional diseases	497	497	344

Measures for prevention and improvement of work conditions

- Monitoring working conditions by periodically performing pollutants determinations;
- Drawing up the prevention and protection plan;
- Granting additional rest leave;
- Granting individual protective equipment.

Health and Safety Subjects Included in the Official Agreements Concluded with Unions

In the Collective Employment Agreement concluded on unit level – S.N.G.N. Romgaz S.A., there is a chapter called “Work Conditions – Occupational Security and Health”, chapter prepared according to the legal requirements in the field and which deals with general matters of occupational security and health, such as: employer’s obligations, employees’ obligations, working conditions, workloads, staff training, individual protective equipment, supervision of employees’ health condition, protective food, occupational security and health committees etc.

Promoting a Healthy Lifestyle for the Organization Staff

Besides the mandatory trainings referring to occupational health and security, the staff of Occupational Medicine Office promotes during each meeting with Romgaz employees the adoption of a healthy lifestyle by addressing good practices, advice and recommendations in the discussion with them.



2.6 Training and Education

Romgaz grants great importance to the human resources development process. We believe that staff training according to the technological and legislative amendments, instructions and rules of certified bodies has a major importance for increasing company performance and development.

Romgaz also implemented a procedure regulating the method of identifying training and awareness needs (perfecting, qualification, professional reconversion) and ensuring the training of company employees and persons working for or on behalf of Romgaz.

The purpose is to provide employees with the necessary development tools and opportunities, in order to perform in their professional activities and to improve intra- and interdepartmental relations, activities for which the employees must assume the responsibility of their own professional improvement and development.

At the same time, in company branches there are constant internships, thusly contributing to the professional training of students and improvement of the quality of professional and technical education.

Also, starting with the school year of 2018-2019, SNGN Romgaz SA concluded a Partnership Contract with “Școala Națională de Gaz” Technological High School, for the professional training of 19 students, through dual education. Thusly, Romgaz grants practical training but also financial support by granting monthly scholarships for the entire theoretical and practical training period.



Programs for Improvement of Employees' Skills and Assistance Programs for Transition

In the company, professional training programs were developed, mainly organized with professional training suppliers in the country and abroad, for developing employees' knowledge, skills and competences. Also, qualification courses at the workplace were developed, supported by lecturers, employees of the organization.

Program category	Program name	Skills acquired through the program
Programs supported by trainers outside the company	Relationship with investors	Knowing principles, tools and targets in the relationship with investors. Transactions of capital markets and factors influencing capital markets.
Programs supported by trainers outside the company	Preventing and fighting corruption	Acquiring skills on knowing and understanding the legal and institutional framework in the field of promoting integrity and fighting corruption in the organization.
Programs supported by trainers outside the company	Maintenance, implementation and use of GeoX	Specialization in following and managing resources and reserves, in the statistical evaluation of conventional and unconventional resources.
Programs supported by trainers outside the company	Application of GDPR	Knowing practical matters related to the implementation of the General Data Protection Regulation.
Programs supported by trainers outside the company	Deploying and Managing Windows 10; Supporting and Troubleshooting	Acquirement of knowledge in the implementation and maintenance of Windows 10 operating system; acquirement of skills for user support and PC troubleshooting.
Programs supported by trainers outside the company	Preventing and fighting eruptive events	Knowing methods for identification and evaluation of risks, and for preventing risks of eruptive events occurrence.

Program category	Program name	Skills acquired through the program
Programs supported by trainers outside the company	IFRS. Legislative novelties and cases of interest in accounting and tax fields.	Tax novelties of 2019 relevant to energy-natural gas and electricity sector. Deductibility rules and limits for expenses. Changes in VAT matter. Novelties in International Financial Reporting Standards.
Programs supported by trainers outside the company	Communication and relationships	Developing communication skills for the improvement of activities flow, teamwork as well as communication and collaboration.
Programs supported by trainers outside the company	Sectorial purchases course	Assimilation of advanced knowledge, modern methods and procedures in the field of sectorial purchases.
Programs supported by trainers outside the company	Integrated management	Knowing standards, High Level Structure model and the way it affects the current PDCA approach of management systems.
Programs supported by trainers outside the company	Performance of production tests and completion of deep wells	Consolidation of knowledge in using proper techniques and technologies, required for layer testing activity and putting deep wells of more than 3500 m into production;
Internal programs	Natural gas extraction	Development of technical skills in the field of natural gas extraction, optimal exploitation of installations related to gas measuring and assuring the quality of gas supplied to beneficiaries.
Internal programs	Qualification course as driller	Acquirement of theoretical and practical knowledge for the occupation of driller.

Percentage of Employees who are Periodically Evaluated and Receive Professional Development Counseling

We believe that human resources management has an important contribution in the achievement of the objectives of any business. An essential objective for any organization is to reach the performance standards set for its employees, standards that are a fundamental element for Romgaz.

The evaluation of performances is the basic activity of human resources management, developed for the determination of the extent to which organization employees efficiently fulfill the tasks or responsibilities they have. Generally, performance designates the achievement of organizational objectives, irrespective of their nature and variety.

Romgaz implemented a procedure that regulates the management process of employees' professional performances. The purpose is to

provide employees the necessary development tools and opportunities to perform their professional activities and to improve intra- and interdepartmental relations, activities for which the employees must assume the responsibility of their own professional improvement and development.

For 2019, the evaluation of staff individual performances was made on company level through:

- evaluation sheets;
- evaluation based on the job description and depending on the criteria set in the evaluation sheet.

Through the data provided by the centralized results of evaluations, the managerial team got a general image on staff performance.

Performance evaluation and career development plan	Men						Women					
	Number			%			Number			%		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Top Management	42	36	18	76,19	98	68,46	8	9	5	100,00	100,00	66,67
Middle Management	134	203	198	93,28	99,53	97,24	67	70	65	95,52	94,56	96,36
Other management positions	281	252	253	98,58	99,69	98,95	2	4	4	100,00	100,00	100,00
Higher education specialists	592	460	442	96,11	97,25	95,55	459	420	402	94,34	96,06	94,40
Average studies specialists	96	80	102	100,00	98,50	98,48	131	117	125	95,42	98,01	96,30
Workers	4.202	3882	3.826	95,26	98,50	98,67	186	154	154	92,47	93,18	98,08
Total	5.347	4.913	4.839	95,42	98,39	94,01	853	774	755	94,26	96,10	92,90

In the field of employees' training and improvement, Romgaz believes that staff training according to the legislative changes, instructions and rules of certified bodies, is of major importance for increasing company performances and development.

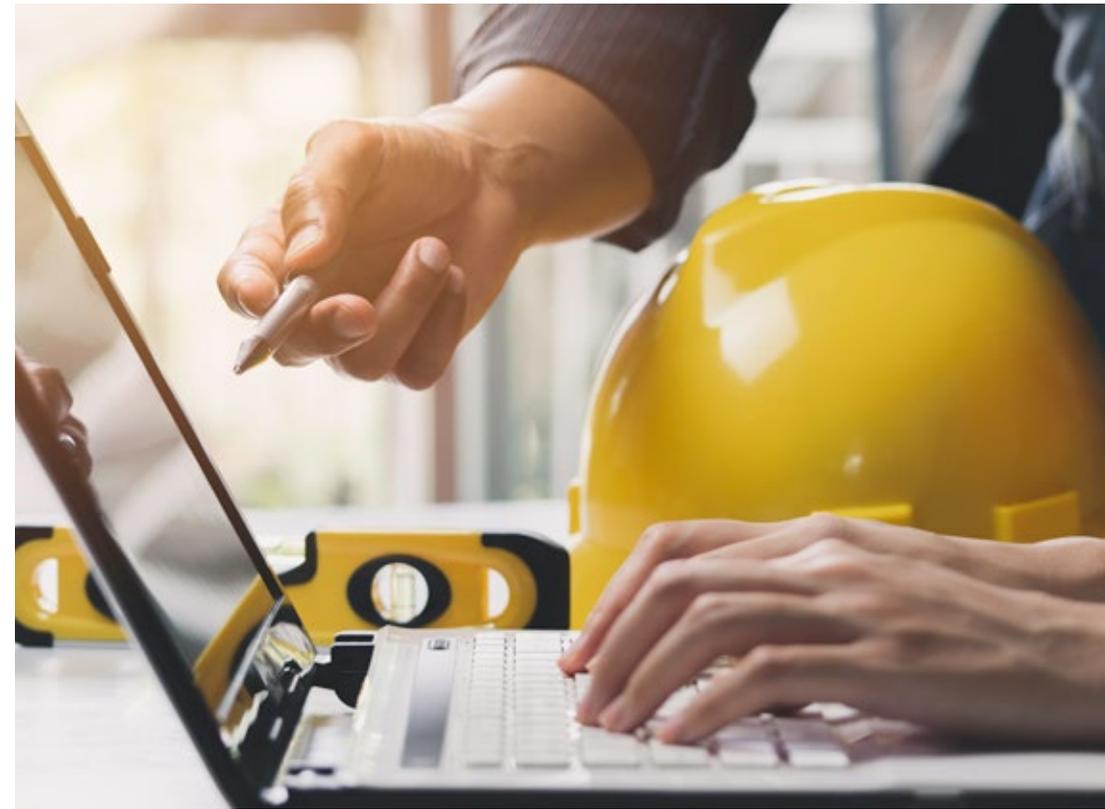
Romgaz implemented a procedure that regulates the method of identifying training and awareness needs (improvement, qualification, professional reconversion) and ensuring the training of company employees and persons working for or on behalf of Romgaz.

The requirements on professional training (including specific qualifications) and experience for each position are set and documented in the job descriptions.

The Human Resources Development Service, based on the synoptic tables sent by branches and the synoptic table per office and after consulting union organizations, draws up the Annual Professional Training Plan – the Annual Professional Training Plan can be updated during the year within the limit of the fund in the allocated Revenues and Expenditures Budget.

By approve the Annual Professional Training Plan and including expenses associated to it in the Revenues and Expenses Budget, the company management provides the allocation of the resources required for the development of training and manifests its commitment towards quality.

For 2019, the Annual Professional Training Plan was elaborated based on the proposals of five branches as well as the services from the company office. The main business fields of Romgaz, the need to update knowledge and skills specific to job and position of each employee, the acquirement of advanced knowledge, modern methods and procedures necessary for the achievement of professional activities, as well as the authorizations and certifications required for



exercising profession according to the legal provisions were taken into consideration.

Romgaz employees attended professional improvement programs, in the country and abroad, as well as internal professional training courses and qualification-requalification courses organized in our company. For the professional improvement courses specified above, offers sent by professional training services providers have been analyzed, establishing depending on the addressed topic, their duration, cost, level of interest for the company and practical addressability, as well as improvement programs suppliers that correspond to Romgaz requirements and needs.

2.7 Diversity and Equal Opportunities

Fighting Discrimination

Incidents Related to Discrimination and Applied Corrective Measures

The Internal Regulation and the Code of Ethics fully support equal opportunities and diversity in Romgaz. Our entire staff is bound to observe these provisions and encouraged to have an objective attitude towards any political, economic, religious, cultural or other kind of interest, in the exercising of job attributions. No form of discrimination is admitted from any standpoint of age, gender, disability, ethnicity, race, sexual orientation, political or religious options, union membership or other matters of this type.

In the case of an event of this type, the negative impact is managed in the sense of ordering measures for correcting the found irregularities and entailing disciplinary and patrimonial liability of persons in question or who support such conflicts.

From procedural standpoint, according to the Code of Ethics and Integrity, the ethics counselor notifies the company management about the intimations on breaching the provisions of the internal regulations specified above, follows the method of settling intimations and reports to the general manager the method of settlement.

On company level, the notified irregularities, the method of settlement and ordered measures are reported per semester to the audit committee in the Board of Directors.

In 2019 no irregularities were notified and no confirmed discrimination cases were found on Romgaz level.

Total number of employees per categories	Women									Total
	<30 ani			30-50 ani			>50 ani			
	2017	2018	2019	2017	2018	2019	2017	2018	2019	
Top Management	0	0	0	2	2	3	6	6	4	7
Middle Management	1	0	1	30	30	29	36	40	46	76
Other management positions	0	0	0	0	1	0	2	3	1	1
Higher education specialists	17	11	12	284	263	269	158	144	166	447
Specialists without higher education	5	3	2	58	49	54	67	67	68	124
Workers	4	4	2	84	66	63	98	85	92	157
Total	27	18	17	458	411	418	368	345	377	812

Total number of employees per categories	Men									Total
	<30 ani			30-50 ani			>50 ani			
	2017	2018	2019	2017	2018	2019	2017	2018	2019	
Top Management	0	0	0	10	9	13	32	29	15	28
Middle Management	1	1	3	62	78	174	71	126	224	401
Other management positions	6	3	1	115	101	33	160	147	87	121
Higher education specialists	25	22	26	340	285	298	227	152	169	493
Specialists without higher education	5	5	2	41	35	33	50	40	43	78
Workers	198	189	207	2312	1995	1783	1692	1697	1815	3805
Total	235	220	239	2880	2503	2334	23232	2191	2353	4926

	Women	Men	
	2017	2018	2019
Average age in the company	47,78	48,03	48,27

Number of employees with disabilities per categories	Women			Men		
	2017	2018	2019	2017	2018	2019
Top Management	0	0	0	0	0	0
Middle Management	0	1	1	0	0	0
Other management positions	0	0	0	2	3	2
Higher education specialists	5	7	5	3	3	2
Specialists without higher education	1	0	0	0	0	1
Workers	0	1	1	18	19	17
Total	6	9	7	23	25	22

Number of employees in administrative offices per categories	Number		
	2017	2018	2019
Mediaş Branch	340	339	394
Târgu Mureş Branch	277	271	303
Ploieşti Branch	157	-	-
SIRCOSS	150	147	249
STTM	109	107	125
SPEE	107	105	118
Company office	387	428	465
Total	1.527	1.397	1.654

Contract type	Contract for unlimited term			Contract for limited term			Full time			Part time		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Top Management	48	46	35	2	0	0	50	46	35	0	0	0
Middle Management	201	273	475	0	2	2	201	272	475	0	3	2
Other management positions	282	255	122	1	0	0	283	255	122	0	0	0
Higher education specialists	1.038	860	932	13	17	8	1.051	874	939	0	3	1
Specialists without higher education	227	196	201	0	3	1	227	199	202	0	0	0
Workers	4.370	4.019	3.956	18	17	6	4.388	4.036	3.961	0	0	1
Total	6.166	5.649	5.721	34	39	17	6.200	5.682	5.734	0	8	4

Ration of Women and Men in Terms of Basic Wage and Remuneration

Men/women wage ratio	Average wage				Wages ratio	
	Men		Women		2018	2019
	2018	2019	2018	2019		
Top Management	26.912,24	28.546	22.057,38	27.630	1,22	1,03
Middle Management	14.852,16	13.454	15.227,17	16.544	0,98	0,81
Other management positions	8.294,06	8.558	7.952,00	7.129	1,04	1,2
Higher education specialists	7.930,45	8.814	7.489,09	8.360	1,06	1,05
Specialists without higher education	5.838,30	6.662	5.408,03	5.993	1,08	1,11
Workers	5.162,95	5.507	4.278,05	4.675	1,21	1,18
Total	6.164,78	6.709	7.378,89	8.216	0,84	0,82

Men/women wage ratio	Average wage				Wages ratio	
	Men		Women		2018	2019
	2018	2019	2018	2019		
Mediaş Branch	5.565,29	6.005	6.421,18	6.891	0,87	0,87
Târgu Mureş Branch	5.619,93	6.055	7.069,59	7.706	0,79	0,79
Ploieşti Branch						
SIRCOSS	7.444,47	7.947	7.444,58	8.174	1,00	0,97
STTM	6.356,76	6.877	6.691,72	7.520	0,95	0,91
SPEE	4.891,42	6.239	5.780,51	7.470	0,85	0,84
Company office	11.771,26	12.490	9.137,26	10.120	1,29	1,23
Total	6.164,78	6.709	7.378,89	8.216	0,84	0,82

2.8 Local Communities

Besides the activities from legal perspective, Romgaz performs various activities in the field of social responsibility, performed voluntarily, as a result of the company's position and due to the desire to encourage this type of initiatives.

Romgaz focuses on the fields of interest for community, following the main directions of social responsibility strategy set as a result of the active dialogue with stakeholders, for the harmonization of the efforts to articulate a joint purpose in favor of sustainability: environment, community, health, education, culture and sports etc.

In 2019, the support for local community was made by granting sponsorships worth LEI 19,500,000 that aimed to support projects in the medical, health, treatments and medical interventions fields; education, learning, social and sports, cultural, energy and environment.



Budget allotted to sponsorships in 2019

Category	2019 budget (RON)	2019 achievements (RON)
Sponsorships in medical and health fields	7.800.000	7.800.000
Sponsorships in education, learning, social and sports fields	7.800.000	7.800.000
Sponsorships allotted to other actions and activities	3.900.000	3.900.000
Total sponsorships	19.500.000	19.500.000

Main sponsored projects and actions, social responsibility initiatives in 2019



Medical, health, medical treatments and interventions

Beneficiary	Project/Initiative/Action
Mediaş Municipal Hospital	Financial support for the project “CT Scanner Purchase and Installation”
Sibiu Emergency Clinical County Hospital	Financial support for the project “Equipping with powerful medical devices of SCJU Sibiu – Cardiology Clinical Sections”
“Sf. Ioan” Emergency Clinical Hospital, Bucharest	Financial support for the project “Digital flexible ureteroscopy and lithotripsy with Holmium laser – optimal treatment in kidney stones according to European Union standards in 2019”
Târgu Mureş Clinical County Hospital	Financial support for the project “RoM – NeoNAT: Rehabilitation and Modernization of Neonatal Intensive Care Department of the Neonatology Section of Mureş Clinical County Hospital”
Sibiu Clinical Emergency County Hospital	Financial support for the project “Endovascular treatment in stable and acute cardiovascular pathology – in the research laboratory in the field of cardiac and vascular pathology for adults. Treatment by specific devices for sudden death prevention”

“Polisano” Foundation, Sibiu	Financial support for the project “Healthy Hearts for Children”
“Prețuiește Viața” Foundation, Bucharest	Financial support for the project “Help us help campaign!”
“Speranța Pentru Copiii României” Foundation, Bucharest	Financial support for the project “ENT Clinic Operating Theater Equipping”
“Marius Nasta” Pneumophtisiology Institute, Bucharest	Financial support for the project “Equipping the Bronchial Endoscopy Laboratory with medical devices”



Education, learning, social and sports

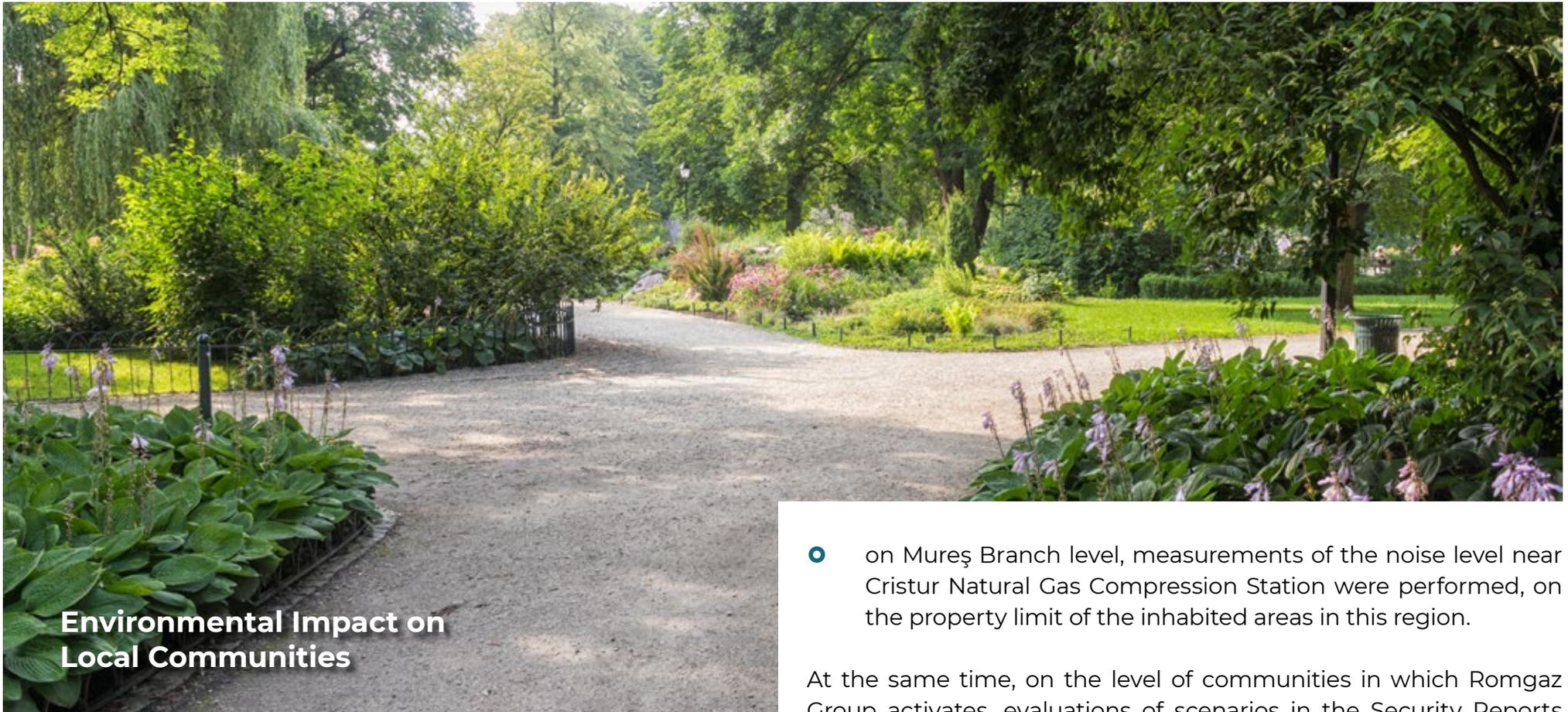
Beneficiary	Project/Initiative/Action
“Lucian Blaga” University of Sibiu	Financial support for the project “Building rehabilitation Tutorial and Learning Center located in Mediaș, 4 Lotru St.”
Hoghilag commune, Sibiu	Financial support for the project “Gymnasium School Rehabilitation”
Nicolae Kretzulescu Commercial Superior School, Bucharest	Financial support for the project “INNOVATIVE START-UP CENTER”
“Povestașii” Association, Bucharest	Financial support for the project “Museum of Stories”

“Lucian Blaga” University of Sibiu	Financial support for the project “Bio-signals study through artificial intelligence techniques on neural trauma patients. Equipping the medical electronics laboratory.”
Betel-Mediaș Christian Center for Roma People	Financial support for the project “Faith as social integration and development factor” – Social inclusion, change of mentality and attitude towards school, moral and material support of disadvantaged people categories in SNGN Romgaz SA business area
“Apa pentru Viață” Association, Ilfov County	Financial support for the project “School – Prevention of school dropout and the chance to a better life through occupation”
“Sfântul Mare Mucenic Dimitrie Izvorătorul de Mir” Association for Veteran Military and Veterans with Disabilities, Ilfov County	Financial support for the project “Center for recovery and regeneration for veterans (C.R.R.V.)”
Mediaș Methane Gas Sports Club	Financial support for “Participation of the football team to League I”
Electromureș Sports Club, Mureș County	Financial support for “Supporting the high performance activity of the feminine bowling team “Romgaz Electromureș” in 2019
“Handbal Club Dinamo” Association, Bucharest	Financial support for “Promoting handball to children, juniors and seniors, education by sports and improvement of general health condition”
AMC Racing Sports Club Association, Arad	Financial support for “Participation to the National Speed Championship on Coast 2019 for Mihai Leu with Ferrari Challenge 458 motor vehicle and promoting ROMGAZ CAMPAIGN through Arad Rally, stage in the National Rally Championship and International Stage”
Romgaz Mediaș Tennis Club Association	Financial support for the project ““MARCEL PITEIU” Memorial, “COSTEL TOTAN” Memorial”
Rival Racing Sports Club Association, Bucharest	Financial support for the project “Dacia 2019 Cup”



Cultural, energy, environment, others

Beneficiary	Project/Initiative/Action
Professional Association of Petroleum Engineers Society of Romania SPE-ROM Ploiești	Financial support for the project “ Organization of technical events specific to petroleum and gas industry”
Focus Sibiu Association	Financial support for the project “Focus Sibiu 2019 International Photography Festival”
Pacenta Foundation, Sibiu	Financial support for the project “Rediscovering local cultural traditions in Ținutul Târnavelor”
Ultima Concept Cultural Association, Bucharest	Financial support for the project “Eminescu – Dulce Românie” Financial support for the project “Enescu – Singur pe scenă”
Play Cultural Association, Sibiu	Financial support for the project “George Enescu International Festival in the country. Sibiu – Cluj”
Municipal Department for Culture, Sports, Tourism and Youth, Mediaș	Financial support for the project “Traditions, history and culinary art intertwine at Mediaș in the context of European Gastronomical Region”
“Pustebume” Mediaș Cultural Association	Financial support for the project “Increase of attractiveness of tourism in Mediaș region”
Studio 7 Association, Bucharest	Financial support for the project “Feature film. Title: INVICTUS”
Municipal Department for Culture, Sports, Tourism and Youth, Mediaș	Financial support for the project “Christmas Fair”
“De Bun Gust” Association, Sibiu	Financial support for the project “Christmas Concert, by Johann Strauss Ensemble, of Vienna”
Romanian Orthodox Parish Mediaș – Cathedral II	Financial support for the project “Church painting in fresco technique in Saint Dimitrie Orthodox Church of Mediaș, Moșnei District”



Environmental Impact on Local Communities

In terms of the evaluation of environmental impact on local communities, during the reporting period the following activities were performed:

- on Depogaz Branch level, the security reports and the internal emergency plans for natural gas storing deposits were updated. In these, risk analysis procedures were performed for all relevant technological installations in natural gas storing deposit.

- on Mureş Branch level, measurements of the noise level near Cristur Natural Gas Compression Station were performed, on the property limit of the inhabited areas in this region.

At the same time, on the level of communities in which Romgaz Group activates, evaluations of scenarios in the Security Reports were made, and the Internal Emergency Plan is evaluated through exercises attended by the County Inspectorate for Emergency Situations, representatives of the Local Police, of City Hall and of first aid medical services.

We are open to communication and settlement of any complaints or notifications from the local community and we wish to stand by them in any circumstance, that is why the complaints from local communities are managed according to the System Procedure – Communication, management of deviations, noncompliance control and corrective measures.

Operations with current and potential significant negative impact on local communities

Currently, the dependence degree of the local population on Romgaz Group is somewhat high, considering that we support the creation of jobs in the regions where we conduct business and we wish to contribute to their wellbeing by employing staff from the communities where we are present. The staff reduction in our company would generate a negative impact on the local communities, this is why we continuously strive to maintain stability, provide jobs for individuals in the local communities and offer them the opportunity to grow and develop with us.

In the operational activities of Romgaz Group, for natural gas stor-

ing deposits of Depogaz Branch, various impact studies stages have been performed on promoting various major investments. Since 2007, when these objectives have been included on the list of objectives with risk of major accidents due to large quantities of hazardous substances in the location, the local, county and national authorities have been informed through notifications, posts on the company's website and notice board in city halls of information for the public.

These studies have as purpose the analysis of the economic importance for the local community but also possible risks of fires or explosions due to the presence of extremely flammable hazardous substances and the way the local community and the local authorities must react, information developed in the Emergency Plan existing for each natural gas storage.

Operations of Romgaz Group that have a current or potential negative impact on the community.

Operation/Product	Localization	Current negative impact	Affected entities	Potential negative impact	Affected entities
Natural gas storing through wells and gas pipelines	Gas pipelines Natural gas compression stations		Local communities on whose administrative area there are natural gas storing deposits, together with related technological installations	Pollution of environmental factors: - water, air, soil - subsoil Affecting economic and social life of the local community, as shown in the Security reports existing for the 5 gas deposits.	Local communities on whose administrative area there are natural gas storing deposits, together with the related technological installations

Number of exploitation areas that have been disabled and areas that are in the process of being disabled

In the case of Romgaz, the exploitation area is the well. The well is defined as the special mining construction made by drilling into the earth's crust, in the shape of a vertical whole that may have inclined or even horizontal parts. The upper part of this construction is called the wellhead and the lower part the bottom of the well. The topographic point where the well is initiated is called the well location.

Romgaz has 4,066 wells, which are deemed fixed assets, of which 3,154 wells with productive potential and 912 are inactive wells.

The average fenced area of the swivel flow head of each well is 24 m².

After the shutdown of these extractive assemblies, the scrapped wells are inactive exploitation areas. In 2019, 35 wells have been scrapped of the total 3,154 productive wells.

The decommissioning process of exploitation areas is called "abandonment" and it is the entirety of works performed in the well for the protection of all crossed geological formations, as well as the surface works performed for the purpose of rebuilding and rehabilitating the environment.

The abandonment of exploitation/exploration wells is required in case:

- the drilling works cannot be continued for technical or

geological reasons;

- the well has exhausted the reserves in all layers known as productive and/or inventories all collectors that can be saturated;
- the well cannot be put back into production for technical reasons;
- the wells' debits dropped below the economic exploitation limit set for the reservoir.

In the wells abandonment process, Romgaz observes the laws in force thusly:

- it prepares the necessary environmental processes;
- it prepares the minutes for restoration to agricultural circuit;
- it elaborates and signs minutes concluded between the company and land owners;
- it obtains the approval of the National Agency for Mineral Resources for the abandonment of each well, in case the company waives the area concession.



Out of respect for the local communities, care for the environment and due to the awareness of responsibility importance and assuring the safety of the areas where such abandonment works are being performed, Romgaz assures the quality and security of such processes. In the reporting period, there were no complaints from local communities or control bodies concerning the quality of the decommissioning process.

2.9 Supply Chain

Our role in the Romanian society and the importance of our presence in communities led to the elaboration of certain specific procedures for the management of acquisitions that allow us to observe the legal provisions as well as our internal regulations.

We are also aware that our activities support the parties involved in the value chain and we wish to continue having prosperous business relations that have bilateral benefits in the partnerships with our providers and contractors. We are pleased to have excellent collaborations with our business partners and we permanently pursue their improvement.

Acquisitions management is made observing the incidental legal provisions, pursuing the observance of sectorial acquisitions principles, respectively:

- Nondiscrimination;
- Equal treatment;
- Mutual recognition;
- Transparency;
- Proportionality;
- Accountability.

Acquisitions are performed according to the Annual Sectorial Acqui-



sition Strategy of ROMGAZ, which is founded on the Annual Sectorial Acquisitions Plan.

Main acquisitions are represented by:

- Products: tubular material, well cement, swivel flow head, landing head, gasoline, Diesel fuel, compressors spare parts, motor vehicle spare parts, labor protection equipment, software, computing equipment (computers, servers, UPS etc.), tools for natural gas measurement, compressors for natural gas and for air, various consumables;



- Exploration and exploitation drilling works for gas wells, compression stations modernizations for gas deposits, surface works for well groups (drying, separation, heating, cooling, regulating and measuring stations, constructions works for collectors of well groups on gas delivery points of SNTGN Transgaz SA, works for environmental protection, repairs of machines and equipment, mature gas wells rehabilitations etc.;
- Services: 2D and 3D geophysical investigations, gas wells perforation services, investigations in tubed and untubed wells, communication services, design services for investments objectives (well drilling, modernizations to natural gas deposits, feasibility studies etc.).

Customer Relations Management

Customer relation management takes place through working procedures and instructions, internal regulations available for employees on the intranet page of the company.

Annually, customer satisfaction evaluation questionnaires are sent, according to the procedure regulated by the company, which assesses the quality of services we provide and methods of continuously improving any issue they recommend. These results are centralized, analyzed and subsequently reported to management.

We wish to actively communicate with the involved parties, that is why we organized in 2019 two events for the consolidation of our relations with providers, customers and business partners, the annual “Customer Day” meeting – October 2019 and “Partner Day” meeting – September 2019.





3. ENVIRONMENT

3.1 Climate Changes

Romgaz Group is a supporter of environmental friendly alternatives and solutions that minimize the environmental impact in terms of the activities we perform. We permanently work on the improvement of the technologies we use in our industry and we wish to ensure the future generations' access to clean resources. In this respect, the minimization of the carbon footprint and efficient use of natural gas are the main contributions we wish to bring into view.

The transfer to an economy with low carbon emissions and the use of renewable energy sources and the minimization of methane emissions in the processes we perform are the steps through which we actively contribute to environmental protection and preservation.

We adopted in the company an integrated quality, environmental, occupational health and security management system that facilitates our continuous improvement of our performance, preventing pollution and reducing unwanted effects of our operations on the environment. Through this system, we actively and efficiently monitor all environmental factors that may be affected by our company's activities.

Also, the procedure for monitoring greenhouse gas emissions allows us to constantly check the emission level and facilitates our process of reporting annual results. Our objective is to reduce methane emissions associated to the operations of Romgaz Group by rapidly identifying fugitive methane emissions and preventively acting in this respect.



3.2 Energy



Energy is a vital element in the current society, and the awareness of efficient use and monitoring of energy consumption in our company are key objectives of our commitment to observing and implementing the environmental management system in our company. We have a policy in the quality, environmental, occupational health and safety and energy fields through which we aim to reduce energy consumptions specific to our activities, considering the applicable legislative requirements in this field and to optimize the processes constantly.

On the level of each branch and Romgaz office, energy managers have been appointed in charge of monitoring, optimizing and reporting the energy consumption according to the system procedure on Energy Analysis. Annually and in the process of replacing equipment, systems and processes, an energy analysis is made for the purpose of establishing the real situation of consumption, the energy efficiency degree and the identification of energy regime improvement measures. Also, the existing system and operational procedures and the working instructions include requirements on the energy management.

On the level of Romgaz company, there is also the design and implementation of a System on “Energy Management”, according to the requirements of SR EN ISO 50001:2011 reference standard with deadline in 2020.

3.2.1 Energy Consumption

Energy Consumption in the Organization (GJ)

	2017	2018	2019
Total fuel consumption from nonrenewable sources in Joules or multiples	23.639.771,62	14.031.937,18	9.914.489,86
Total fuel consumption from renewable sources	390,08	238,64	241,20
Total electricity consumption in Joules, watt per hour or multiples	8,46x10 ⁵	1.165.884,90	1.186.298,30
Total thermal energy consumption in Joules, watt per hour or multiples		8.508	8.340
Self-generated electricity quantity in Joules, watt per hour or multiples	14.112,73	16.403,44	10.735,08
Sold electricity quantity in Joules, watt per hour or multiples	5,797,591.2 GJ by SPEE Iernut – delivered in SEN 2,067.609 GJ by Mureş Branch and Ploieşti Branch – directly to household users	3.917.566,86	1.972.495,30
Total energy consumption in Joules or multiples	18.687.190,50	11.305.405,33	19.887.286,74

Total energy consumption takes place by adding total consumptions of: electricity, fuels, combustibles etc. expressed in toe/year (tons of petrol equivalent/year) according to Law no. 121/2014. Metering was made for energy and gas.

Energy Intensity

	2017	2018	2019
Energy intensity reported to turnover (GJ/1,000 RON)	4,08	2,26	3,91

Types of energy included in the calculation were electricity, heating and fuel.

3.2.2 Reduction of Energy Consumption

The reduction of energy consumption and coherent use of energy resources are priority issues for Romgaz Group. In order to fulfill the strategy of energy consumption reduction, our company set the preparation of an energy audit every four years, thusly being in the first year of energy efficiency reporting.

As the future is our constant preoccupation, we did not limit to the measures taken until present moment, but we aim to invest continuously in activities and measures for energy consumption improvement.

Present

- Performing modernization works for interior and exterior artificial lighting of administrative buildings;
- Modernizing/replacing thermal heating installations;
- Cleaning condensers for improvement of tamping temperature;
- Reduction of water-steam losses by eliminating imminent leakages;
- Use of frequency converters for electric drives;
- Optimization of gas injection program in natural gas deposits by concluding the electricity supply contract;
- Modernization of S.C. Danes energy complex stage II (stage I – 2017) and use of natural gas for generating electricity (pre-feasibility study);
- Energy efficiency study for reduction of energy consumption (Diesel fuel, gasoline) that ended with the installation of lithrometric wells and GPS on motor vehicles;
- Renewal of motor vehicle fleet of STTM by replacing old motor vehicles with high emissions and high specific consump-

tions with new news;

- Energy audits were conducted for a part of the objectives of Medias Branch, automatic capacity batteries were installed, use of LED lighting, modernization and automation of electro-compressors starting.



Future

- Renewal of motor vehicles fleet with more performing cars from energy standpoint;
- Modernization works for interior and exterior lighting for administrative buildings;
- Modernization/replacement of thermal heating installations;
- Reduction of water-steam losses by eliminating imminent leakages;
- Use of frequency converters for electric drives;
- Organizational strategy requires the reduction of losses in technological processes and investments in energy sector;
- Optimization of developed processes, continuous monitoring and systematic analysis of developed processes, detailed analysis of energy flows and consumption for each process in order to determine continuous improvement opportunities of energy performance;
- Use of performing technologies in production processes;
- Installation of lithrometric wells in production processes;
- Using performing technologies in production processes;
- Installation of lithrometric wells and GPS;
- Replacement of central heating with more performing ones;
- Renewal of motor vehicle fleet by replacing old motor vehicles with high emissions degree and high specific consumptions with new ones;
- Replacement of old or defective equipment with higher energy efficient equipment.



Cojocna Project appeared as a stringent need to find a way to produce experimentally a series of wells as a result of exploration drills, in order to determine, as rigorously as possible, the productive potential of that area. The wells were located far from each other and far from the National Natural Gas Transportation System (SNT).

Therefore, gas from wells 1 Palatca, 1 and 2 Vaida are used as combustion gas for two electricity generation units, each with the power of 1.5 MW.

Total Quantity of Generated Renewable Energy, per Sources

Produced quantity per type of renewable energy	2017	2018	2019
Solar energy (GJ)	390,087	399,700	399,600

3.2.3 Reductions of Energy Requirements of Products and Services

We are permanently working on improving the services provided by our company, making sure we implement in this area, as well, measures for the reduction of energy consumption. In 2019, the following activities were performed in Romgaz:

- Conclusion of an energy audit contract aiming to reduce electricity consumption by modernizing electrical installations for increasing energy efficiency. The auditor's report shall contain the authorized electro-energetic balance and the measures plan that will lead to preparing own programs for



increasing the energy efficiency of consumers.

- The elaboration of a measures plan, based on the conclusions of the energy audit analysis, which record all technical measures for eliminating or reducing losses by: improving energy and technological processes.

On STTM level:

- Renewal of motor vehicle fleet of STTM by replacing old motor vehicles with high emission degree and high specific consumptions with new ones;
- Performing modernization works for interior artificial lighting in the administrative building of 6 Barajului St.;
- Performing modernization works for exterior artificial lighting in the office of 6 Barajului St.;
- Performing modernization works for exterior artificial lighting in all working points belonging to STTM Tg. Mureș;
- Modernization of heating in the office of 6 Barajului St. by replacing central heating.

3.3 Water

An important issue for our company is the responsible management of water consumption required for performing our activities. At the present, there are four working instructions regulating the working method and responsibilities assigned in this respect. At the same time, responsibilities are set for monitoring, quantitative and qualitative reporting of water volumes used for industrial, hygienic-sanitary and drinkable purposes, and the water quantity extracted from underground or received from local operators is centralized and reported to authorities by the Environmental Protection Service, the centralizing being made by representatives appointed on the level of each location.

In SPEE Iernut, the Plan for Accidental Pollution Prevention and Fighting is implemented, showing main sources that may lead to water pollution, intervention method in case of pollution and responding teams.

DEPOGAZ Branch implemented the Integrated Management System, which includes procedures and instructions on the Management of extracted water and its drainage.



Referring to the management of impact on water resources that our company produces, for 2019 we emphasize the following activities:

- Management according to the water requirement founded in the Water Management Permits of consumed water quantities;
- Monitoring of drained water, respectively the measuring with meters and preparation of analysis bulletins for drained used water in natural emissaries and local sewage treatment plants;
- The consumed quantity of water observed the water requirement

3.3.1 Water Consumption

Water Consumption Depending on Source

	2017	2018	2019
Water consumption depending on source (cbm)	240.057.430	163.794.817	72.241.908
Surface water (water in rivers, lakes, oceans etc.)	239.714.080	163.667.179	72.137.308
Groundwater	0	57.856	47.987
Water from rainfall, directly collected and stored by the organization	0	5.322	4.922
Residual water from other organizations	0	0	0
Water supplied by the municipality or similar utilities suppliers	0	64.460	58.111

Water Sources Significantly Impacted by Water Extraction

Mureş River (size 2520 Hm) is the only water source impacted by the technological process, which is the production of energy, considering that Iernut Electricity Production Branch (SPEE Iernut) is located on the upper course of the river, between the towns of Luduş and Iernut, respectively 5 km from Iernut to the west. The supply with technological water is provided from Mureş River as well, which is used as cooling water (cooling of capacitors, bearings, units) and for the chemical treatment station (filtering and softening) and treatment for drinking.

founded in the regulation documents (Notifications for commissioning, Water Management Permits);

- Drainage of used water (sewage and rainwater) in the sewage system of cities was made observing the maximum admitted values of water quality indicators imposed by the sewage network managers;
- The drained water was monitored, respectively measured with meters and analysis bulletins were made for quality indicators, according to the regulation documents.

Total Number of Water Sources Significantly Impacted by Water Extraction

	2017	2018	2019
Total number of water sources significantly impacted by water extraction	1	1	1

The water source used in the technological process (electricity production) is Mureş River.

Recycled (Re-circulated) and Reused Water

(cbm)	2017	2018	2019
Total quantity of recycled and reused water for use	81.086.389	20.003.253	9.469.694
Total quantity of recycled and reused water for use	81.086.389	19.992.913	9.467.083
Groundwater	0	10.340	9.888
Water from rainfall, directly collected and stored by the organization	0	0	0
Residual water from other organizations	0	0	0
Water supplied by municipality or similar utilities suppliers	800	830	836

3.3.2 Effluents and Waste

Water Discharge Depending on Quality and Designation

(cbm)	2017	2018	2019
Total volume of drained water	539.540	383.532	380.065
Of which planned volume		365.032	6.625
Emissions in drained water	12	8	9
Chemical Oxygen Demand (COD)	22	23	22
Hydrocarbons	0,47	0,45	0,46

Total volume per drained water divided by:	Measurement unit	2017	2018	2019
Designation	mc	539.540	383.532	380.065
Treatment method	Used sewage water	Pretreatment with lime and aluminum sulfate, disinfection with sodium hypochlorite, sand and active coal filters		
	Used water drained through evacuation no. 2	Used sewage water treatment plant, mechanical, chemical and biological stage; oil separators no. 1 and 2		
	Used water drained through evacuation no. 3	Used water neutralization station; oil separators no. 3 and 4		

Water Bodies Impacted by Water Discharge and/or Accidental Leaks

In 2019, no events impacting water bodies or habitats took place on the level of Romgaz operations development as a result of discharge or accidental leaks.

3.4 Ecosystem Restoration and Biodiversity

Issues related to biodiversity are of great importance in the industry of natural gas exploitation, and the correct and efficient management is required to the field in which we act. All parties involved in this sector acknowledge Biodiversity management and the fulfillment of our obligations in this respect is more than necessary.

The implementation of necessary measures avoids projects compliance costs, allows the keeping of operation licenses and the exploitation of new business opportunities. In the industry in which we act, the natural gas exploration and production activities can significantly affect the natural and social environment where they take place.

Potential effects of the activities of natural gas industry could be on biodiversity and natural resources but also on local communities that depend on these resources.

Romgaz company prioritizes the identification, evaluation and mon-



itoring of the impact or impacts our activities may have on biodiversity, in order to manager in due time the situations and risks that may occur in such cases.

For the performance of exploration and production activities in areas that are protected or adjacent to protected areas, the procurement of environmental agreements is required by conducting an evaluation study on the impact on the environment.

For the period 2017-2020, a contract was implemented on the monitoring of ichthyofauna of Mureş River upstream and downstream of the dam. Also, eight monitoring/reports on ichthyofauna have been made upstream and downstream of Mureş River and a contract was started and concluded on the connectivity of Mureş River on the dam level from SPEE Iernut endowment.

Operational locations held, rented, managed in or adjacent to protected areas and areas with high value for biodiversity outside protected areas

Site name	Protected area to which the site belongs	Geographic location	Site position reported to the protected area (in the protected area, adjacent to protected area, site including certain parts of the protected area)	Ecosystem type	Statute of protected area
RO SPA 0041 – Iernut – Cipău Ponds	Natura 2000	- on the west side of Mureș County (on the western territory of Iernut town and the south-western one of Cipău village)	- 850 m away	Special Avifaunistic Protection Area	custody
RO SCI 0210 – Lechinței Ravine	Natura 2000	- in the immediate vicinity of SPEE Iernut, on the northern part of the location, which continues with Mureș River downstream and upstream of SPEE Iernut	- adjacent	Community Importance Site	custody

Significant Impacts of Activities, Products and Services on Biodiversity

The potential impact on biodiversity resulting from our company's activities is reduced to pollution from punctual sources by draining cooling water at high temperatures in Mureș River, as well as the reduction of the number of species.

SPEE Iernut has been developing an ichthyofauna monitoring program for Mureș River, upstream and downstream of the dam, starting from 2017. At this moment, as a result of monitoring reports we can confirm the presence of 4 community interest species, and the appearance of another 3 community interest spe-

cies. The monitoring data show, in terms of the environmental conditions, a change of the thermal regime downstream of the dam, respectively an increase of the temperature (with about 4 degrees). We specify that this increase does not lead to the exceeding of the value of drained used water temperature.

According to the most recent evaluations, these areas are in good preservation condition, which is translated by a correct and responsible management of our company in terms of biodiversity issues.

Species Included on IUCN List and Species Included on the National Preservation List Present in the Areas Where Our Organization Performs Certain Operations

ROSCI0210 Lechința Ravine (site included in Natura 2000 European Network)

ROSCI0210 Lechința Ravine site represents a mosaic of Ponto-Pan- nonia meadows formed on skeletal and slightly saline soils, which was nominated for the protection of the following species listed in annex II to the Council Directive 92/43/EEC: yellow-bellied toad (*Bombina variegata*), European pond turtle (*Emys orbicularis*), Aral asp (*Aspius aspius*), white-finned gudgeon (*Romanogobio (Gobio) albipinnatus*), Kessler's gudgeon (*Romanogobio (Gobio) kessleri*), European bitterling (*Rhodeus sericeus amarus*), Cucullia mixta moth and other rare Lepidoptera species.

The list of certainly reported species in the area includes 13 species, of which 4 species of community interest: *Aspius aspius* (Aral asp), *Rhodeus sericeus amarus* (European bitterling), *Romanogobio (Gobio) kessleri* (Kessler's gudgeon), *Romanogobio (Gobio) albipinnatus* (white-finned gudgeon).

Compared to the 4 species of community interest in the site sheet, the following species of community interest were reported as a result of monitoring: Golden spined loach (*Sabanejewia aurata*), Mediterranean barbell (*Barbus meridionalis*), spined loach (*Cobitis (taenia) elongatoides*).

ROSPA0041 Iernut – Cipău Ponds

ROSPA0041 Iernut – Cipău Ponds site was appointed through the Government Decision no. 1284/2007 on the declaration of special avifaunistic protection areas as integral part of Natura 2000 ecologic network

in Romania, being characterized by a wealth of bird species, among which we specify the purple heron (*Ardea purpurea*), the squacco heron (*Ardeola ralloides*), the Eurasian bittern (*Botaurus stellaris*), the black stork (*Ciconia nigra*), the little egret (*Egretta garzetta*), the black-winged stilt (*Himantopus himantopus*), the Eurasian spoonbill (*Platalea leucorodia*), the Syrian woodpecker (*Dendrocopos syriacus*), the black-crowned night heron (*Nycticorax nycticorax*), the little crane (*Porzana parva*) included in annex I to Council Directive 2009/147/EC.

In the areas where Romgaz performs operation activities no species with risk of extinction have been reported.



3.5 Emissions

On ROMGAZ Group level, greenhouse gas emissions (GGE) are generated mainly by the activities of thermal energy production in stationary thermal power plants and by the transport activities. In order to manage and monitor this matter efficiently, the policy in the field of quality, environmental, health, security in labor and energy has been adopted, implemented in the reporting period and on the level of DEPOGAZ Branch, procedure which includes our commitments on preventing pollution and reducing the unwanted effects of our operations on the environment.

There are two instructions regulating the working method and responsibilities on emissions. Mainly, the emissions produced on burning natural gas in gas drying stations, natural gas compression, wells radiators and thermal power plants are measured according to the monitoring plan. The procedure “Monitoring and reporting greenhouse gas emissions” sets the responsibilities and methods of obtaining the greenhouse gas emissions permit, the methodology for monitoring greenhouse gas emissions and the reporting methodology. This procedure is applied on SPEE Iernut, which is included in the list of activities and installations of the Government Decision no. 780/2006 in the category of “Burning plants with nominal thermal power > 20 MW”.

The gas emissions quantities produced on the level of technological installations and pipes of our network are centralized by the Environmental Protection service based on monthly reports received from Storing – Dispatching Service, and according to Order no. 3299/2012, emissions

are reported to E-PRTR (The European Pollutant Release and Transfer Register) and the Air Pollutant Emission Inventory.

In 2019, an external audit process took place for GGE at Iernut Branch, and for DEPOGAZ Branch measurements of pollutant emissions have been made in technological installations (thermal power plants, radiators, drying stations). The measurements were completed by preparing Analysis Bulletins of indicators resulting from natural gas burning. Analysis bulletins were made available to the Environmental Guard on conducted checks, sent to the Environmental Protection Agencies and uploaded on SIM platform in Emissions section.

On company level, a GGE Emissions Monitoring Report has been elaborated for 2019, verified and approved by ANPM Bucharest.



Direct Greenhouse Gas Emissions (scope 1)

Emissions	Measuring unit	2017	2018	2019
Total GGE scope 1	tons	1.024.682	678.278	371.249
of which CO ₂ (carbon dioxide)	tons	1.024.682	678.278	371.249
of which CH ₄ (methane)		-	-	0,770
of which N ₂ O (nitric oxide)		-	-	1,320

Indirect GGE Emissions (scope 2)

Emissions	Measuring unit	2017	2018	2019
Total GGE scope 2	mill. tons of CO ₂ equivalent			
of which CO ₂ (carbon dioxide)	mill. tons	458x10 ⁻⁶	472x10 ⁻⁶	576x10 ⁻⁶

Reduction of GGE Emissions

The significant initiative aiming to reduce greenhouse gas emissions implemented in 2019 were the modernization of motor vehicle fleet of the company and the modernization of gas drying station in Bilciurești.

Nitric Oxides (NOX), Sulfur Oxides (SOX) and Other Significant Air Pollutants

Air pollutants	Measuring unit	2017	2018	2019	Pollution source 2017	Pollution source 2018	Pollution source 2019
So2 (sulfur dioxide)	t	-	0,75	0,15	-	Compressing stations, drying stations, radiators	
NOx (nitric oxides)	t	846,018	1.683,874	502,621	IMA1,4,5	IMA1,4,5 Compressing stations, drying stations, radiators	IMA1,4,5
NM-VOC (non-methane volatile organic compounds)	t	-	150,1	25,89	-	Compressing stations, drying stations, radiators	Compressing stations, drying stations, radiators
Particle emissions	t	-	0,33	0	-	Compressing stations, drying stations, radiators	-

Note: pollution sources are: gas compression stations equipped with motor compressors, gas drying stations with triethyleneglycol, thermal power plants, gas convectors, well radiators.

3.6 Wastes

The integrated management system with three other internal procedures implemented on Romgaz company level assure a correct management of produced wastes, besides the minimization of the quantity of consumed resources and resulted wastes, assuring, at the same time, the compliance with the legal requirements in force through operational instructions and procedures: Internal Audit, Environmental Inspections, Identification and Evaluation of Compliance Obligations Fulfillment and Management Analysis.

We continue to grant special importance to these issues by increasing environmental investments, correlating environmental targets with environmental issues and through actions evaluating the fulfillment of compliance obligations as well as audits and inspections.

In 2019, the continuation of “CTE Iernut Development through the Construction of a New Combined Cycle Thermolectric Plant with Gas Turbines” investment represented another step of our commitment on responsible management and improvement of environmental issues.

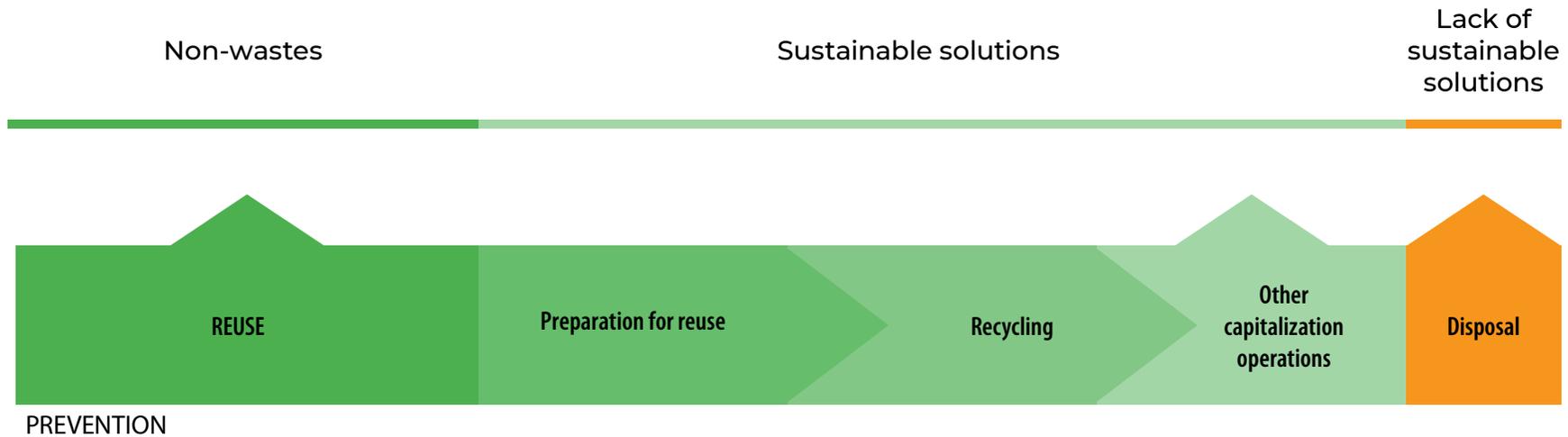
Wastes, Depending on Type and Disposal Method

Referring to the achievements in 2019, the continuation of measures undertaken through the Prevention and Reduction Program for Wastes Quantities Generated from SNGN Romgaz SA Activity” was pursued.

This initiative addresses measures and methods for the prevention and minimization of the wastes quantity resulting from the activity performed by the company, according to the applicable regulations and a preferential hierarchy of wastes management. The purpose of the program is to continuously identify action objectives, targets



Romgaz wastes flow



and policies, which the company must pursue in the field of wastes management, in order to reach strategic objectives of the company.

The priority objectives in the field of wastes management consider the general principles underlying these activities:

a) prevention or reduction of wastes production and of their hazard degree through:

- developing clean technologies, with low natural resources consumption;
- developing the technology and acquisition of products which, through their production, use or disposal method, have no impact or have as little impact as possible on the increase of wastes volume or hazard or on the pollution risk;
- establishing the investment requirement in the field of wastes management;
- establishing measures for the achievement of objectives by allocating financial and human resources;

- development of responsible conduct on preventing the generation and management of wastes;
- increase of efficiency of applying the laws in the field of wastes management.

b) reuse, capitalization of wastes by recycling, recovering or any other process that results in secondary raw materials:

- development and extension of separate collection systems of wastes in order to promote high quality recycling;

Measures and methods were identified by evaluations on minimization of the quantity of wastes and by reference in the wastes internal audit. The hierarchy on wastes management refers to the reduction on source, recycling, capitalization, treatment and lastly, disposal by incineration or storing. This program was prepared according to the Policy Statement in the field of integrated management, undertaken by Romgaz and, also, it was approved by the National Agency for Environmental Protection of Bucharest.

Wastes by Type and Disposal Method

	Mea- sure- ment unit	2017	2018	2019
Total amount of disposed non-hazardous wastes, of which:	t	3868,23	2979,71	3.214,99
reused wastes	t	0	0	0
recycled wastes	t	362,96	393,02	522,70
composted wastes	t	0	0	0
recovered wastes (including energy recovery)	t	179,85	43,32	78,65
incinerated wastes	t	40,1	36,98	13,13
buried wastes	t	0	0	0
injected wastes	t	0	0	0
stored wastes	t	3285,31	2506,38	2.600,50
wastes disposed by other means	t	0	0	0

	Mea- sure- ment unit	2017	2018	2019
Total amount of disposed hazardous wastes, of which:	t	165,74	545,99	1.445,61
reused wastes	t	2,7	1,71	1,74
recycled wastes	t	73,65	372,94	306,50
composted wastes	t	0	0	0
recovered wastes (including energy recovery)	t	86,43	62,77	84,18
incinerated wastes	t	2,42	24,47	4,90
buried wastes	t	0	0	0
stored wastes	t	0	0	0
deșeuri depozitate	t	0,52	84,09	1.048,26
wastes disposed by other means	t	0	0	0

Disposal method for each type of waste observed the provisions of Law no. 211/2011, republished, on the regime of wastes, using the best available techniques through organizations, by responsibility transfer.

Transport of Hazardous Wastes

	2019
Total amount of transported hazardous wastes (to)	3.214,99
Total amount of treated hazardous wastes (to)	36,82

The transport of hazardous wastes is made by authorized economic operators based on services contracts concluded with them, observing the legal provisions in force (Government Decision no. 1.175/2007 for the approval of the Rules for Hazardous Road Freight Transport in Romania and Government Decision No. 1061 of 10th of September 2008 on the transport of hazardous and non-hazardous wastes on Romanian territory).

Gas Losses

As a result of preventing, predicting and managing gas losses, Romgaz company prepared a Technological Consumptions Study specific to the petroleum operations it performs. This Study was approved by ANRM Bucharest and sets the calculation methods of technological consumptions, the responsibilities of the staff involved in the calculation process of the technological consumption, including gas losses (blown gases).

The potential negative impact which the issue of gas losses may cause is properly managed by preventive and corrective maintenance works on the productive infrastructure for the purpose of minimizing such losses.

	2018	2019
Total number of gas losses	2.649,16 thousand cbm	2.140,99 thousand cbm

Volume and Method of Disposal of Reservoir Water

Mn cbm	2018	2019
Total volume of produced reservoir water, of which:	216.331,10	225.884
reused	0	6.049
recycled	0	0
reinjected	216.331,10	219.835

Volume of Flared and Ventilated Hydrocarbons

	2018	2019
Flared gas volume (t)	-	55.885,83 thousand cbm
Ventilated gas volume (t)	-	-
Total volume of flared and ventilated hydrocarbons reported to produced volume (t)	-	-
Volume of evacuated hydrocarbons in the reporting period (t)	452.239,68 thousand cbm	-

Quantity of drilling wastes and treating strategies and their disposal

Treatment method/Type of fluid	Drilling fluid based on freshwater			Drilling mud wastes based on freshwater			Drilling mud wastes with chlorides content, others than the specified ones		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Reinjection	-	-	-	-	-	-	-	-	-
Recycling	313,36 t	625,5 t	1.182,97 t	-	-	-	-	-	-
Onshore deposit (with or without pretreatment)	-	-	-	1.704,84 t	988,46 t	2340,12 t	370,2 t	256,68 t	9314,22 t

3.7 Compliance with Environmental Standards

Inobservance of Environmental Laws and Regulations

In 2019 Romgaz Group continued to focus on assuring the observance of compliance obligations concerning environmental standards. All our procedures and instructions follow the careful monitoring and periodical performance of internal audit, environmental inspections, identification and evaluation of compliance obligations fulfillment and management analysis.

The integrated environmental management system in which compliance with SREN ISO 14001-2015 and legal requirements is determined, together with other internal procedures and instructions deal with the following processes: natural gas production, interventions, production tests, reequipping and wells completions, special operations for wells, maintenance services, motor vehicle transportation, motor vehicle repairs, infrastructure provision, foaming sticks micro-production, elec-



tricity production and system services provision, wells drilling.

Annually, reports on the Analysis made by the management and the third party audit procedure for compliance evaluation and certification of the Integrated Management System take place, and possible environmental nonconformities are evaluated and managed by the Monitoring Commission appointed by the General Manager.

We permanently consider objectives of observing and complying with the environmental laws and regulations such as increase of awareness in terms of observing the legal requirements on environmental protection, pursuit of performance of all reports required by the environmental laws in force, by centralizing information requested and reported by our branches and sending them to public authorities, and most importantly, the improvement of environmental protection activity.

	2017	2018	2019
Number of administrative and/or legal sanctions for the inobservance of legislative provisions and regulations on environmental issues	-	4	-
Value of administrative and/or legal sanctions for the inobservance of legislative provisions and regulations on environmental issues (RON)	-	75.000	-



Environmental Impact of Providers

New Providers Evaluated Based on Environmental Criteria

In the Integrated Management System on SNGN Romgaz SA, there is the Operational Procedure "Setting of Occupational Security, Health, Emergency Cases and Environmental Protection Requirements on Purchase of Products, Services, Works". This procedure regulates the way S.N.G.N. Romgaz S.A. requires product/services/work providers to observe the legal requirements on occupational security and health, emergency cases and environmental protection.

Additional Information

Recycled wastes	2017 Amount (t)	2018 Amount (t)	2019 Amount (t)
Packaging materials (paper)	14,42	11,89	14,23
Glass	-	0,72	0,24
Aluminum	0,51	0,63	1,38
Lighting items	1,02	0,16	0,17
Oils	299,31	11,89	317,43
Batteries	4,09	356,16	3,72
Plastic	6,54	3,02	5,40
Sawdust, shavings, chips, board and veneer rests, others than the ones specified in 03.01.04	0,23	6,11	0,12
Oily sludge from installations and equipment maintenance operations	12,00	0,21	25,53
Other wastes not specified from petroleum refinement	73,70	14,3	0,86
Other wastes not specified – from gas purification (reservoir water + TEG)	13,38	1,10	96,50
Other wastes not specified (rubber wastes – furnishings)	0,70	86,18	1,10
Printer toner wastes with hazardous substances content	0,30	2,5	0
Ferrous scrapings and chips	5,97	0	10,34

Recycled wastes	2017 Amount (t)	2018 Amount (t)	2019 Amount (t)
Lubrication emulsions and solutions used without halogens	0,36	6,23	0
Oily waters from oil/water separators	28,20	0,18	90,95
Packages containing residues or contaminated with hazardous substances	3,83	86,12	3,86
Absorbers, filtering materials, polishing materials and protective clothing, others than the ones specified in 15.02.02*	1,25	6,37	1,94
Absorbers, filtering materials (including oil filters without other specifications), polishing materials, protective clothing contaminated with hazardous substances	9,64	0,50	6,22
Disabled tires	24,91	8,45	19,02
Oil filters	0,07	9,90	0,26
Antifreeze fluids with hazardous substances content	4,50	1,90	8,81
Ferrous metals	105,05	13,42	31,43
Dismantled components of scrapped equipment, others than the ones specified in 16.02.15*	5,55	48,65	0
Coal tar and tarry products (bituminous cardboard)	10,00	1,78	0
Copper, bronze, brass	0,13	0	0,20
Iron and steel	304,21	0,86	435,37
Decommissioned cable insulation	1,82	290,78	0
Insulating materials with asbestos content	0,50	0	0

Recycled wastes	2017 Amount (t)	2018 Amount (t)	2019 Amount (t)
Insulating materials, others than the ones specified in 17.06.01 and 17.06.03 (mineral wool)	34,57	0	13,13
Scrapped electric and electronic equipment, others than the ones specified in 20.01.21 and 20.01.23 with hazardous components content	0,20	0	0,60
Scrapped electric and electronic equipment, others than the ones specified in 20.01.21*, 20.01.23* and 20.01.35	5,15	0,43	2,813
Suspension in emulsion waste with reservoir water 16 10 03*	0	0	262,81
Textile materials packages	0	0	0,020

Additional Information

	2017	2018	2019
Number of cars in company fleet, of which:	758	886	831
Diesel	709	828	792
Gasoline	16	58	39
Electric/Hybrid	33		
Total driven distance (km)	12.382.28	12.666.227,3	12.317.528

	2017	2018	2019
Distance travelled by plane (km)	350.822	554.400	732.110

Employees transport	2017	2018	2019
Distance travelled by company employees by own cars for business purposes	167.251 km (estimated)	99.790,91 km	100.442 km
Distance travelled by company employees by means of public transport (taxi) for business purposes	103.705 km (estimated)	1.429 km	8.679 km
Courier services for freight transport (transported freight quantity)	-	-	-
Distance travelled by cars from company fleet (km)	12.382.283 km	12.666.227,3 km	12.317.528 km

Affiliations

Romgaz Group has the capacity of member in the following associations:

1. Gas Infrastructure Europe (GIE)- (Depogaz Branch);
2. Balkan and Black Sea Petroleum Association (BBSPA);
3. International Gas Union (IGU);
4. European Federation of Energy Traders (EFET);
5. Romanian Black Sea Titleholders Association;
6. Romanian National Committee of World Energy Council;
7. Romanian National Committee of International Chamber of Commerce (National Committee ICC Romania);
8. Romanian Energy Center;
9. Romanian Standardization Association (ASRO);
10. Chamber of Commerce, Industry and Agriculture Sibiu (CCIA);
11. Chamber of Commerce and Industry Mureş;
12. "Petroleum and Gas Engineers Society" Association (S.I.P.G.);
13. Romanian National Committee for World Petroleum Council.

Communication with Stakeholders

We wish to keep an open dialogue with all stakeholders of Romgaz Group. This is why communication with them is permanently updated, being a priority topic addressed by our company. In this respect, we are in constant contact with stakeholders and wish to involve them in all activities requiring the consultation of our customers, public, public interest institutions, providers, authorities and partners.

Therefore, in the initial stage of elaborating the 2019 Sustainability Report of Romgaz Group, the identification and prioritization of stakeholders was a primordial step in the working sessions. The process of validating and approving the list of stakeholders considered the influence of stakeholders on the company and the company's impact on stakeholders.

No.	Category	Sub-category	Involvement/ communication method	Frequency
1	Employees	Management	meetings, letters, e-mail, phone, fax	daily
		Salaried	meetings, letters, e-mail, phone, fax	daily
		Union	meetings, letters, e-mail, phone, fax	whenever needed
2	Shareholders	Majority shareholder	letters, e-mail, phone, fax	random
		Other shareholders	letters, e-mail, phone, fax	random
3	Institutions, participants to the capital market and banks	Institutions of capital market		
		Romanian Commodities Exchange	e-mail, phone, fax	daily/weekly
		Bucharest Stock Exchange	electronic platform, email, phone	random
		Financial Supervisory Authority	electronic platform, phone	random
		Central Depository	electronic platform, email, phone	random /monthly
		BRD	e-mail, phone	monthly
		analysts	meetings, letters, e-mail, phone, fax	per trimester on a regular basis and whenever needed
		banks	meetings, letters, e-mail, phone, fax	per trimester on a regular basis and whenever needed

4	Customers	Consumers/providers of natural gas	e-mail, phone, fax	daily/weekly
		Consumers/providers of electricity	e-mail, phone, fax	daily/weekly
		Material providers	e-mail, phone, fax	daily/weekly
5	Providers	Works contractors	e-mail, phone, fax	daily/weekly
		Services providers	e-mail, phone, fax	daily/weekly
		Gas suppliers	e-mail, phone, fax	daily/weekly
6	Mass-media	Press agencies	meetings, letters, e-mail, phone, fax	per trimester on a regular basis and whenever needed
		Televisions	e-mail, phone, fax	random
		Radios	e-mail, phone, fax	random
		Newspapers	e-mail, phone, fax	random
		Online publications	e-mail, phone, fax	random
7	NGO-s	Associations	e-mail, phone	daily/weekly
		Foundations	e-mail, phone	daily/weekly
8	Control authorities and bodies	National Agency for Tax Administration	meetings, letters, e-mail, phone, fax	random
		National Agency for Mineral Resources	meetings, letters, e-mail, phone, fax	random

8	Control authorities and bodies	National Authority for Energy Regulation	meetings, letters, e-mail, phone, fax	random
		National Agency for Environmental Protection	e-mail, internal system, phone, polls	high
		County Agencies for Environmental Protection	e-mail, internal system, phone, polls	high
		National Environmental Guard	e-mail, internal system, phone, polls	average
		Environmental Fund Administration	e-mail, internal system, phone, polls	high
		Romanian Waters National Administration	e-mail, internal system, phone, polls	average
		Water Pools Administrations	e-mail, internal system, phone, polls	high
		Romanian Court of Accounts	meetings, letters, e-mail, phone, fax	random
		Territorial Labor Inspectorate (ITM)	electronic platform	daily
		Local Agency for Employment	printed form	whenever needed
		National Statistics Institute (INS)	electronic platform, e-mail	monthly
9	Education units	Academic Centers	e-mail, phone	daily/weekly
		School units	e-mail, phone	daily/weekly
10	Sanitary units	Hospitals	e-mail, phone	daily/weekly
11	Autorități locale	City Halls	meetings, letters, e-mail, phone, fax	random
12	Asociații profesionale	Professional	e-mail, phone	daily/weekly

Analysis of Materiality

The elaboration of 2019 Sustainability Report of Romgaz Group implied in the preliminary stage a materiality analysis that enabled us to identify the economic, environmental and social issues on which the company has a significant impact as well as the interest level granted to them by the stakeholders of Romgaz Group.

Together with the consultancy team, the analysis of the durable development context of our company was made in order to emphasize the main directions and tendencies in the petroleum

and gas sector. Subsequently, an analysis stage took place for the main standards and methodologies (set of GRI Standards), G4 supplement specific to Petroleum and Gas sector as well as Sustainability Accounting Standards Board – S.A.S.B.). In parallel, the sustainability reports of homologous companies have been analyzed, on national and international level, and 52 potentially relevant material topics have been identified, their impact and associated risks. Finally, 39 nonfinancial topics have been set, relevant to our activity sector, validated by the management team and included in the stakeholders consulting process.

In order to prioritize nonfinancial topics, two consulting processes took place in parallel. In the consulting process of external stakeholders, 420 of their representatives have been involved, and in the consulting process of internal parts, 700 representatives have been involved on Romgaz company



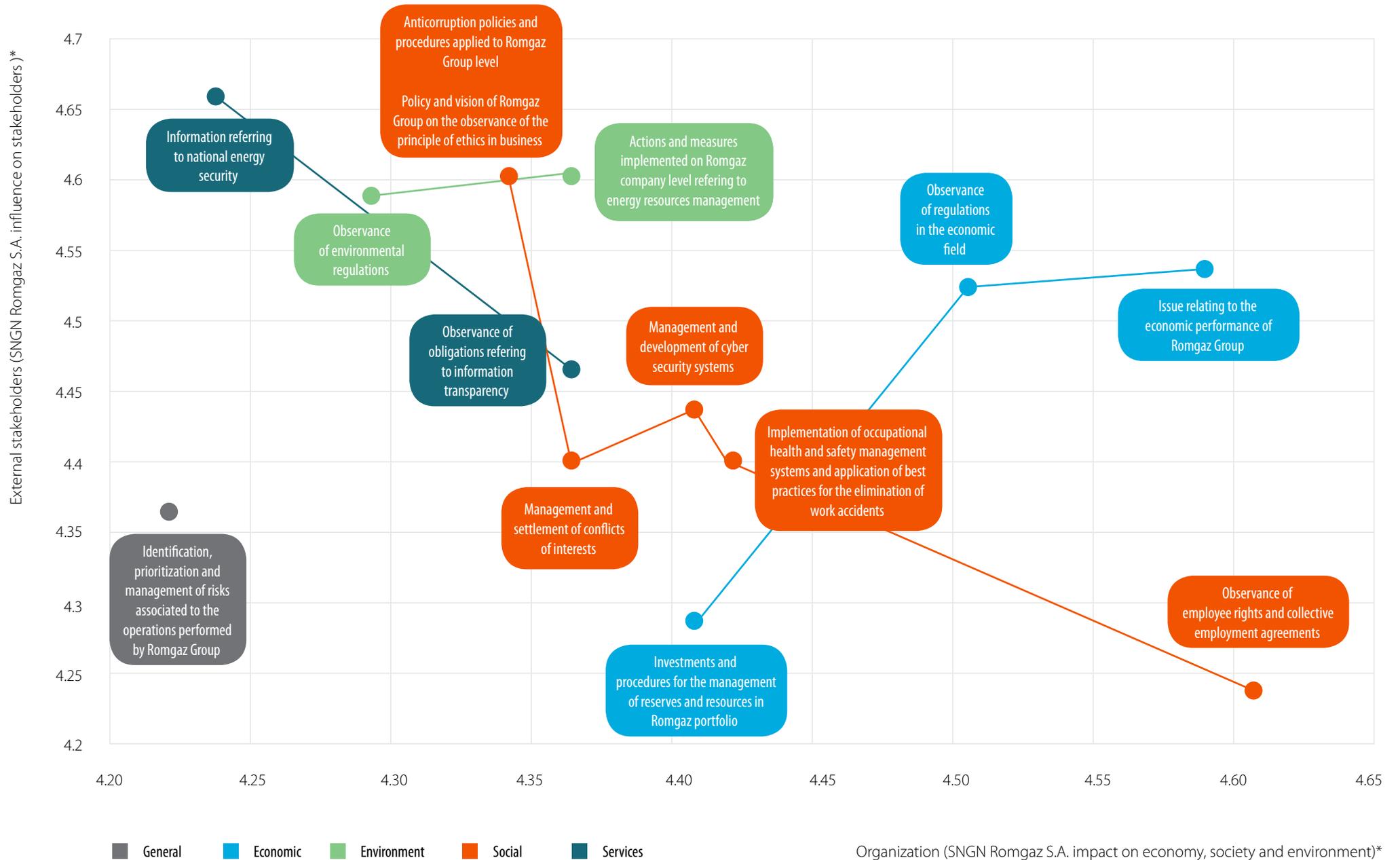
level. Because of analyzing the results of the stakeholders' involvement process, 14 material nonfinancial topics have been identified, developed in this report and explaining the method of addressing and managing them in 2019.

The materiality topics identified during the process of consulting stakeholders were subsequently validated by Romgaz Group management team.



Material topic	Field
Identification, prioritization and management of risks associated to the operations performed by Romgaz Group.	General
Issues related to Romgaz Group's economic performance.	Economic
Anticorruption policies and procedures applied on Romgaz Group level.	Social
Policy and vision of Romgaz Group on observing the principle of ethics in business.	Social
Management and settlement of conflicts of interests.	Social
Investments and procedures for reserves and resources management from Romgaz portfolio.	Economic
Actions and measures implemented on Romgaz company level regarding energy resources management.	Environment
Observance of environmental regulations.	Environment
Observance of employees' rights and collective employment agreements.	Social
Implementation of occupational health and safety management systems and application of best practices for the elimination of work accidents.	Social
Management and development of cyber security systems.	Services
Observance of regulations in economic field.	Economic
Observance of obligations on information transparency.	Services
Information on national energy security.	Services

Reporting on Materiality of SNGN Romgaz S.A. 2019



GRI Content Index

Indicator		Indicator name	Page/Comments*
GRI	102-1	Organization name	5
GRI	102-2	Activities, brands, products and services	7, 9
GRI	102-3	Office location	6
GRI	102-4	Location of operations	8, 13
GRI	102-5	Ownership and legal form	8
GRI	102-6	Served markets	7
GRI	102-7	Organization sizes	13
GRI	102-8	Information on employees and other workers	13
GRI	102-9	Supply chain	55
GRI	102-10	Significant changes of organization and its supply chain	32
GRI	102-11	Principle of precaution or similar approaches	56
GRI	102-13	Participation to associations	75
GRI	102-14	Statement of the highest management body	4
GRI	102-15	Key impacts, risks and opportunities	17
GRI	102-16	Conduct values, principles, standards and rules	22
GRI	102-17	Counseling mechanisms and ethics concerns	22
GRI	102-18	Governance structure	22
GRI	102-19	Delegation of authority	30
GRI	102-20	Executive level responsibility for economic, environmental and social subjects	30
GRI	102-21	Consulting stakeholders on economic, environmental and social topics	76
GRI	102-22	Structure of the highest governing body and its committees	28, 30
GRI	102-23	President of the highest governing body	30
GRI	102-24	Appointing and selecting the higher governing body	28, 30
GRI	102-25	Conflicts of interests	102-25

GRI	102-26	Role of the highest governing body in setting purpose, values and strategy	30
GRI	102-27	Collective knowledge of the highest governing body	30
GRI	102-28	Evaluation of performances of the highest governing body	30
GRI	102-31	Reviewing economic, environmental and social subjects	78
GRI	102-32	Role of the highest governing body in reporting sustainability issues	Sustainability report is approved by the Board of Directors
GRI	102-33	Communication of critical concerns	17
GRI	102-34	Nature and total number of critical concerns	17
GRI	102-35	Remuneration policies	30
GRI	102-36	Remuneration setting process	30
GRI	102-40	List of stakeholder groups	76
GRI	102-41	Collective negotiation contracts	34
GRI	102-42	Identification and selection of stakeholders	76
GRI	102-43	Addressing stakeholder involvement	76
GRI	102-44	Key subjects and high concerns	78
GRI	102-45	Entities included in consolidated financial statements	5
GRI	102-46	Defining report content and issue limits	78
GRI	102-47	List of material topics	78
GRI	102-48	Reformulation of information	In cases when it is required, the reformulation of data in the previous reports is explained in the footnotes or corresponding schemes and graphs
GRI	102-49	Changes in reporting	78
GRI	102-50	Reporting period	5
GRI	102-51	Date of the most recent report	5
GRI	102-52	Reporting cycle	5

GRI	102-53	Contact department for enquiries on report	6
GRI	102-54	Reporting applications according to GRI standards	5
GRI	102-55	GRI content index	81
GRI	103-1	Explanations on material issues and their limitations	23, 57, 78
GRI	103-2	Approach of management and its components	16, 23, 32, 36, 57, 60, 63, 66, 68
GRI	103-3	Evaluation of management approach	23, 32, 36, 60, 63, 66, 68
GRI	201-1	generated and distributed direct economic value	18, 19
GRI	201-2	Financial implications and other risks and opportunities due to climate change	20
GRI	201-3	Obligations of defined benefits schemes and other pension schemes	20
GRI	201-4	Financial aid from the Government	21
GRI	202-1	Standard wage rates on entry level depending on gender, compared to minimum local wage	21
GRI	202-2	Percentage of higher management employed from local communities	33
GRI	203-1	Investments in infrastructure and supported services	59
GRI	204-1	Percentage of expenses allotted to local providers	21
GRI	205-1	Evaluated operations for corruption-related risks	24
GRI	205-2	Communication and training on anticorruption policies and procedures	24, 25
GRI	205-3	Confirmed corruption incidents and taken actions	25
GRI	206-1	Legal actions for anticompetitive, antitrust and monopoly conduct	27
GRI	302-1	Energy consumption in the organization	24
GRI	302-3	Energy intensity	58
GRI	302-4	Reduction of energy consumption	58
GRI	302-5	Reductions of energy requirements of products and services	60
GRI	303-1	Water extraction depending on source	60
GRI	303-2	Water sources significantly affected by water extraction	61
GRI	303-3	Recycles and reused water	62

GRI	304-1	Operational sites held, rented, managed in protected areas or area neighboring protected areas and with high value of biodiversity outside protected areas	62
GRI	304-2	Significant impacts of activities, products and services on biodiversity	64
GRI	304-4	Species in the Red List of IUCN and national preservation species with habitats in areas affected by operations	65
GRI	305-1	Direct GGE emissions (Application field 1)	65
GRI	305-2	Direct GGE emissions (Application field 2)	67
GRI	305-5	Reduction of GGE emissions	67
GRI	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant gas emissions	67
GRI	306-1	Water drainage depending on quality and designation	62
GRI	306-2	Wastes by type and disposal method	68
GRI	306-3	Significant leakage	71
GRI	306-4	Transport of hazardous wastes	70
GRI	307-1	Inobservance of environmental laws and regulations	71
GRI	401-1	New employees and employees' retention rate	33
GRI	401-2	Benefits provided to full time employees not provided to temporary or part time employees	33
GRI	401-3	Parental leave	35
GRI	402-1	Minimum notice periods for operational changes	36
GRI	403-1	Representation of workers in joint formal management – workers' health and security committees	36
GRI	403-2	Types of injuries and injury rates, professional diseases, days lost and absenteeism and number of work-related cases	36
GRI	403-3	Workers with high incidence or risk of occupational diseases	38
GRI	403-4	Subjects on health and safety covered in union formal agreements	38
GRI	403-6	Promoting a healthy lifestyle in organization staff	38
GRI	404-2	Programs for modernization of employee skills and programs for transition support	38
GRI	404-3	Percentage of employees periodically receiving evaluations on performance and career development	39

GRI	405-1	Diversity of governing bodies and employees	30, 44
GRI	405-2	Ratio of basic wage and remuneration of women compared to men	47
GRI	406-1	Discrimination incidents and taken corrective actions	47
GRI	413-1	Operations with local community involvement, impact evaluations and development programs	30
GRI	413-2	Operations with real and potential significant negative impacts on local communities	52
GRI	417-3	Noncompliance incidents referring to marketing communications	In 2019 no noncompliance incidents referring to marketing communication have been identified
GRI	418-1	Grounded complaints referring to breach of customer privacy and customer data losses	In 2019 no incidents referring to breach of customer privacy or data losses have been identified
GRI	419-1	Inobservance of laws and regulations in social and economic fields	In 2019 no cases of non-compliance with laws and regulations in the social and economic fields have been identified
GRI G4	OG 1	Volume and type of proven reserves and estimated production	11, 30
GRI G4	OG 3	Total generated energy quantity from renewable sources, per	59
GRI G4	OG 5	Volume and method of reservoir water disposal	71
GRI G4	OG 6	Volume of flared and ventilated hydrocarbons	71
GRI G4	OG 7	Quantity of drilling wastes and their treatment and disposal strategies	71
GRI G4	OG 11	Number of exploitation areas that were decommissioned and areas being decommissioned	54