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KazMunayGas
International
Group Member



BUILDING A NEW FRAME OF REFERENCE

2022 KMG International
Sustainability Report



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In a rapidly evolving world, where the urgent need for sustainable practices has become undeniable, the oil and gas industry stands at a crossroads.

Embracing this transformative journey, we have harnessed the metaphor of "building a new frame of reference", as a powerful and all-encompassing concept. This serves as a powerful representation of our commitment to reshaping the way we perceive and engage with the environmental, social, and governance aspects of our business.

Just as a sturdy framework supports the concrete while it cures, our commitment to sustainability provides a solid foundation to our actions today, for stronger results tomorrow. We recognize the imperative to go beyond conventional practices, envisioning a future that harmonizes the energy needs of society with the preservation of our planet.

Building a new frame of reference signifies our commitment to navigate the challenges of our industry responsibly, recognizing the urgency to transition towards a sustainable energy landscape.

Moreover, the concept of building a new frame of reference also underscores our commitment to continuous improvement. It acknowledges that sustainability is an evolving journey that requires constant adaptation and innovation.

BUILDING A NEW FRAME OF REFERENCE

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BUILDING A NEW FRAME OF REFERENCE

INTRODUCTION

Message from the Chairman of the Board
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Message from the Chairman of the Board

DRIVING SUSTAINABLE DEVELOPMENT IN THE ENERGY TRANSITION

In 2022 we celebrated 15 years of KazMunayGas presence in Europe, through the acquisition of Rompetrol, and since then we have been modernizing and expanding our refining capacities in Romania, diversifying our product offerings, and securing supply chains. Our contributions to the Romanian economy include over 15,000 direct and indirect jobs, strong commercial partnerships, and significant contributions to the state budget. Furthermore, our petroleum product exports have supported Romania's trade balance with a total value of approximately 18.3 billion dollars.

While we take pride in these achievements, we also recognize the need to address climate change and embrace sustainability as essential components of our business strategy. In the face of evolving challenges and changing industry dynamics, we have developed a comprehensive strategy to support the objectives of the European Union and the Paris Agreement. Our focus is on leveraging our assets and expanding our range of services and solutions to meet these new and fast pace developing legislative requirements and market demands.

Last year the Board approved the Decarbonization Strategy and commit to invest in projects such as biofuel production, as well as expanding our EV charging network to decarbonize road transport. Moreover, we recognize the importance of carbon capture, utilization, and storage as a critical technology to mitigate emissions across various industrial sectors. Our decarbonization strategy acknowledges this and outlines our technology outlook for the transition to lower-carbon and renewable energy sources.

We understand the rising expectations from stakeholders regarding our climate protection performance. As a company, we exist for the benefit of all stakeholders, and we embrace the opportunity to drive transformation in delivering on our commitments to sustainability.

We understand the urgent need to address climate change while meeting the energy demands that drive human and economic progress and we are committed to fulfilling our responsibilities as a key industry player in the region. We embrace the opportunity to contribute to the energy transition and create a sustainable future for generations to come.

Thank you for your continued support and partnership.

GRI
GRI 2-22

Nikolay Kazutin
*Chairman of the Board
of KMG International NV*



Message from the CEO

Dear Partners,

Our 2022 Sustainability Report marks a decade of transparent reporting, proving our dedication to environmental stewardship, social progress, and robust governance practices, as critical aspects that matter to our company, employees, partners, communities, and stakeholders.

Despite the geopolitical challenges and market disruptions faced throughout the year, we have remained steadfast in adhering to our strategy, core values, and commitments.

The energy and cost-of-living crises have highlighted the need for a balanced energy transition: one in which the world commits to achieving net-zero emissions, while still providing a secure and affordable supply of energy. As such, we have embarked on a decarbonization strategy that encompasses various aspects of our operations, pledging for significant investments to reduce our greenhouse gas emissions.

One of our biggest investments is the cogeneration plant on the Petromidia platform, which we expect to be fully operational by the end of 2023, a project that complies with the highest technological standards of energy efficiency and environmental protection.

Our commitment to e-mobility also aligns with our broader decarbonization efforts and reinforces our dedication to sustainable practices. In this regard, we have embarked on a project to significantly expand our EV charging station infrastructure, with the goal to achieve 50% network electrification by 2025, and full coverage by 2030. Gradual expansion beyond our network will include partnerships with retail chains, the hospitality sector, and offices, with a target of approximately 100 locations by 2030.

Furthermore, in 2022, we continued to reduce our GHG emissions throughout our value chain and, as a result of installing state-of-the-art equipment on our premises, we completely eliminated VOC emissions and recorded zero accidental spills. We have also reduced our energy and water consumption and improved our waste management practices.

Despite the challenges posed by the global economic landscape, we have strived to maintain stability and sustainable growth. Year on year, we continue to generate employment opportunities, revenue, and contribute to the economies of the countries and communities where we operate. We have also maintained our headcount and we continued to grow people by investing in internship programs for the young generation.

Moreover, we continued to prioritize the health and safety of our employees. Thus, we ended the year with no fatalities, a 0.26 LTIR, no occupational illnesses and a declining absenteeism rate.

We recognize the importance of creating an inclusive work environment and strive to bridge the gender gap every day. While we acknowledge that there is still progress to be made, I am proud to share that our efforts have yielded positive results. In 2022, we saw a 2% increase in the percentage of female employees, reaching an overall representation of 30% at Group level.

We remain steadfast in our dedication to corporate social responsibility, actively engaging with local communities, and contributing to their well-being through various initiatives. During 2021-2022, Rompetrol's contributions to our communities exceeded USD 2.5 million. These contributions took various forms, including financial contributions, fuel donations, and fundraising events. Together with our employees, we have volunteered our time and resources to support education, healthcare, and environmental projects, creating a positive and lasting impact.

We understand the importance of benchmarking and continuously raising the bar in our sustainability efforts. As we look ahead, we are confident in our ability to overcome challenges and embrace opportunities as we transition to a more sustainable energy future. Our commitment to sustainable practices remains unwavering, and we will continue to work diligently towards creating shared value for all stakeholders.

GRI
GRI 2-22

Ilyas Kuldzhanov
Chief Executive Officer
of KMG International NV

GRI
GRI 1 Foundation 2021
Requirements 1, 2
GRI 2-3
GRI 2-5
GRI 2-29
IPIECA
GOV-2 C3, A2



The revised Universal Standards represent the most significant update since GRI transitioned from providing guidance to setting standards in 2016. The Universal Standards¹ strengthen the very foundations of all reporting through GRI, delivering the highest level of transparency for organizational impacts on the economy, environment, and people.

The forward-looking approach that underpinned the revision of the Universal Standards means organizations will be best positioned to use their GRI reporting to respond to emerging regulatory disclosure needs, such as the EU Corporate Sustainability Reporting Directive and the IFRS plans for enterprise value standards.

About this report

Our sustainability strategy is a direct reflection of our company's commitment to creating value for our multiple stakeholders and increasing our efficiency while limiting our impact on available resources.

This report presents our challenges and progress towards sustainable development, covering a 1-year reporting period (January 1st, 2022 – December 31st, 2022). It delves into our approach and sustainability performance across all significant operations through transparent insights and in-depth assessments of relevant metrics. Data included in the report also refers to previous years where it was deemed relevant for setting the context and creating a better understanding of the information significant to the current reporting period.

With this sustainability report we continue to improve our disclosure and transparency on ESG topics, in line with the latest developments in reporting guidelines and framework requirements, as well as our stakeholders' evolving expectations.

We actively support the UN Sustainable Development Goals and the UN Global Compact's 10 Principles on human rights, labor standards, environment, and anti-corruption, within our Group, across our value chain and in the business conduct of our suppliers and partners. We have been an active contributor to the United Nations Global Compact and applied the Global Reporting Initiative (GRI) framework in our reporting since 2015. The information on our contribution to the UN SDGs, including those prioritized by the Group, is marked in the Report with the relevant icons. We are also early adopters of the GRI Universal Standards, having incorporated the provisions of the updated guidelines, along with those of the GRI 11: Oil and Gas Sector 2021, since our previous sustainability report.

The 2022 Sustainability Report serves as a reference for the questionnaire on the Communication on Progress in line with the UN Global Compact². We also considered the relevant requirements of the IFRS Foundation³ (Sustainability Accounting Standards Board – SASB & Integrated Reporting Framework) and the 2020 IPIECA voluntary guidance for the oil and gas industry when developing this edition of our report.

Moreover, this format aligns with external frameworks such as the Taskforce on Climate-related Financial Disclosure (TCFD), the EU Taxonomy and upcoming requirements under the Corporate Sustainability Reporting Directive (CSRD). Furthermore, it was developed in full compliance with the Romanian nonfinancial reporting legislation, namely the Ministry of Public Finance Orders No. 1938/2016 and No. 2844/2016.

Based on a thorough understanding of our impacts throughout our value chain, the content of the report focuses on the sustainability topics that were found to be most relevant to our wide range of stakeholders, which include employees, shareholders and investors, communities in the regions with significant operations, public associations, customers, and partners of our performance on environmental, social, governance (ESG), and other nonfinancial matters. These topics are organized into clear chapters reflecting the key focus areas of our sustainability commitment, including People, Safety, Community, Environment, Marketplace, Governance.

The 2022 KMG International Sustainability Report offers a detailed analysis of the Group's ESG performance, as well as a deep dive into several companies relevant for our entire value chain and falling within the scope of the sustainability reporting directive, including Rompetrol Rafinare, Rompetrol Well Services and Rominserv but also other entities.

Throughout the report, markers are provided to indicate the correlation between material topics, the standards and reporting frameworks used.

This report was drafted internally, with subject matter experts across the organization being consulted & engaged throughout the data collection, information gathering and drafting stages of the report. Furthermore, it was subject to an external assurance process by EY Romania, in accordance with the International Standard on Assurance Engagements - ISAE 3000.

As we move forward on exploring more topics for driving impact, we will continue to follow best practice on environmental, social and governance issues, seek independent opinions and expert advice, and regularly incorporate these ideas into our strategic framework.

1. www.globalreporting.org/standards/standards-development/universal-standards

2. UN Global Compact - The Enhanced Communication on Progress <https://unglobalcompact.org/participation/report/cop>

3. The creation of the International Sustainability Standards Board (ISSB) was announced on 3 Nov. 2021 at the COP26 climate conference, along with the planned consolidation of the IFRS Foundation, the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF).

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

The CSRD requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on their risks and opportunities arising from social and environmental issues, and on the impacts of their activities on people and the environment.

For large, listed companies, the CSRD will take effect as of fiscal year 2024 and thereafter will also apply to many companies not covered by the current NFRD (non-financial reporting directive). The EU directive requires companies to collect, process and publish a huge amount of data and information.

The CSRD requires an external auditor to provide assurance on sustainability reporting, initially with limited, but with reasonable assurance at a later date.

At the heart of the CSRD are the European Sustainability Reporting Standards (ESRSs). The first set is now available, consisting of 12 draft standards. In late November 2022, EFRAG submitted this first set to the European Commission.

The first two ESRSs are general in nature and contain some basic principles and prescribe what should be reported on strategy, governance and decisions related to materiality. The remaining 10 standards cover different ESG aspects:

- **Environmental** (climate change, pollution, water and marine resources, biodiversity, material use and circular economy)
- **Social** (own employees, workers in the value chain, impact on communities, consumers and end users)
- **Governance** (corporate governance).

The 12 standards contain 82 'Disclosure Requirements' and an 'Application Guidance'. These describe exactly how the obligations should be applied; these guiding documents have the same status as the obligations and in practice represent a considerable broadening of them. Later, sector-specific standards and standards tailored to SMEs will come into effect.

THE EU TAXONOMY

The EU taxonomy is part of the EU's overall efforts to reach the objectives of the European Green Deal. It acts as a robust, science-based transparency tool to help companies and investors make sustainable investment decisions.

The European taxonomy established six environmental objectives to identify environmentally sustainable economic activities: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems. An economic activity is defined as environmentally sustainable if:

- it makes a substantive contribution to at least one of the six environmental objectives
- it does no significant harm (DNSH) to the other five environmental objectives
- it meets minimum safeguards.

The Taxonomy Regulation requires companies falling within the scope of the CSRD to disclose the extent to which their economic activities are sustainable within the meaning of the taxonomy. Although the indicators or technical screening criteria for this are defined in separate delegated acts, they must nevertheless be disclosed alongside the other sustainability data defined in the CSRD and specified by the ESRS. Accordingly, the CSRD and the EU taxonomy are closely linked.

KMG International has adhered to the guidelines established by the Taxonomy Regulation starting with its previous sustainability report. Our commitment to reporting in accordance with the Taxonomy Regulation demonstrates our dedication to transparency and compliance with industry standards.

Starting January 2023, reporting according to the Taxonomy Regulation is mandatory for large companies subject to the Non-Financial Reporting Directive (NFRD). As a responsible organization, we have consistently ensured that our reporting aligns with these requirements, providing our investors and stakeholders with comprehensive and reliable information on our environmental, social, and governance (ESG) performance.

By incorporating the Taxonomy Climate Delegated Act and diligently following the reporting mandates, we continue to demonstrate our steadfast commitment to fostering a sustainable future and maintaining the trust of our investors and stakeholders.

For the reporting period covered by this report, we have identified our eligible activities and assigned the related turnover, CAPEX and OPEX (see our Taxonomy Analysis).

Increased transparency in our environmental, social and governance (ESG) reporting helps provide comparable and decision-useful information for investors and all other stakeholders.

THE SOCIAL TAXONOMY

On 28 February 2022, the Platform on Sustainable Finance (PSF), an expert group advising the European Commission on the development of its sustainable finance agenda and the future of the EU Taxonomy, published its final recommendations on the development of a social taxonomy.

The Social Taxonomy is based on Human Rights principles, resting on standards such as the International Conventions and guidelines. More specifically, the Social Taxonomy is led by principles set out in the International Bill of Human Rights, the ILO conventions, the UN Guiding Principles, and the OECD Guidelines for Multinational Enterprises.

The report for this EU taxonomy proposes three social objectives. Each objective contains three specific sub-objectives designed to have a direct, positive impact on businesses' three main stakeholder groups: employees, customers and communities.

OBJECTIVE 1: EMPLOYEES

- Promote equality and human rights throughout the value chain through equal pay, social protections, elimination of job instability etc.;
- Promote equality and non-discrimination in the workplace: salary gap, employment for women, employment for disadvantaged groups etc.;
- Guarantee the human rights of employees in the entire value chain.

OBJECTIVE 2: CUSTOMERS. SUITABLE QUALITY OF LIFE AND WELL-BEING FOR END USERS

- Data protection and cybersecurity for users;
- Clear and responsible marketing and communications practices;
- Accessibility to quality products and basic services, such as food, healthcare, housing, education, water and support services;
- Design durable, safe and repairable products.

OBJECTIVE 3: SUSTAINABLE AND INCLUSIVE COMMUNITIES

- Basic economic infrastructure: transportation, telecommunications (including internet), financial services, electricity and waste removal;
- Creation and preservation of decent jobs, particularly in the context of digital transition, and a green and just environment;
- Promotion of gender equality.

The role of the "do no significant harm" principle is critical. This criterion ensures that an activity makes a substantial contribution to a social objective, without undermining other social objectives.

Our commitment to social sustainability is an important part of our broader sustainability strategy, which includes a focus on reducing our environmental impact, promoting sustainable practices across our operations, and creating long-term value for our stakeholders. The KMG International Group is fully aligned with the principles of the Social Taxonomy, having integrated social sustainability into our business practices even before we started reporting on ESG matters. We have identified the key dimensions of social taxonomy that are relevant to our industry, including community development, labor and employment, human rights, health and safety, and stakeholder engagement.

To address these dimensions, we have developed targeted strategies that promote social sustainability in our operations. For example, we have implemented community development programs that provide access to healthcare and education for local communities. We have also established human rights policies that protect the rights of our customers and communities, as well as all third parties engaged across our value chain.

We have committed to regularly updating our sustainability reporting to reflect our progress in addressing these social issues. This involves reporting on the effectiveness of our community development programs, our efforts to promote fair labor practices, and our commitment to protecting human rights in all our operations. We will also continue to engage with stakeholders to ensure that our social sustainability initiatives align with their expectations and needs. We remain committed to driving positive social and environmental impacts in our operations and beyond. We will continue to prioritize sustainability in everything we do, and we will continue to comply with social taxonomy requirements as they develop, as an essential part of our commitment to sustainability.

Material issues within a global context

MATERIALITY ASSESSMENT

The Group adopts a comprehensive approach to sustainability, addressing key factors that substantially affect our operations while also considering the broader implications on our community and the wider society. Our primary goal is to ensure that our sustainability vision and business strategy are fully aligned so that our operational and sustainable development achievements match and produce value to both the Group and our stakeholders.

To capture a broad range of ideas and to ensure a holistic ESG reporting approach, members of our internal sustainability reporting team represent key functions across the organization, including Accounting & Finance, Legal, Procurement, QHSE, Human Resources, Planning & Performance, etc.

Materiality assessments help us define and verify the focus of our sustainability management efforts and the contents of our reporting. In identifying and assessing material topics, we follow guidance from and report with reference to the Global Reporting Initiative (GRI) Standards and other relevant frameworks and standards. We persistently observe internal and external elements that could affect our sustainability priorities.

To determine what we consider to be a material topic, we have developed a systematic process and clear and well-documented actions which include:

- Identifying actual and potential impacts on the economy, environment and people across our operations and business relationships
- Prioritizing the impacts for reporting based on their significance
- Engaging with internal and external stakeholders and experts.

We conduct a formal materiality assessment every other year to ensure we prioritize issues with the greatest impact on our business, communities and the environment, and those that matter most to our stakeholders. The most recent materiality assessment was conducted during the previous reporting cycle. In 2021, we launched a comprehensive evaluation and consultation process to define our material topics. We have persistently tracked and refined these concerns. For an in-depth understanding of this process, consult our 2021 Sustainability Report.

Our materiality assessment process resulted in the identification of 22 topics relevant to KMG International, which were consolidated into 4 topic clusters that are material to the Group. They were subsequently included in the on-line questionnaire submitted for consultation to the Group's internal and external stakeholders. The scope of this questionnaire was to determine the relevance of the selected topics to our stakeholder groups, to evaluate the level of stakeholder awareness regarding our sustainable development activities and to learn about any additional key topics or recommendations that might help us better prioritize our future actions.

Concurrently, a similar questionnaire was submitted to the Group's Management Team to assess from own perspective the impact (both positive and negative) generated by the activities of KMG International on the selected topics.

Area/Topic	Rank
ENVIRONMENT	
Emissions	1
Energy used	2
Water management	3
Waste management	4
Environmental compliance	5
Climate change and decarbonization	6
ECONOMIC	
Economic performance	7
Taxes paid	8
Procurement practices	9
Raw materials and products	10
Marketing policy	11
Product and customer responsibility	12
SOCIAL	
Fair employment	13
Occupational health and safety	14
Training and development	15
Diversity and equal opportunity	16
Local communities	17
Equitable work conditions for vulnerable groups	18
Investing in young people	19
CORPORATE GOVERNANCE	
Ethics and integrity	20
Supplier assessment on ESG topics	21
Risk assessment	22

GRI
GRI 1 Foundation 2021
Requirements 1, 2
GRI 2-3
GRI 2-5
GRI 2-14
GRI 2-29
GRI 3-1 thru 3-3
IPIECA
GOV-2 C3, A2

Material topics of highest combined importance are grouped in the top-right corner of the matrix below and will be analyzed in more detail throughout the report. However, considering that all topics bear similar importance to our stakeholders it was decided that all 22 material topics selected as relevant for the business will be presented in the report, to offer a more accurate picture of our commitments towards fully integrating sustainability principles into our activities.

Based on this assessment and our priorities, we have set specific targets for the upcoming reporting cycle and beyond, as well as additional long-term ambitions, that will help us take important steps toward sustainable growth and create value for our stakeholders.



STAKEHOLDER ENGAGEMENT

Given the dynamic sector in which we operate, active stakeholder engagement has always been a key part of KMG International's business approach. This process helps us understand, prioritize and manage our sustainability impacts. For the further development of our sustainability strategy, we are drawing on insights from extensive stakeholder engagement and external benchmarking to reinforce our objectives and integrate new sustainability aspects.

We regularly engage with four broad stakeholder groups relevant to our activities: authorities, market, industry society, which include several internal and external stakeholders. Our stakeholders include persons or groups whom our operations have a significant impact on, those with a vested interest in our sustainability or environmental, social and governance (ESG) performance, and those in public positions who influence our activities.

We use various mechanisms tailored to each relevant group and we gather opinions and advice from our stakeholders in various ways, including formal and informal meetings, surveys, and research. Their valued input informs our decisions and the actions we take to live up to our responsibilities and mitigate any potential negative impact on society or the environment, as well as any significant risk to our business. Moreover, their feedback and input help us ensure that coverage is balanced, relevant and complete.

We carefully consider the interests and key concerns of our stakeholders in our strategy, management decisions and operations. All information pertaining to sustainability matters are directly communicated to our stakeholders groups, as well as on our own channels, including the Group's website.

GRI
GRI 2-25
GRI 2-29



Sector	Approach
REGULATORY	
Public authorities Regulatory bodies Local institutions	We use various mechanisms to engage with government representatives and regulators – both directly or through other organizations, whether it's official institutional communication on topics such as emissions or environmental compliance, or formal and informal communication on several economic or policy related topics, from interviews and one to one meetings, to dedicated events and happenings addressing said topics.
MARKET	
Shareholders Business Partners Clients Media	We value transparency, integrity and quality in our communication with relevant market actors. Customer health and safety, customer privacy, interactions with business partners and shareholders or media communication are all topics we carefully follow and address on a regular basis. We do this through direct consultation or through extensive annual market research and satisfaction surveys, to make sure we cover all grounds.
INDUSTRY	
Professional associations Suppliers Students/academics	As part of our operations, we constantly engage with our suppliers, trade associations and other operators from the industry, in order to adhere to the best practices in the field, as well as to implement the most efficient solutions and deliver high quality services to our customers. Our interactions include a wide range of processes and mechanisms, from the pre screening of new suppliers to the extensive questionnaires and forms which are periodically submitted to their review in order to identify any arising material issues or concerns. Moreover, to leverage both our expertise in business best practices and that of our industry peers, we are members of several industry associations. Our expertise is also put to good use in the different skill development programs that we develop in collaboration with middle and high education institutions, such as our Internship program or courses and trainings aimed at molding the new generation of oil & gas professionals.
SOCIETY	
Trade unions Employees Local communities NGOs	We maintain constant and open dialogue with our employees, local communities and partner organizations where we operate, so that both our sustainability and business plans also consider their needs. Thus, we have developed various initiatives in order to ensure the needs of our employees, from equal pay and freedom of association and collective bargaining to diverse trainings, professional and personal skill development or transfer of know how. Also, we have several mechanisms in place to make sure all potential grievances, as well as suggestions for improvement from our employees reach company decision makers, they are assessed and implemented into company operations accordingly. Our local communities are engaged in constant consultations (face to face discussions/ meetings/ events, online surveys/ dedicated grievance mechanisms) on relevant and sensitive issues while we also encourage them to raise any potential concerns regarding topics such as safety and environment. Furthermore, we are always open to discussions with relevant actors from the civil society in order to address issues aligned with our values. In this regard, we have developed strong partnerships with local as well as national NGOs that have a profound impact which are regularly engaged through direct physical or online communication with representatives from dedicated company departments.

Sustainable Development Goals

We recognize the urgent call for action to achieve a better and more sustainable future for all, as it has been set forth by the 17 Sustainable Development Goals (SDGs) which form the core of the UN 2030 Agenda for Sustainable Development.

The SDGs address the challenges that the global community faces, including poverty, inequality, climate change, environmental degradation, peace and justice. They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.

As a responsible corporate citizen, we consider that sustainable development is key to creating a better tomorrow and we are committed to bring our contribution to achieving the Goals. As such, our long-term sustainable development strategy closely follows the 2030 Agenda's principles. Of the total of 17 SDGs, the following are particularly relevant to KMG International, capturing the specificity of our activities, operations and locations.

GOAL 3: GOOD HEALTH AND WELL-BEING

Preserving and promoting the health and wellbeing of both our employees and the communities we operate in are key priorities in our sustainable development strategy and the way we conduct business. Not only do we have strict health and safety work procedures in place, but we also carry out customized internal wellbeing programs addressing emotional and social, physical, and financial wellbeing. Furthermore, throughout the years, we have been actively involved in supporting the Romanian healthcare system, through our long-standing partnership with the Mobile Emergency Service for Resuscitation and Extrication (SMURD) & the Inspectorate for Emergency Situations (ISU), as well as through our constant and consistent investments in healthcare-related projects across the country.

In chapters: People, Safety, Community

GOAL 4: QUALITY EDUCATION

We believe that education should be available to all and access to quality education is a critical factor in creating a sustainable future. Investing in education, along with personal and professional development, is part of our mission to nurture the growth of our employees and communities. Aside from our annual internship program, which has just turned 21, we support organizational growth through dedicated development, life-long learning, and career progression programs, as well as investments and sponsorships addressing community education needs.

In chapters: People, Community

GOAL 5: GENDER EQUALITY & GOAL 10: REDUCED INEQUALITIES

Gender equality and an end to discrimination against women are both basic human rights and drivers of sustainable development. We are dedicated to creating an inclusive culture, free of discrimination, with equal pay and opportunities for all. As such, we strive to provide equal opportunities and resources through dedicated training and support for career advancement in all our locations of operation.

Moreover, we are constantly updating our internal policies to ensure full transparency and commitment to reducing inequalities and drive sustainable growth in our communities.

In chapters: Profile, People, Community



GOAL 6: CLEAN WATER AND SANITATION

We understand the importance of ensuring access to clean water and proper sanitation for our employees and our communities. Our sustainable development plans place high emphasis on preserving water and managing its use in a responsible and sustainable way. We invest in new technologies and constantly improve our processes to use this valuable resource more efficiently. Reducing water consumption, wastewater outputs and discharge, is an important part of our environmental standards.

In chapter: Environment

GOAL 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE & MODERN ENERGY

We are committed to contributing to this goal by providing reliable, efficient, and affordable energy solutions that help meet the growing energy needs. In line with the Group's environmental policy, we undertake reducing consumption of resources by using them in an effective way and by changing old, high-energy consumption with modern low-power equipment. Moreover, we have taken on implementing new lower-carbon technologies and sources of green energy.

In chapter: Environment

GOAL 8: DECENT WORK AND ECONOMIC GROWTH

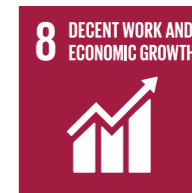
We are contributing to this goal by implementing sustainable practices across our operations to ensure all our employees have access to safe working conditions, fair wages and benefits, and opportunities for skill development. Our activities create jobs, use local suppliers, and support local communities. We contribute to economic growth through investments and by paying taxes to local governments. Furthermore, we conduct thorough assessments of our partners and suppliers to make sure they also adhere to the principles laid out in our Code of Ethics and Business Conduct.

In chapters: Profile, People

GOAL 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE

We are constantly investing in the development of our operations, so as to build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Under KMG International ownership, Petromidia Refinery has become one of the most modern refineries in Eastern Europe, accounting for more than 40% of Romania's current refining capacity.

In chapters: Profile, Environment



GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

We have codes, policies, and assurance processes to help define how we can protect the environment, respect our stakeholders and communities, and cause no harm to people. Energy efficiency is carefully considered in the life cycle of our products, from managing energy consumption in their production to providing customer advice on optimum fuel efficiency. We will continue to assess and improve our sustainability practices in the future.

In chapters: Environment, Marketplace



GOAL 13: CLIMATE ACTION

We continue to work towards lowering greenhouse gas emissions in our operations, in strict compliance with national and international regulations. Our efforts are focused on reducing our environmental footprint year on year, both by driving a decrease in overall emissions and by counteracting our impact through tree planting on extensive surfaces of land. We regularly measure and report on our progress regarding greenhouse gas emissions and energy performance.

In chapter: Environment



GOAL 14: LIFE BELOW WATER & GOAL 15: LIFE ON LAND

As a responsible corporate citizen, committed to fostering a better future for all, it is crucial to us that we minimize our negative impact on the marine and terrestrial ecosystems and make a positive contribution to preserving the environment.

Being aware of our responsibility when it comes to preserving biodiversity, the Group gives special attention to the Black Sea region, where Petromidia Refinery is located, and cares about the very active wildlife populating the area. For each new project, the impact of the refining activity on both the environment and biodiversity is analyzed and assessed thoroughly.

In chapters: Profile, Environment



GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

KMG International recognizes the impact of conflicts on sustainable development, and we are committed to promoting peace and stability in the regions where we operate. We are also aware of our potential impact as a major oil & gas player. Thus, we operate according to policies and corporate values promoting human rights, and we constantly assess impacts throughout our value chain and take steps to best address them. We operate in full compliance with the available laws & regulations in all our areas of operations. Also, we make all efforts to ensure timely and responsible management of community queries and concerns, in accordance with formal grievance-handling procedures required by regulatory authorities.

In 2022, through our community programs, we provided aid to Ukrainian refugees, including access to food, shelter, and support for community integration.

In chapters: Introduction, Profile, Community, Marketplace



GOAL 17: PARTNERSHIPS FOR THE GOALS

The sustainable development goals and targets set in the 2030 Agenda have been undertaken by the Group and they are embedded into our business principles and strategy. Since 2015, KMG International has been a member of the United Nations Global Compact network, the world's largest corporate sustainability initiative, committed to human rights, fair labor, environmental protection and anti-corruption.

KMG International submits the annual communication of progress at the GC Advanced level, the highest within the framework of United Nations Global Compact (UNGC).

In chapters: Introduction, Approach





BUILDING A NEW FRAME OF REFERENCE

PROFILE

Operations overview
Brands
Compliance
Memberships and affiliations

Operations overview

COUNTRIES OF MAIN OPERATIONS AND MAIN COMPANIES

Kazakhstan
NC KazMunayGas JSC (parent)
KMG Rompetrol SRL rep. office
Rominserv SRL branch

The Netherlands
KMG International NV

Switzerland
KMG Trading AG

Spain
Dyneff España SL
Dyneff Gas Stations Network SL

France
Rompetrol France SAS
Dyneff SAS

Gibraltar (UK)
Byron Shipping LTD

Romania (main market)
Rompetrol Rafinare SA
Rompetrol Downstream SRL
Rompetrol Petrochemicals SRL
Rompetrol Gas SRL
KMG Rompetrol SA
Rompetrol Well Services SA
Oil Exploration Business Solutions SA
Midia Marine Terminal SRL
Rompetrol Logistics SRL
Byron Shipping SRL
Rominserv SRL
Rompetrol Energy SA
Rom Oil SA

Republic of Moldova
Rompetrol Moldova SA

Bulgaria
Rompetrol Bulgaria EAD
Rominserv SRL branch

Georgia
Rompetrol Georgia LTD

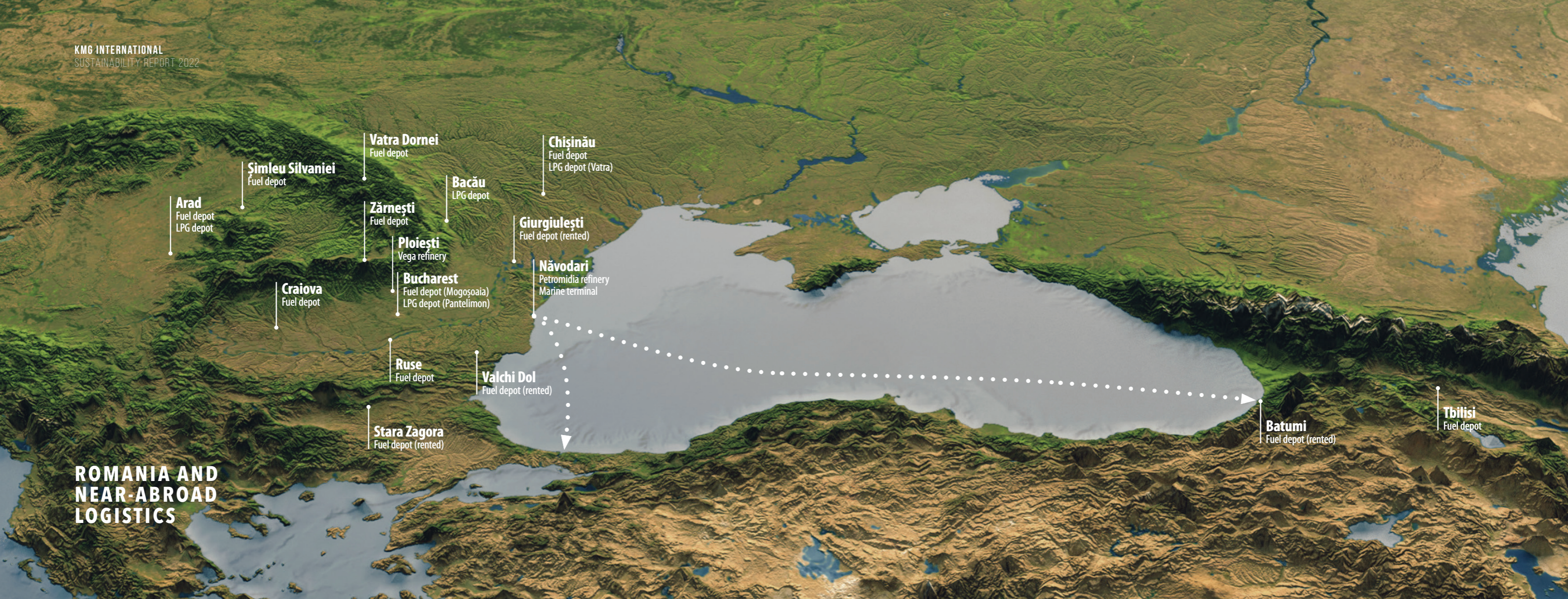
Turkey
TRG Petrol Ticaret AŞ

Libya
OEBS SA branch

EXPORT MARKETS

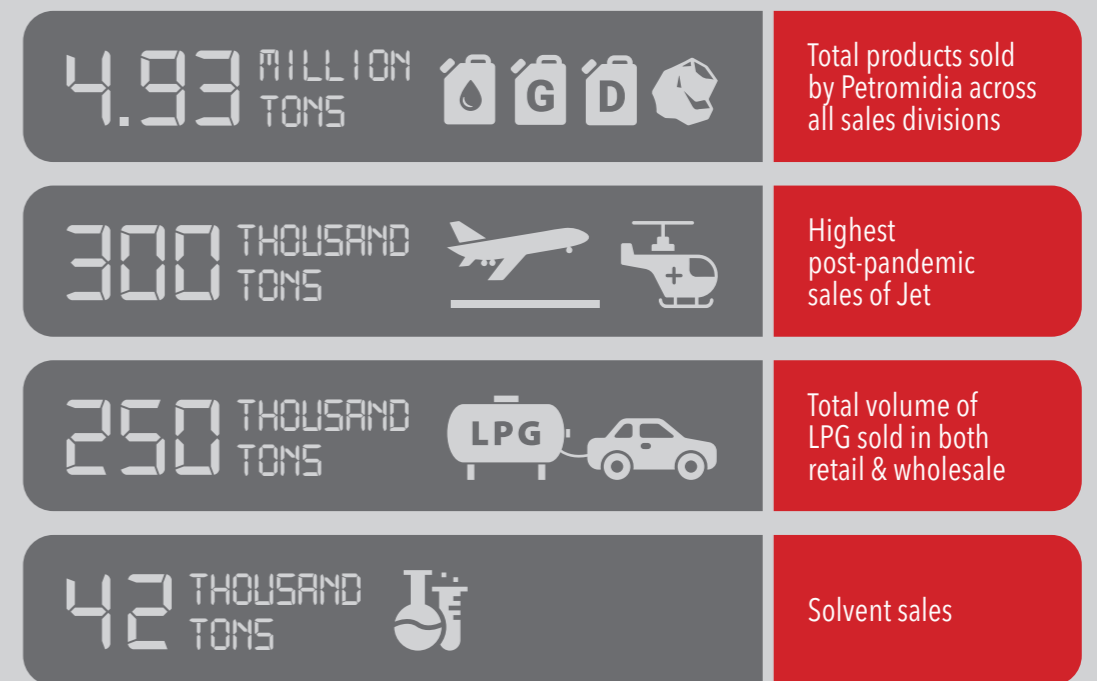
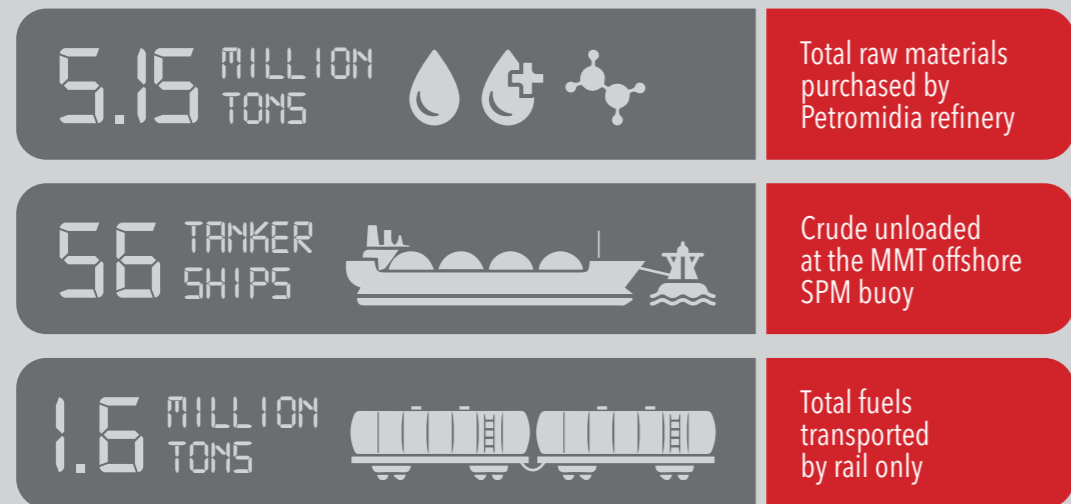
VEGA PRODUCTS	PETROMIDIA PRODUCTS
N-hexane Bulgaria Ukraine Russia Turkey	Petroleum Bulgaria Moldova
Bitumen Bulgaria	Petroleum Coke Moldova Ukraine Serbia
Eco-solvents Moldova Ukraine Hungary Germany	Sulphur Egypt
White spirit Bulgaria Moldova	Diesel Bulgaria Moldova Serbia Greece Turkey Georgia
Naphta Hungary Slovakia Czechia Poland Spain	Gasoline Bulgaria Moldova Albania Greece Turkey Georgia





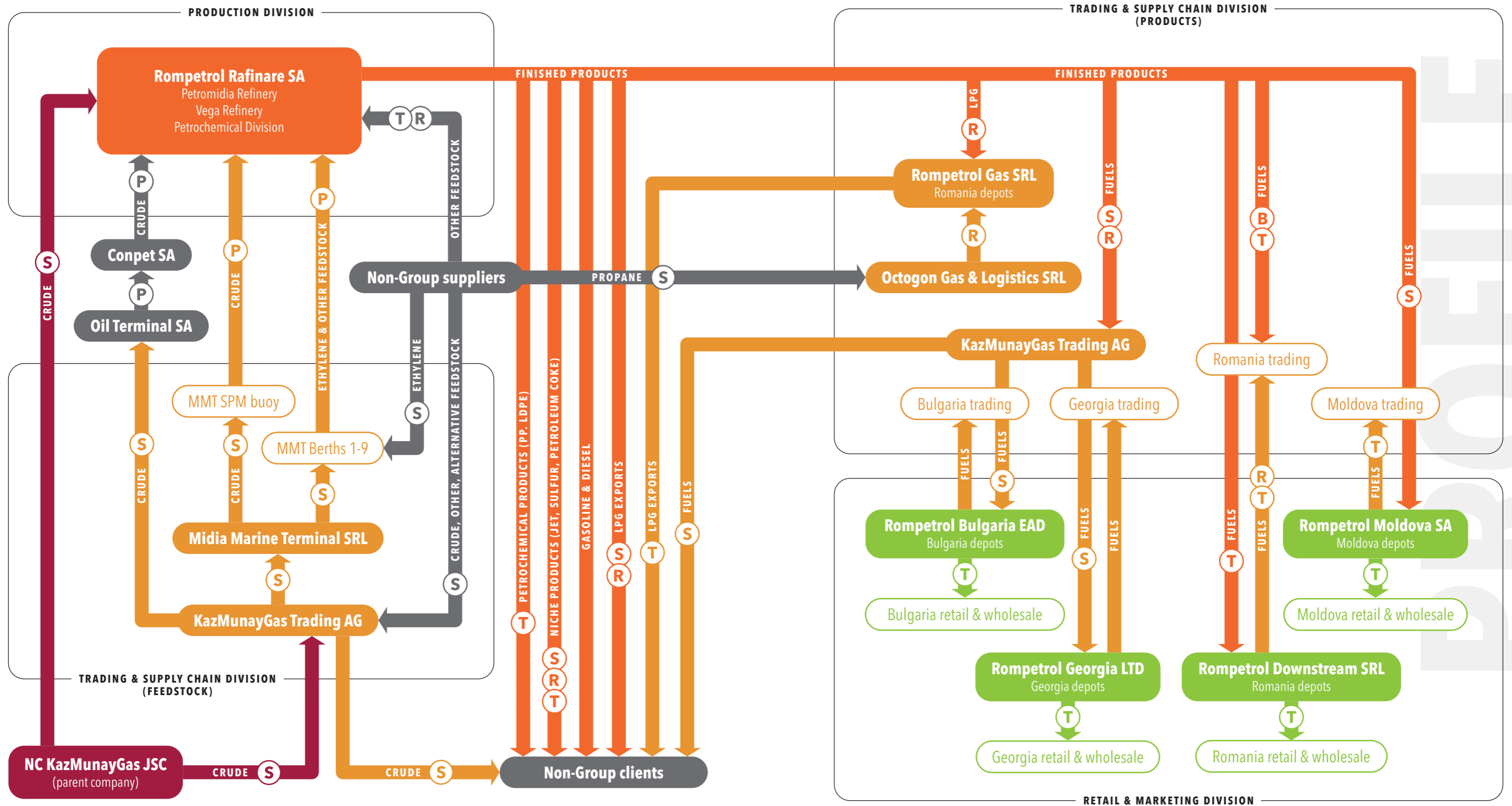
**ROMANIA AND
NEAR-ABROAD
LOGISTICS**

**TRADING AND
SUPPLY CHAIN
ACHIEVEMENTS**



GROUP CORE DIVISIONS AND SUPPLY CHAIN

(S) Tanker ship (B) Barge (R) Rail tanker (T) Tanker truck (P) Pipeline



Brands

Romp petrol, the first Romanian brand with an international expansion, is dedicated to constantly evolving its products and services, through innovation, creativity and sustainability, in order to respond to people's needs for an upgraded way of living.

GRI
GRI 2-6

THE CORPORATE BRAND

Romp petrol represents the knowledge of the general public about all KMG International Group operations and communications, visual signs and symbols of the company and Group portfolio of trademarks.

Romp petrol is the corporate umbrella branding used to provide uniformity to all sub-brands, products and services, trademark portfolio.



THE TRADEMARK PORTFOLIO

It is comprised of intellectual property assets owned by KMG International and its member companies, registered and in use at national or international level: names, graphic symbols, logos, slogans, and other intangible assets. Rompetrol offers a diverse range of products and services, developed to meet the market demand in the region, in response to consumers' needs and expectations. Trademarks and main products are grouped by business lines.

RETAIL PORTFOLIO

Romp petrol

Romp petrol is the brand we use to distribute and promote our retail products & services through our Rompetrol gas station network operating in four European markets: Romania, the Republic of Moldova, Bulgaria, and Georgia. Our ambition is to create a more sustainable experience for our customers by transitioning from a fuel distribution station into an energy station concept.

hei

hei is our approach for shop & gastro within the gas stations network. It is a fresh and communicative brand, created to improve customer experience and interaction with our retail products and services.

efix

efix is Rompetrol's most advanced range of fuels with outstanding engine protection properties. The fuels are designed with an optimum combination of additives ensuring not only the cleaning of valves and injectors, but also the reduction in fuel consumption and increase in engine performance, along with lower carbon emission. Efix fuels are produced at Petromidia and distributed exclusively through Rompetrol fuel distribution stations in Romania, Bulgaria, Moldova, and Georgia.



FOR

- **Efix Diesel 55** is a unique market product with octane number 55, which translates into reduced pollutant emissions (compared to other Diesel products), reduced fuel consumption and reduced noise during vehicle operation.

Fill&Go

Fill&Go is a unique service which offers innovative pay-at-the pump services, fuels, and shopping in the Hei stores, available in different versions for both individual and corporate clients.

- **Fill&Go Personal** (Fill&Go Debit, Fill&Go Credit) is designed for individual customers and gives them a fast and efficient fueling experience. It is the only fuel card that allows a monthly payment. It is integrated with Rompetrol Go, allowing customers to earn points by using their Fill&Go cards.
- **Fill&Go Business** is an advanced fleet management service, tailored to the needs of any business: Fill&Go Fuel Control (Fill&Go Ring, Fill&Go Easy Ring, Fill&Go Card), Fill&Go Vehicle Control, Fill&Go Service Control, Fill&Go Fixed Units (internal filling stations).

Rompetrol Go

Rompetrol go is the first program in the energy industry in Romania dedicated to private customers that offers both loyalty rewards and utility when using a mobile application. For every liter fueled or amount spent in Rompetrol's shops and restaurants, customers receive GoPoints. These points can be used for purchasing goods and services in the gas station shops and restaurants. Rompetrol go is the first app in the oil and gas landscape that offers drivers and passengers innovative features like: the first virtual card for gaining and using points, monthly Fill&Go Personal invoices, mood-adjusted music playlist, car events management, weather updates, information about Rompetrol gas stations and offers. The app can be downloaded from the Apple Store and Google Play.

REFINING AND PETROCHEMICALS PORTFOLIO

Petromidia Refinery

Petromidia Refinery is the largest Romanian refinery and one of the most modern refineries in Southeast Europe. It plugs in the trading and supply business lines and fuel distribution through Rompetrol's gas stations in Romania, Republic of Moldova, Bulgaria, and Georgia.

Vega Refinery

Vega Refinery is the longest-lasting unit in Romania, producing and providing special products with high added value – bitumen and hexane, along with niche products like ecological solvents, special purpose bitumen, ecological heating fuels.

- **Jet A1 fuel** - Rompetrol produces fuel for turbine-powered aircrafts, with antistatic properties and high efficiency at low temperatures, in line with the international regulations, used for civil and military aviation. Rompetrol is the biggest producer of jet A1 turbine fuel in Romania.
- **Coke** is a carbon-rich solid final product resulting from refinery processes. Rompetrol produces coke for industrial and commercial use (Green Petroleum Coke, Sorted petroleum coke for domestic use).
- **Bitumen** – is produced by Vega Refinery a refinery with over 100 years of experience in this field, with specifications adapted for an equally wide range of applications: from light-duty traffic roads to heavy-duty traffic roads, polymer-enriched bitumen for enhanced elasticity, as well as bitumen for waterproof roofing. Polymer-modified bitumen is distinguished by improved elasticity and higher resistance to deterioration and temperature variations, with a 50% longer service life and the ability to reduce traffic noise.
- **N-hexane** is produced at Vega Refinery, the sole producer in Romania. The major use for solvents containing n-Hexane is to extract vegetable oils from crops such as soybeans. These solvents are also used as cleaning agents in the printing, textile, furniture, and shoemaking industries.

The Petrochemicals Division is the sole Romanian producer of polyolefins and supplies more than half the necessary of petrochemical products for internal consumption in Romania. It produces more than 30 special niche varieties with added value.

The company's product portfolio features various sorts of polypropylene (PP), high-density polyethylene (HDPE), and low-density polyethylene (LDPE). The varieties of polyolefins (polypropylene and polyethylene) produced by Petromidia Refinery are used in agriculture, the food industry and for a wide variety of products ranging from FMCG, personal care, electronics and electrotechnics to the automotive industry, textiles, and constructions.

The Rompetrol Petrochemical Division developed in 2021 a special type of polypropylene dedicated to protective medical masks, used for the middle layer of the mask, the most important layer for filtering and protecting against pathogens.



INDUSTRIAL SERVICES PORTFOLIO

The Industrial Services Business Unit delivers crafted industrial solutions for the entire oil and gas industry. The activity carried out by services companies is an important contribution to the development of KMG International, helping increase the efficiency of its operations, as well as providing a profitable alternative to external companies.

Rominserv

Rominserv is a leading Romanian company integrating industrial maintenance services, industrial project management and technical and technology development services. The company provides a full range of services for industrial installation of mechanical, static, and dynamic equipment, services of current repair and capital repair works, general and partial revamping, as well as predictive, preventive, and corrective maintenance, engineering, and project management.

Rompetrol Well Services

Rompetrol Well Services is one of the leading oil and gas services companies in Romania and CEE region, with 70 years of experience. The company offers a wide range of specialized services for the oil and natural gas wells that include cementing, sand control, stimulation, testing, and casing running operations.

Rompetrol Quality Control

Rompetrol Quality Control (RQC) is one of the top companies in the national market of laboratory analysis, performing laboratory analysis for both internal customers (KMG International companies) and external companies. RQC is ISO 17025, 9001, 14001, 45001 accredited. RQC has three business lines fully covering lab testing needs: petroleum products analysis, petrochemical products analysis, environmental analysis.

TRADING PORTFOLIO

KMG Trading

KMG Trading manages all the trading activities of the Group, including crude supply and fuel products sales. The company trades annually millions of tons of crude oil, raw materials and finished products.

Midia Marine Terminal

Midia Marine Terminal operates the maritime terminal of the Group (Buoy) and its berths for oil and oil products' transit in Midia port. The offshore terminal has a capacity of 24 million tons / year and is able to receive vessels up to 160,000 tons deadweight.

Compliance

KMG International carries out its activity in full compliance with laws and regulations applicable across the Group's value chain, as well as ethical standards and international and national business conduct norms.

The Group has compliance and internal control policies in place that apply to all subsidiaries within our organization, and all organizations we do business with, both domestic and international. These policies are applicable to all employees, contractors, and stakeholders with direct or indirect relation to KMG International, treating all possible concerns raised in a prompt, professional and objective manner. They cover aspects like ethical behavior, anti-bribery and corruption, human rights and fair labor practices, data privacy, conflict of interest, whistleblowing, labor practices, and risk management.

The Compliance and Internal Control & Forensics Departments provide support to all Group companies so that they can operate in a responsible and sustainable manner, protecting their reputation and assets, and ensuring they continue to meet their legal and ethical obligations.

ESG Objectives	Target
Perform training on Business Conduct and Ethics Code implementation (including the observance of human rights) to: <ul style="list-style-type: none"> newly hired employees management level employees sales force employees procurement employees 	100%
Perform trainings on the protection of personal data for respecting this fundamental right of individuals recognized by the Charter of Fundamental Rights of the European Union and the Treaty on the Functioning of the European Union, to the following categories of targeted employees: <ul style="list-style-type: none"> HR Department Internal Communications Public Relations Marketing Department QHSE department Procurement Department Gas station managers Commercial department Administrative department Credit Control and Collection Back Office 	100%
Evaluate business relationships by analyzing business partners from a reputational perspective, including ethics principles and human rights observance	100%

CODE OF ETHICS AND BUSINESS CONDUCT

As part of our commitment to sustainability, we believe that ethical and responsible business practices are essential for our long-term success. Our Code of Ethics and Business Conduct aims to promote the ethical values and principles within KMG International and our affiliated companies in order to support and protect the Group's reputation. The Code is approved at the highest level of authority, the KMG International Board of Directors.

The Code of Ethics and Business Conduct applies to all KMG International Group activities and business relationships equally. The Code conveys the core values of KMG International Group and the organizational and behavioral rules that govern our activities. It supports the principles set forth in the Universal Declaration of Human Rights and enables KMG International Group to maintain the highest standards of integrity.

The Compliance Department and Internal Control Department play a crucial role in managing the implementation of The Business Conduct and Ethics Code within the Group by:

- Analyzing reports of non-compliance received from the Company employees
- Providing support and consultancy to the managers and employees to comply with the provisions of the Code
- Advising on the implementation of KMG International Group policies and practices, as well as the Group's Business Conduct and Ethics Code
- Conducting ethical investigations
- Assessing and analyzing the risks of non-compliance within the Code provisions
- Promptly informing the Ethics Committee about ethical issues, where appropriate
- Periodical reporting of the implementation and administration of the Code to the Group Management Committee.

Overall, the Compliance and Internal Control Departments work together to ensure the company operates in an ethical and compliant manner and that the Code of Ethics and Business Conduct is implemented effectively.

GRI

- GRI 2-15
 - GRI 2-16
 - GRI 2-23
 - GRI 2-24
 - GRI 2-25
 - GRI 2-26
 - GRI 2-30
 - GRI 3-3
 - GRI 205-2
 - GRI 205-3
 - GRI 406-1
 - GRI 413-1
 - GRI 11.10.1
 - GRI 11.11.1
 - GRI 11.11.7
 - GRI 11.12.1
 - GRI 11.20.3
 - GRI 11.20.4
- IPIECA**
- GOV-1 C2, A2, A3
 - GOV-2 C3, A2
 - GOV-3 C1, C3, C4, A1
 - SOC-8 C1, A1, A2, A3, A4

The Code is mandatory for all Group employees as well as its internal advisers and collaborators, irrespective of their location, position, full-time or part-time work status. The Code also applies to the Board of Directors with respect to any activities they may engage in on behalf of the Group.

We are a dynamic leader in the regional oil sector and believe that our success is possible because it stems from and is shaped by a well-defined set of values:

Our people

We place the highest priority on the needs of our employees. Our actions are always determined with their safety and well-being in mind.

Care, integrity, and responsibility

We are a trusted global partner and a valued corporate citizen. We are honest with all stakeholders and take responsibility for all our actions.

Determination

The strength of our business stems from our strong will and determination to succeed and deliver excellence in everything we do.

Environmental protection

As a company and throughout our entire supply chain we adhere to all the national and European laws and regulations governing the environment and proper management of resources.

Sustainability

We support the United Nations Sustainable Development Goals. Through the development of our business operations and also active engagement with the local communities, we aim to ensure that our business practices contribute to long-term economic and social development.

High quality

We are committed to quality in everything we do, and we strive to continuously improve. We are passionate about achieving results that not only satisfy but exceed expectations.

Commitment to leadership

We use our experience, our technology, and our perseverance to be an example for all others in our industry. We are committed to leadership in all our actions.

CORE PRINCIPLES

Health, safety, and security

The health, safety and security of our employees, suppliers and communities are priorities over everything else we do.

Risk management

We strive to identify, evaluate, and manage the risks that may impact our host communities, our employees, our contractors, our business, and the environment.

Respect for our employees

We respect our employees and provide support for their constant improvement.

Continuous involvement

We believe that the one true way to grow as a company is to have our employees grow with us. For this reason, we constantly provide continuous improvement opportunities for all employees.

Education and leadership

We promote leadership among all employees, especially through activities that encourage social responsibility and entrepreneurship.

Respect for the local community

We respect, protect, and promote the human rights, the culture, the traditions, and the values of the local communities where we undertake our activities, and we also give back to our communities through social involvement.

Best practices

We adhere to the best global practices. The principles of the United Nations Global Compact and the OECD guidelines for multinational enterprises guide all our activities.

All principles and rules contained in the Code are of equal importance. The values of KMG International Group, as established by the Business Conduct and Ethics Code, are publicly available on the KMG International website.

Categories of stakeholders addressed by the overall provisions of the Group's Code include customers, employees, collaborators, shareholders, state authorities, and local communities.

SUPPLIER CODE OF CONDUCT

The Group's Supplier Code of Conduct has been developed based on the KMG International Code, with the purpose of ensuring that the Group and all its suppliers are in full compliance with all applicable national and international laws and regulations pertaining to human rights, safe working conditions, promoting fair employment conditions, responsible management of environmental issues and high ethical standards.

The Group expects all potential and current suppliers to share a commitment to the highest level of integrity and ethics in the conduct of business and to assume responsibility for services, products and all data communicated to the Company to support its strong ethical reputation as a trusted partner to its stakeholders.

KMG International applies pre-qualification activity, bidding criteria, and screening criteria consistent with the expectations stipulated in the Business Conduct and Ethics Code. During pre-qualification, the Group assesses potential suppliers against the Supplier Code of Conduct criteria, a process which covers aspects like environmental management systems, labor practices, health and safety policies, and ethical business conduct. All prequalified suppliers receive, review and sign that they respect the ethical principles stated in KMG International Supplier Code of Conduct and assume responsibility for services and products delivered and for all data communicated to the company including that they respect labor practices.

By working with suppliers who uphold our Supplier Code of Conduct, we aim to promote sustainability and responsible business practices throughout our entire supply chain, ultimately benefiting our customers, stakeholders, and our planet.

COMMUNICATION AND TRAINING

The Business Conduct and Ethics Code is communicated to all employees, initially at the moment of hiring, with in induction sessions and after that, on an annual basis, throughout a comprehensive awareness program.

Training on the Business Conduct and Ethics Code is performed through dedicated modules to each targeted group. Also, at the moment of hiring, each employee signs a statement that they comply with the Code.

ADVICE AND GRIEVANCE MECHANISMS

We employ various advice seeking and grievance mechanisms so that every employee, business partner and stakeholder can feel confident in sharing any non-compliance incident, environmental concerns or social injustices with our compliance, internal control and human resources departments. Thus, we encourage our employees and collaborators to report any breaches of the Code of Ethics and Business Conduct and any potential issues or red flags, whether these relate to them, their direct reports, line managers or others. Training on matters to be reported and how to access the reporting mechanisms is performed on a regular basis.

The overall responsibility for seeking advice mechanisms is assigned to HR, Compliance, Internal Control & Forensics and Security Departments. Employees are informed about the mechanisms for seeking advice through internal communication tools: e-mail, intranet, internal magazine. The mechanisms include line manager direct reporting, HR hot line, Compliance Department advice for ethics, and Internal Control & Forensics Department for topics pertaining to conflicts of interests.

Concerns* about unethical or unlawful behavior and matters related to integrity (including impacts on stakeholders' human rights) are reported to the Compliance Department according to the Code's provisions. All concerns are treated in a strictly confidential manner.

The grievance mechanisms processes fall under the responsibility of the Internal Control & Forensics Department and are regulated by a set of principles and rules stipulated in the Group's internal policies and procedures (Whistleblower Policy, Conflict of Interest Procedure, Anti-Bribery and Anti-Corruption Policy).

During the reporting period (January-December 2022) there were no critical concerns that should have been communicated to the highest governance body.

Throughout January – December 2022 the following grievances* were received and investigated:

- 65 cases related to a potential conflict of interest received on the Internal Control Department e-mail address;
- 16 concerns received through the Whistleblower Channel;
- 1 complaint on ethics-related topics received through the other mechanisms for seeking advice;
- 1 case for analysis regarding concerns for a specific KMG business partner, received through other mechanisms for seeking advice.

** Reported concerns of non-compliance with the Code provisions are analyzed and, if confirmed, are reported to the Ethics Commission, which decides on the most appropriate remediation measures to be applied.*

** Usually, community grievances are not addressed to the company directly, but to state authorities, which in turn carry out inspections to follow-up on the complaints and, if the case, apply sanctions. In this case, the grievance is recorded in the company's registry of authority inspections. Community grievances do not fall under the responsibility of the internal Control department.*

The Whistleblower Mechanism is managed by the Internal Control Department

The Whistleblower Policy enables every single employee, supplier, client, or collaborator of KMG International to raise concerns/ complaints in good faith, protected by confidentiality, without fear of retaliation. Concerns/ complaints raised may refer to any transactions or events for which there is a reasonable assumption to be considered in breach of the Law, of the Internal Regulations and/ or of the standards of Integrity or Ethics.

A dedicated channel (external e-mail address) is used to report concerns about unethical or unlawful behavior and matters related to integrity or breaches of our internal policies and regulations, in a strictly confidential manner. The identity of the sender (whistleblower) remains anonymous (if they wish to keep their identity confidential) and the e-mail address is accessed only by the Internal Control & Forensics Department. This mechanism is regulated by internal policies and contains non-retaliation provisions. Information on accessing the mechanism and reporting have been provided to all employees in the company.

This policy and information on accessing the channel has been communicated and applies to all KMG International Group Companies (Subsidiaries) and its employees. Moreover, the channel can be accessed by anyone who wishes to raise a concern in good faith. They can do this by using the following Group websites:

- www.rompetrol.com
- www.rompetrol.ro
- rompetrol-rafinare.kmginternational.com/
- rompetrolwellservices.kmginternational.com/

During the reporting period (January-December 2022) 16 concerns were received through the whistleblower channel. Of these, 15 concerns were addressed by the Internal Control & Forensics Department and investigated according to the Whistleblower Policy provisions and 1 concern was transferred to the Internal Audit Department and investigated according to their specific.

Investigations were finalized for all of these 15 concerns investigated by Internal Control & Forensics Department and the results concluded that 8 raised concerns were not confirmed, 3 raised concerns were confirmed, and 4 raised concerns was partially confirmed.

Other Advice Mechanisms

- Direct Supervisor
- Internal Control & Forensics Department (internal-control@rompetrol.com) - advice for ethics, conflicts of interests' topics and other specific concerns. All aspects are treated in a confidential manner.
- Group Human Resources Department

During the reporting period (January-December 2022) the Internal Control & Forensics Department received one complaint on ethics-related topics and one concern regarding a specific KMG International Group business partner. The ethics complaint was confirmed, and the investigation was closed with specific recommendations. The concern submitted in relation to a Group business partner went through a comprehensive analysis process, according to the principles of our internal regulations.

COMMITMENT TO CUSTOMERS

We place the customer at the center of our business, and we are committed to:

- Cooperate with the public authorities and NGOs for the fulfillment of the customers and the local communities' best interest;
- Enable our customers to make informed decisions using provided data about our goods and services;
- Engage into open and transparent communication practices, including marketing and advertising;
- Ensure our products and services are up to the applicable health and safety standards;
- Provide only sound and scientific data-backed information in our promotional materials;
- Respect our customers' privacy and protect their personal data, in conformity with the local applicable regulations.

Our employees follow the highest behavioral standards in relation with our customers and communicate in a professional and polite manner. They are trained to understand the customers' needs, present them with the best solutions and provide them with the appropriate Company's products and services.

COMMITMENT TO SHAREHOLDERS AND STAKEHOLDERS

We conduct our business in a transparent manner and ensure timely, reliable, and relevant information disclosure. We commit to acting responsibly and to fostering a safe and healthy environment for all our stakeholders.

We ensure reliable financial reporting, effective and efficient operations, as well as compliance with the applicable requirements of internal control and internal audit.

CONFLICT OF INTEREST PROCEDURE

The purpose of the Conflict of Interests Procedure is to define the rules for disclosing and identifying potential conflicts of interests, the measures to be taken in case of a conflict and the instructions for monitoring and reporting these cases.

KMG International Conflict of Interest Procedure sets out to establish and provide our employees and collaborators with the necessary resources to enable them to identify and properly address potential conflict of interest situations that might negatively impact our business (including here bribery and personal gain or gifts to/from third parties) and in doing so act according to our Group's business principles and corporate values. Thus, it is in the best interest of the Company to be aware of and properly manage conflicts of interests and their occurrence.

Each Group employee should play an active role in protecting and building our Group's reputation. Employees and collaborators must be loyal to the Group and avoid situations in which their personal or financial interest may conflict with those of KMG International or with any of its companies.

The Conflict of Interest Procedure is regularly communicated and applies to all Group employees and/or collaborators. All employees and collaborators are responsible for observing the provisions of this Procedure

During the reporting period (January - December 2022) 65 cases were investigated from a conflict-of-interest point of view. Of these, one single case was confirmed to be a conflict of interest. Specific measures were provided and implemented to eliminate the conflict. The rest of the cases analysed did not bring forth any indication of an actual conflict of interest.

We constantly monitor and assess our processes and operational efficiency to make sure we best meet the needs and expectations of all our shareholders and stakeholders. We do not tolerate any unethical behavior across our value chain, we are politically neutral, and we don't engage in any political activities in the countries where we operate.

We comply with the organizational and behavior rules defined by our Code in all our activities, and we request our business partners to meet the same standards that we have set in our operations.

and should disclose to Internal Control Department any cases of potential conflict of interests. Managers at all levels are responsible for ensuring that their employees are aware, understand, and comply with the provisions of this Procedure.

We encourage our employees and collaborators to notify any concerns of possible conflicts of interest – whether these relate to them, their direct reports, line managers, or others. They can report their concerns directly to Internal Control & Forensics Department at internalcontrol@rompetrol.com, or to the whistleblower channel. Employees should also inform their direct supervisor about the existence of a potential conflict of interests. The disclosure sent to the Internal Control & Forensics Department must include a brief description of the potential conflict, date of occurrence, and names of the persons or companies involved. If the employee wishes to keep their identity confidential, they may use the provisions of the Whistleblower Policy to disclose the conflicts of interests that involve other employees or collaborators of the Group using the email: speakup@rompetrol.com.

The Internal Control & Forensics Department within KMG International Group manages and investigates any potential conflict of interest situation and provides specific recommendation for each investigated case.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Our Group takes a zero-tolerance approach to corruption and bribery and implements strict policies for all employees and for all business partners, including suppliers and contractors.

Our Anti-Bribery and Anti-Corruption Policy promotes integrity, accountability, and proper management of the business in an ethical and transparent manner.

The Anti-Bribery and Anti-Corruption Policy is aimed at protecting the Group and its entities' reputation and meeting the legal and regulatory requirements, in order to minimize the risk of bribery and corruption within its business.

The purpose of the Policy is to:

- prevent bribery and corruption risks at Group level
- increase employee's awareness and understanding as regards to bribery and corruption
- promote integrity, accountability, and proper management of the business in an ethical and transparent manner.

There are a number of specific documents applicable to the KMG International Group and its comprising entities detailing the general principles and action to prevent and/or eliminate any bribery and corruption behaviors in relation to all state body representatives, irrespective of their nature (all authorities that KMG International interacts with). These documents include the Anti-Bribery and Anti-Corruption Policy, Internal Regulations ("ROI"), the Business Conduct and Ethics Code, the Conflict of Interest Procedure.

KMG International KYC (Know Your Counterparty) procedure formalizes the due diligence requirements of existing and prospective business partners, including suppliers and contractors. It regulates:

- identification and verification of the identity of business partners, including ultimate beneficial owners, in view of identification of risks or incidents in relation to potential anti-corruption activity and money laundering.
- ongoing monitoring of the established commercial relationships with the business partner including internal guidelines as to the frequency and triggers for ongoing monitoring.
- formal framework for the validation and approval of the business partners based on the risk grade assigned as an outcome of the KYC process.

The Internal Control & Forensics Department has in place 3 internal regulations to prevent the risk of Bribery and Corruption at the level of KMG International Group:

- Anti-Bribery and Anti-Corruption Policy
- Conflict of Interest Procedure
- Whistleblower Policy

KMG International's Anti-Bribery and Anti-Corruption Policy is communicated and applicable to all Group entities, employees, business units and collaborators. Internal Control & Forensics Department will develop an Anti-Bribery and Anti-Corruption training plan and will perform an Anti-Bribery and Anti-Corruption training for all relevant employees. Also, awareness campaigns on ABAC topics will be performed by Internal Control & Forensics Department for all employees.

In 2022, the Internal Control & Forensics Department performed a comprehensive Anti-Bribery and Anti-Corruption Risk and Control Assessment, which addressed several business areas with increased risk exposure in terms of bribery and corruption sensitivities, such as:

- Procurement
- Human Resources
- Government Relations
- Gifts and Representative Events Expenses
- Sale of Manufactured Goods
- Other Activities (divestment process of assets/ business/company)

The assessment included mainly the following activities:

- Interviews with dedicated employees from each specific business area to evaluate the current level of control on Anti-Bribery and Anti-Corruption Risks. During these interviews each business owner / dedicated employee had to fill in a specific Risk and Control Evaluation Form on Anti-Bribery and Anti-Corruption existing controls in their area of expertise
- Analysis of the evaluation results
- Development of an anti-bribery and anti-corruption action plan
- Regular reporting on the risk exposure and status level of implementation of mitigation measures.

Following the Anti-bribery and Anti-Corruption Risk Assessment Project, an action plan was developed for

the Procurement department to see through the implementation in the Ariba Procurement System of a specific control regarding anti-bribery and anti-corruption training materials acknowledgment for all suppliers in the scope of the procurement process. This was put into effect at the end of 2022 and all suppliers within the procurement process scope acknowledge the completion of the Anti-Bribery and Anti-Corruption training materials. The same action plan also includes the update of all Group standard /frame contracts with business partners to be updated to contain anti-bribery and anti-corruption clauses.

In 2023, the Internal Control & Forensics Department will develop an anti-bribery and anti-corruption training plan and will perform training for all relevant employees. Also, awareness campaigns on anti-bribery and anti-corruption topics will be carried out across the Group.

All employees and collaborators are encouraged to raise any concerns to the Internal Control Department or the Compliance Department about any suspicions of bribery or corruption whilst guaranteeing confidentiality of this information. All concerns raised by employees will be investigated and handled in a professional and objective manner.

During the reporting period (January - December 2022) there were no confirmed corruption cases identified upon the completion of internal investigations.



LABOR PRACTICES

KMG International is committed to following all labor laws and regulations and values the well-being of its employees. We are dedicated to creating a work environment in which our employees are treated with dignity, respect, and without discrimination based on race, gender, religion, age, sexual orientation, or any other grounds.

The Group has developed a comprehensive set of labor policies that outline our commitment to ethical and responsible practices, including fair treatment of workers, equal opportunities, and a safe healthy workplace.

NON-DISCRIMINATION AND EQUALITY

The Group does not tolerate any form of discrimination. We forbid the dissemination of any discriminatory material in the workplace, and we do not tolerate any involvement of the Group personnel or collaborators with any kind of discriminatory practices.

We do not tolerate any form of abuse, harassment or discrimination, whether sexual or non-sexual, in any company workplace, towards employees, contractors, suppliers, customers or other stakeholders.

Recruitment of new employees is performed in an open and transparent manner and our employees' selection is made based exclusively on their qualifications, suitability, and performance.

NON-RETALIATION

KMG International recognizes the importance of creating a safe and supportive work environment for all employees, in which they are not afraid of retaliation for speaking up. We are committed to fostering a workplace conducive to open communication regarding the Group's business practices.

Employees who experience retaliation or are aware of such situations are encouraged to report it through our established channels. All reports are investigated promptly and impartially according to our policies and procedures aimed at securing non-retaliation, non-discrimination and confidentiality, which are managed by the Internal Control & Forensics Department.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

At KMG International, we fully acknowledge our employees' legal right to form trade unions and join other third-party organizations without fear of coercion. Also,

we recognize and respect the right of our employees to bargain collectively and upholds the principle of open communication between management and employees.

Of the total number of employees hired within KMG International, 63.15% are covered by the provisions of the collective bargaining agreements applicable at the level of the company they are employed by. For employees within companies not covered by collective bargaining agreements, working conditions and terms of employment are established in line with the applicable labor regulations in force.

During the reporting period we did not identify any operations or suppliers in which the right to exercise freedom of association and collective bargaining was violated or at significant risk.

CHILD LABOR

KMG International aligns its labor policy to the International Labor Organization standards and prohibits any use of child labor in its operations. KMG International has never and will never resort in any way to hiring children or putting them in working relations with our Group.

We do not condone the use of child labor and we demand that our contractors and suppliers contribute to the abolition of child labor

FORCED OR COMPULSORY LABOR

KMG International did not resort to and does not condone the use of forced or compulsory labor within our company. We also enforce this standard on all of our prequalified suppliers.

PREVIEW

Memberships and affiliations

GRI
GRI 2-28
IPECA
GOV-5 A3

ROMANIA

KMG International is actively engaged with some initiatives and organizations, primarily to contribute and also to give the Group access to the associations' expertise in business, technical and industry best practices.

KMGI experts bring their input to advocacy initiatives, as part of the associations where we are members. Through their involvement in the specialized Task Forces/Committees, Working Groups, KMGI contributes to the resilience of the local business communities. The outcome of the constructive debates and discussions between the member companies consists of common positions that are presented to policy makers in Romania and Near Abroad countries (the Republic of Moldova, Georgia, Bulgaria) on issues that are relevant both for the business community and for each country's development.

FIC - THE FOREIGN INVESTORS COUNCIL

Its mission is to promote communication, cooperation and an ongoing dialogue between the member companies and the authorities in Romania, to overcome difficulties and obstacles which may exist in these relations, considering the interests of the international business community in Romania.

AMCHAM ROMANIA - AMERICAN CHAMBER OF COMMERCE IN ROMANIA

The association is firmly committed to facilitating an open dialogue between the business community and central authorities, promoting transparent solutions and priorities for making Romania a better home for businesses and increasing the country's economic competitiveness in the region and at European level.

One of AmCham's preoccupations is to bring a significant contribution to combatting climate change, through the activity of its dedicated Environment Committee. Rompetrol is an active member in this committee, promoting and supporting its own environmental objectives, in line with those of the business community:

- supporting the efforts towards the green and sustainable transformation of the Romanian economy and society;
- promoting a coherent and predictable legal and regulatory framework governing environmental protection and circular economy (ex. waste management, permits, climate change etc.) and addressing key concerns of economic operators;
- supporting the alignment and proper transposition of the EU legislation in Romania - Green Deal package, Fit for 55, New Circular Economy Action Plan & other emerging pieces of legislation with environmental impact.

IAA - INTERNATIONAL ADVERTISING ASSOCIATION

A unique strategic partnership, which defends the common interests of all subjects in the entire spectrum of marketing communications - from advertisers to media companies, agencies and direct marketing firms and individual practitioners.

NRCC - THE NETHERLANDS ROMANIAN CHAMBER OF COMMERCE

The organization supports and promotes the Dutch-Romanian business community. Creates business opportunities within its active community of members, acting as a consultation partner between the business sector and the Romanian Government.

As a member of NRCC, Rompetrol was closely linked to the 1st edition of the Climate Change Summit that took place on October 4th - 5th, 2022 in Bucharest, engaging 800+ offline participants and speakers in conversations about climate change solutions, green economy opportunities and climate action.

The summit discussions were mainly centered on the transition to a green economy, the collaboration between the business environment and authorities in the context of climate change and green financing, as well as the evolution of European environmental directives' implementation.

CRE - ROMANIAN ENERGY CENTER

The general objective of CRE is to promote the participation of member institutions, the Romanian state and private energy companies in the decision process of the European institutions, in the financing programs of the European institutions and to perform the activity of representation in the interest of the Romanian energy sector's institutions.

RAC - ROMANIAN ADVERTISING COUNCIL

RAC is a professional, non-governmental, non-profit and independent organization whose activity consists of self-regulation in advertising, based on the Code of Advertising Practice, prepared by its members. Its purpose is to support the development of an ethical business in Romania by offering a guide to the form and content of correct, honest and decent information delivered to the consumers.

NEAR ABROAD

MOLDOVA

AMCHAM

Its mission is to work with the Moldovan government and business leaders to foster a more favorable business climate in Moldova.

FOREIGN INVESTORS ASSOCIATION

The main mission of the Association is to facilitate the dialogue between relevant decision makers and foreign investors in order to create a sound environment for the foreign direct investment.

ASSOCIATION OF ROMANIAN INVESTORS IN MOLDOVA

Brings together companies with Romanian capital in Moldova and represents a platform for development and attraction of Romanian investments within national economy.

GEORGIA

BUSINESS ASSOCIATION OF GEORGIA

The main function of the organization is to represent members to the government and protect legitimate and objective business interests of the member companies.

KAZAKH-GEORGIAN ECONOMIC UNION

The founders of the Union are business companies and corporations created with Kazakh capital, operating in the Georgian market. The aim of the Union is to deepen investment and trade cooperation, the development of tourism and cultural ties between Georgia and Kazakhstan.

BULGARIA

BULGARIAN PETROLEUM AND GAS ASSOCIATION

Its founders are guided by the desire to pool their potential in order to protect the interests of distributors, producers and retailers of petroleum and gas products, develop petroleum and gas trade and industry in Bulgaria by reaffirming the equal status of economic subjects and fair competition.



BUILDING A NEW FRAME OF REFERENCE

APPROACH

Tax transparency
Mapping our Sustainable Development Goals
Taxonomy analysis



Tax transparency

Our goal as a responsible corporate player is to ensure that tax can positively contribute towards socio-economic cohesion, environmental value, and long-term prosperity. Our company operates in a complex legal environment and is subject to various tax obligations due to its business activities. It is our responsibility to ensure compliance with tax legislation in all countries in which we operate and to be transparent.

As we believe transparency, including on tax related matters, is key to sustainable development, we regularly report on our progress according to the GRI Tax Standard - GRI 207: Tax, the first and only global standard for public, country-by-country reporting on tax, alongside tax strategy and governance.

To this end, we have a comprehensive tax approach that clearly defines responsibilities, processes and controls. Legal and regulatory specialists are constantly involved in monitoring and reviewing our tax practices to provide reasonable assurance that the Group meets all relevant laws and legal obligations, to actively monitor proposed changes in legislation, and to ensure these are considered into future business plans.

APPROACH TO TAX

Our approach to tax, as detailed within the Group's Tax Policy, is aimed at maximizing shareholder value in relation to the tax impact of our activity, while respecting all applicable laws and regulations in each country where KMG International operates. Our Tax Strategy represents the framework for all tax-relevant processes, methods and structures within the Group. The policy is applied by the tax function within the Group, considering aspects like due care to group values, maintaining corporate reputation as well as a correct relationship with tax authorities and governments.

We understand that tax is embedded in almost every aspect of commercial operations, and therefore we act as a responsible taxpayer with respect to the following objectives:

- compliance with applicable laws and regulations
- transparent and proactive interactions with the tax authorities
- accurate and complete tax reporting; and
- taking the most tax-suitable approach where alternative routes exist to achieve the same commercial result.

The Group's Tax Policy was developed by the Group's Tax Director and approved by KMG's Chief Executive Officer. It is reviewed whenever there is a decision to change the structures through which the tax strategy is implemented. While the Policy is not publicly available, it can be accessed by all Group employees on the KMG International intranet.

Through its approach to tax, KMG ensures that each of its subsidiaries acts as a good taxpayer in its own jurisdiction, in compliance with all specific legislation and internal regulations on tax matters while pursuing their business goals.

To ensure tax regulatory compliance, the Group has set certain policies that meet regulatory requirements, such as the Group's Transfer Pricing Policy, for example. This was designed to ensure an appropriate transfer pricing compliance in all jurisdictions where KMG International Group has a presence. Other internal regulations were also formalized to provide a consistent fiscal treatment of operations/transactions carried out by the Group, in accordance with tax legislation. Moreover, a proactive interaction with tax authorities resulted in Group en-

GRI

GRI 207-1
GRI 207-2
GRI 207-3

tities obtaining several Advanced Pricing Agreements negotiated with the Romanian tax authority for the main intercompany transactions, thus effectively reducing the risk of disputes over the application or interpretation of the law in relation to transfer pricing.

Other measures taken to ensure regulatory compliance include constant monitoring of changes in the relevant tax law and practice, regular training sessions organized either internally or externally to provide relevant employees with the latest developments in tax law, as well as active participation in public consultations on newly proposed or revised regulatory tax framework via business associations.

ROLES AND RESPONSIBILITIES

In KMG, a centralized function – the Corporate Tax Department, led by the Group Tax Director, has the primary role and responsibility in the monitoring and coordination of the tax function at Group level. More specifically, the Corporate Tax Department develops rules and regulations, and provides guidance and consultancy to all Group departments and subsidiaries on fiscal matters, to mitigate the occurrence of financial and reputational risks due to noncompliance with the fiscal regulatory requirements.

A clear set of roles and responsibilities is provided within the Tax Policy to all tax professionals, chief accountants, CFOs and other employees dealing with tax issues at KMG International.

A service center is in charge with timely filing tax returns for the main Romanian entities. Tasks like regular monitoring of tax returns' accuracy and positions regarding the material transactions of each subsidiary, or annual drafting of the transfer pricing documentation rest with the centralized tax function.

Other projects related to tax compliance or tax matters (e.g., implementation of tax cash registers or SAF-T reporting, obtaining APAs) are designed and carried out by multidisciplinary teams, as they require significant efforts.

The tax function must timely inform the Risk Management Department with respect to any emerging tax risks and/or results of tax audits' risk. According to internal regulations and procedures, tax risk reports are developed quarterly and submitted to the risk management function to be included in the Risk Register, in accordance with the KMG Corporate Risk Management System.

STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERNS RELATED TO TAX

KMG International has standard policies, procedures and methodologies to identify, manage and monitor all risk categories, including tax risks. A quarterly identification, update and monitoring process is performed as a joint effort of risk owners (tax departments and entities) and the Risk Management Department. Generic risks like changes in tax legislation, misinterpretation of tax legislation, failure to comply with tax legislation etc. and their particularities are monitored on a regular basis and measures are taken in case consistent risk exposures are identified.

We engage with stakeholders and cooperate with local market authorities to support effective tax systems, honoring our commitment to be a responsible taxpayer. We also participate in professional and industry associations, like the American Chamber of Commerce and Foreign Investor Council in Romania, or other relevant business associations near abroad, contributing to their public positions on tax matters locally.

In Romania, the main Group companies are included in the list of major taxpayers and subject to tax monitoring in accordance with the law. In this respect, KMG sought APAs for its main intercompany transactions, having received approval from tax authorities during 2022.

While we have no specific mechanisms addressing tax concerns, all parties interested in raising concerns about the organization's business conduct and the organization's integrity in relation to tax can do so by using our whistleblowing mechanism.

Mapping our sustainable development risks

Managing risks in a structured and integrated way is key to creating value for all stakeholders inside and outside the organization, to prevent unwanted losses and to build a sustainable and resilient business. By establishing, implementing, and maintaining an active risk management process, we can drive a practical response to internal and external issues and environmental changes, we can conduct an accurate impact analysis and risk assessment, and we can improve our capability to respond to relevant challenges effectively and flexibly.

Given the specifics of our activity, KMG International Group is exposed naturally to a high variety of risks, by operating in a highly volatile and extremely complex and dynamic industry. In response to the increasing volatility of the past few years, as emphasized by the COVID-19 pandemic and the war in Ukraine, the Group has implemented a diligent Corporate Risk Management System (CRMS).

RISK MANAGEMENT PROCESS

Risk management processes within KMG International are executed according to standard methodological approaches, in all structural units and at all managerial levels. Furthermore, they are conducted constantly to ensure full coverage and quick response.

All the areas and activities of the Group and all types of corresponding emerging risks are covered (from environmental, safety and operational risks to financial or legal and compliance risks), control procedures being implemented across all business processes.

The risk management system is assessed and improved on a regular basis in order to identify all potential business risks and to maximize the use of available risk management measures and monitoring techniques.

In 2022, all risk management policies and procedures were reviewed and updated. Furthermore, the Group started building a risk management framework for climate risk, an initiative that is currently ongoing and subject to further development.

The Corporate Risk Management System is implemented through seven interrelated processes that are integrated into the Group's overall business activities:

- setting objectives and understanding the risks that might impact Key Performance Indicators
- risk/risk factor identification
- risk/risk factor assessment and analysis
- establishing risk mitigation measures
- risk monitoring and reporting
- information and communication
- building risk awareness and a strong risk culture.

Risk management measures consist of risk transfer (including hedging strategies or insurance policies), risk mitigation and control, risk retention or, if possible, risk avoidance, trying to reach the optimal level of risk suitable to the company.

Risk factors' mitigation and control are performed by observing requirements in terms of quality, environment, health and safety, energy conservation, efficiency. The most important objective of the risk management activities is to protect the Company's financials and to maintain a strong stability of the Group.

ROLES AND RESPONSIBILITIES

The organizational structure defines clear responsibilities in relation to risk management, starting with the Board of Directors, Executive and Middle Management and expanding to employees. In order to maximize results, Group management at all levels actively participates in the risk management activities and supports the improvement of the processes within the KMG International Group, along with the implementation of cost-effective mitigation measures.

Risk Management and Insurance activities are centrally managed by the Risk Management Department, which is in charge of defining and implementing consistent and unified risk management standards, tools, and techniques across the Group. Also, the department is

GRI

GRI 201-2
GRI 205-1
GRI 207-2
GRI 403-2
GRI 11.21.5
GRI 11.9.4

IPIECA

GOV-1 C3
GOV-2 C2
CCE-1 A3
CCE-2 C1 & C2
SHS-7 C3, A2

responsible for ensuring the monitoring of systematic risk exposure and providing regular risk reporting at all levels of authority, as well as developing mitigation strategies for financial risks.

The Board of Directors has processes in place to assess the key risks the company is exposed to, monitor the company's risk mitigation system, and review the effectiveness of that system. Risk Reports are annually reviewed and approved by the Board of Directors. Also, big risk exposures are approved at Board level according to the matrix of authority.

The governance structure of the Group also includes a Risk Management Committee, chaired by KMG International Group's Chief Financial and Risk Management Officer with senior management members covering all key functional areas and ensuring an oversight of all key risk exposures across the Group.

From the organizational perspective, KMG International operates under the three lines of defense model:

- **1st** - Operational managers are responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis.
- **2nd** - Risk Management and Internal Control functions establish the internal control and risk management standards and methodologies, coordinate, monitor and consolidate the information, support and challenge the first line-of-defense in the process of risk identification, evaluation, and mitigation.
- **3rd** - Internal Audit provides independent assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives.

KMG INTERNATIONAL GROUP RISK PROFILE

The Risk Profile of KMG International Group includes production and non-production risks classified and analyzed at various levels of granularity. Our framework of analysis is focused on analyzing the residual (net) exposure of these risks and of their multiple interconnections. A robust Enterprise Risk Management process secures the Group's long-term sustainability and decreases the uncertainty over its strategic objectives and financial targets:

Market and Financial Risks including mainly risks related to the adverse evolution of the exchange rate, interest rate, prices of commodities, credit, liquidity, capital, and financial stability

Safety and Operational Risks including mainly risks related to internal processes, production and non-production assets, IT systems and Information Security, environment, industrial health and safety, people, physical security, compliance with legislation, crisis management and business continuity, internal & external fraud, bribery & corruption

Strategic Risks including political & country risks, macroeconomic environment trends, cooperation with strategic partners, PR & Goodwill, risk related to brands & reputation, strategic investment projects, competition of alternative energy and climate change risks (and the transition to a lower carbon economy), high-priority preoccupations for the Group

ANALYSIS OF MAJOR RISKS MARKET RISKS

Our financial performance is impacted by the fluctuating prices of oil, gas and refined products, technological changes, exchange rate fluctuations, and the general macroeconomic outlook. Oil, gas, and product prices are subject to international supply and demand and margins can be volatile. Political developments, increased supply from new oil and gas sources, technological changes, global economic conditions, and OPEC influence can impact supply and demand and, implicitly, the prices of our products.

A. COMMODITY PRICE RISK

The Group is affected by the volatility of crude oil and oil products' prices, along with refinery margins. The commodity price risk is considered to have a high potential impact on the overall results of KMG International. Its operating activities require ongoing purchases of crude oil, to be used in production activities as well as supplies to its clients.

To protect the Group against the volatility of oil prices, a hedging program for Rompetrol Rafinare has been implemented since 2011. The current strategy is under review. According to the hedge policy, on the commodity side, the flat price risk for priced inventories above a certain threshold (base operating stock for Rompetrol Rafinare) is hedged using Futures contracts traded on

the ICE Exchange and/or some OTC instruments. The base operating stock is the equivalent of priced stocks that are held at any moment in time by the Group. Hence, price fluctuations would not affect the cash-flow.

The retail activity of the Group is also exposed to the commodity price risk due to the timing between acquisitions from Rompetrol Rafinare and further sales to final clients. Retail stocks are also hedged above a certain threshold, considered "benchmark stock" (dynamic quantity left unhedged which is able to secure normal operational activity for a certain period). The Retail entities performing hedge operations are Rompetrol Downstream, Rompetrol Georgia and Rompetrol Moldova. The derivative instruments used are also Futures contracts, traded on the ICE Exchange.

At Group level, the net impact of the commodity hedges was positive, +84.1 million USD in 2022, mainly driven by the Urals-Dated Brent differential transactions (+78.3mil USD). The Russian invasion of Ukraine on the 24th of February 2022 led to an unprecedented collapse of the Urals differential to -34\$/bbl., triggered by the drop in demand for Russian crude oil. The Group succeed to close 75% of the Urals differential hedge positions on the 18th of March 2022 at -5.9\$/bbl. After that, the Refinery managed to buy heavy crude oil at better discounts, between -15 and -25\$/bbl., resulting in a higher gain on the Physical side vs. Paper loss from hedging transactions. The hedge program for 2022 included inventory hedge until March 2022, refinery margin hedge for 860KT, and 14.15mil bbl. Urals-Dated Brent differential hedge.

The Refining activity of the Group is exposed to the increase of the EUA certificates' prices. Rompetrol Rafinare CO2 emissions are offset with EUA certificates. As a mitigation measure, the Financial Risk Management Department is monitoring the EUA market in order to hedge the Refinery's EUA deficit for the first part of phase IV (2021-2025). When the market price is within the Group's target level of the Group, the hedge will be concluded.

B. INTEREST RATE RISK

Interest rate price risk is when the value of a financial instrument fluctuates due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is when the interest cost fluctuates over time. The Group has long-term debt and short-term debt that incur interest at mainly variable interest rates. That exposes the Group to both fair value and cash flow risk. Interest rate risk is considered to have a low potential impact on overall Group results.

C. FOREIGN CURRENCY RISK

The Group's functional currency is United States Dollar ("US Dollars"). Crude oil imports and a significant part of petroleum products are all denominated principally in US Dollars, therefore limited foreign currency exposure arises in this context. However, certain assets and liabilities are denominated in foreign currencies, which are retranslated at the prevailing exchange rate at each balance sheet date. The resulting differences are charged or credited to the income statement but do not affect cash flows. Group Treasury is responsible for handling the Group foreign currency transactions and together with the Risk Management department, they operate a natural hedge process (i.e., active management of credit, cash etc.). Foreign currency risk is considered to have a medium size potential impact on overall Group results.

FINANCIAL RISKS

Supply and demand and the prices achieved for our products can be affected by a wide range of factors including political developments, global economic conditions, and the influence of OPEC, which can also impact credit worthiness and collection processes.

A. CREDIT RISK

Credit Risk is the potential loss that may occur due to the failure of customers to meet the contractual payment obligation. The nature of KMGI activity exposes the Group to a significant amount of credit risk, consequently a diligent approach has been implemented, implying existence of adequate controls over credit risk (credit granting, securities and collection processes) and application of a strong credit risk monitoring process. The purpose was to ensure that the Group is not exposed to excessive credit risk arising from credit exposures with customer accounts receivables and measures were taken immediately to protect the Group's financial strength. Given that 2022 brought on even more economic challenges, additional measures and monitoring activities were implemented, credit limits were reviewed or decreased, and additional guarantees were requested. At the end of 2022, the overdue amounts were marginally decreased.

B. LIQUIDITY RISK

Pressure was put on liquidity in early 2022 due to the war in Ukraine, which determined adverse market movements with negative impact on the Group's liquidity but proper cash management measures were imple-

mented both in the operational and financial areas. The liquidity risk is mainly managed through financial processes, cash-flow projections, and stress tests, maintaining a sufficient cash buffer, regular reviews of market conditions and our planning and investment processes.

C. CAPITAL AND FINANCIAL STABILITY RISK

The Group manages its capital to ensure that entities in the Group will be able to continue operating while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of shareholders loans, bank debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. Capital risk is considered to have a medium size potential impact. Financial stability is monitored through a number of relevant indicators and measures are taken in advance in order to ensure that these financial stability indicators remain within predetermined limits.

D. INVESTMENT PROJECTS RISK

Failure to invest in the best opportunities or deliver major projects successfully could adversely affect our financial performance. That's why it is central to our activity to closely monitor the performance of investment projects.

SAFETY AND OPERATIONAL RISKS

The nature of the Group's activities exposes us and the communities in which we work to an extensive variety of significant safety and operational risks that could negatively impact people, our communities, the environment or Group assets.

A. INDUSTRIAL HEALTH, SAFETY AND ENVIRONMENTAL (HSE) RISKS

Equipment failure or breaches in technical integrity, natural disasters, extreme or bad weather, human error and other adverse events could lead to accidental pollution, as well as fires, explosions or other personnel and process safety incidents in our operating facilities. The materialization of this type of risks could have a significant adverse effect on our earnings, cash flows and financial condition.

The Group created Risk Management System to provide the right tools to strictly monitor and manage safety and operational risks to achieve the desired performance. Our integrated system establishes clear rules and principles which govern key risk management ac-

tivities such as inspections, maintenance, testing and trainings, business continuity and crisis response planning. Security risks affecting our people and operations are also kept under close monitoring by specialized departments.

This risk is treated as a high priority by the Group, given the nature of our activity. Thus, the constantly assesses and strengthens its safety and security policies and protocols.

Environmental risks are also strictly monitored, and a special emphasis is placed on environment protection activities. Ensuring compliance with environmental obligations puts a lot of pressure on the Group's risk profile. In order to mitigate this risk, the Group a large share of the Group's investments addresses this risk, to ensure the integrity of our technical equipment and compliance with environmental regulation, as well as to facilitate the implementation of complex projects aimed at reducing climate change.

B. IT INFRASTRUCTURE AND CYBERSECURITY RISKS

The progress made toward digitalization certainly brings great benefits, however as the use of new technologies and their capabilities increase, so do the risks derived from the exposure in cyberspace, the reliance on the systems deployed and the information generated by the Group. The risks are not only technical but also business related and may lead to operational disruptions, fraud or theft of sensitive information.

We are heavily dependent on our information technology systems, including our network infrastructure, for the safe and effective operation of our business. We rely on such systems to process, transmit and store electronic information, including financial records and personally identifiable information and to manage or support a variety of business processes, including our supply chain, pipeline operations, gathering and processing operations, retail sales, financial transactions, banking and numerous other processes and transactions.

Any interruption or failure of any information technology system, including an interruption or failure due to a cybersecurity breach, could have an adverse effect on our business, financial condition, results of operations and cash flows.

The oil & gas industry is subject to fast-evolving risks from cyberattacks. A breach or failure of our digital infrastructure – including control systems – due to breaches of our cyber defenses, carelessness, intentional misbe-

havior, or other reasons, could interrupt our processes. The effect could be the loss or misuse of data or sensitive information, injury to people, disruption to our business, harm to the environment or our assets, legal or regulatory breaches and legal liability. These could result in substantial expenses including the cost of remediation or reputational consequences.

In 2022, KMG International Group was the subject of a cyberattack which unfortunately had negative effects on our activity. Nevertheless, following this incident, the Group's cyber security capabilities were strengthened. Our cyber security activity is supervised in order to ensure the protection of the confidentiality, integrity and availability of data. Also, the Group continuously educates its employees and partners about cyber security risks and supports them to act in a responsible way.

C. SUPPLY CHAIN & LOGISTICS RISKS

Our business is dependent on the timely supply, efficient production, and effective product distribution to customers. This risk is considered as having a medium impact on the overall Group activities. To mitigate this risk, specific measures have been implemented to

- secure alternative supplies at short notice with limited financial impact, widening the Group's ability to efficiently use variable production recipes and efficiently manage the relations with key logistics suppliers and
- to increase the ability to intervene directly to support the logistics process should any of the designated suppliers fail to deliver on time.

A rolling investment budget has been allocated to aid supply chain and logistics process with constant funding of storage, measurement and transportation facilities' maintenance and improvement.

The invasion of Ukraine, the escalation of international sanctions and the war-imposed Black Sea transport risks took a heavy toll on the crude supply, but the company managed to secure alternative crude oil grades in order to ensure continuity of refinery operations, despite negative impact in margins.

D. LEGAL AND REGULATORY COMPLIANCE RISKS

There is increased pressure to comply with various global, European, or local norms and regulations on various matters like data protection and security, sustainability standards, environmental compliance, etc. The Group is committed to ensure compliance with laws and regula-

tions in areas such as product quality, product claims, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment, and taxes. The Group has been taking all measures, developed dedicated projects and systems, and invested significant capital to ensure it stays fully compliant with all applicable requirements.

Teams of technicians at Group or local levels are responsible for setting detailed internal regulations and ensuring that all employees are aware of and comply with the laws specific and relevant to their roles. Group practices are constantly monitored and reviewed to ensure full compliance with applicable regulations throughout our value chain.

The Group has zero tolerance to fraud, bribery and corruption acts or dealing with counterparties on International Sanctions lists. We have implemented strong controls in order to ensure that such risks do not materialize, controls that are reviewed and updated annually. In the geopolitical context generated by Russia's invasion of Ukraine controls were strengthened and constant monitoring of international sanctions and developments was performed.

In 2022, the Group identified the processes more exposed to the risk of Bribery and Corruption and made an evaluation of current controls - design and effectiveness and residual risk exposure. HR, Procurement, Government Relations, Gifts, Sponsorship, selling of goods and selling of assets processes were assessed and related risks or potential corruption schemes were identified and evaluated. No material risks were identified due to the Group's efficient controls implemented throughout its operations. However, training and communication campaigns will continue to raise awareness of this type of risks. A Bribery & Corruption Risk register is in place and is updated annually.

E. CUSTOMER RELATIONS RISKS

Customer relations are an important part of any business and risks arising thereof could have a medium potential impact on the overall Group results.

The Group is committed to building and maintaining outstanding commercial relationships across a broad spectrum of distribution channels in a wide range of geographical locations. Customer relations can affect the Group's ability to obtain better pricing and a competitive commercial advantage. Failure to excel in building strong customer relations or to deliver on commitments could negatively impact the financial position and the Group's brand.

KMGI management constantly identifies changing market trends and builds relations with new customers, such as those more technology oriented. Investments in technology were carried out during the reporting period to optimize ordering, controlling and stock management processes, to ensure effectiveness of internal processes and better controls.

The Group focuses on creating a flexible business model that allows the fast adaptation of products and its channel portfolio to meet the consumers' changing needs during economic fluctuations.

In 2022, the Group continued its network expansion, even though macroeconomic evolutions impacted the speed of new stations' opening.

STRATEGIC RISKS

KMGI Group operates internationally and is exposed to a wide range of external economic and political risks that may affect the execution of its strategy or the running of its operations. Strategic risk factors are extremely diverse, thus, both the internal and the external ecosystems of the Group are constantly and consistently monitored to capture significant evolutions that might impact the achievement of our objectives.

The valuable expertise the Group has gained over many years of exposure to different markets have contributed to efficiently operating and developing the business successfully during periods of economic, political or social instability.

National or international political instability, often changes in the regulatory framework or tax regimes, international sanctions, strikes or civil conflicts, expropriation or nationalization of property, these are all potential risks which can have an impact on the continuity of our operations or slow down our development initiatives (could lead to decrease in production, limit our ability to pursue new opportunities, affect our assets, incur additional costs, particularly due to the long-term nature of many of our projects and significant CAPEX required). Trade restrictions and other sanctions could also adversely impact our income and investments.

A. COUNTRY RISK

The country risk is always assessed, according to internal regulations, whenever there is intention to diversify operations in other countries as well as in relation to other aspects like receivables or strategic partners'

monitoring. Cooperation with strategic partners is under strict observance due to a number of captivity and dependence of various service providers. Therefore, in order to mitigate this risk, the Group is actively looking for diversification alternatives.

B. MACROECONOMIC ENVIRONMENT RISK

The major alteration of the geopolitical balance in the region and the subsequent economic distress determined by the war in Ukraine represented a significant risk for the Group operations, with multiple implications and major negative impact on the global economy and our business. Some of these ramifications included: economic crisis, increased inflation and interest rates, consumption reduction, potential deterioration of credit risk and limited access to financing lines, energy crisis and further increase of utilities prices, social riot that can lead to business disruptions. International sanctions and embargo on crude oil supply were also strategic risks considered by the Group, due to their potential to disrupt the Refinery's oil supply.

To mitigate such risks, regular updates are made to the forecast of business results and cash flows and, where necessary, investment priorities are rebalanced.

C. CLIMATE CHANGE RISK

Global focus on climate change has created a very dynamic and volatile risk environment as a result of actions of various actors at global, local, or business level. The oil & gas industry is facing new challenges as the world transitions to a low-carbon economy. The world is undergoing rapid changes as the sustainability and, primarily, the climate agenda come into force. In this context, the change is expected to bring both threats and additional opportunities, as the world needs to reduce greenhouse emissions while continuing sustainable economic growth.

As a result of our clients' changing behavior towards reducing emissions, we might expect a decline in demand and a negative impact in fossil fuel prices with a potential negative effect on our earnings or future investment. Physical effects of climate change might also affect our operations.

Climate risk can negatively impact financial balance sheets and lead to losses. In 2022, the Group expanded its risk management strategy to include a dedicated Climate Risk Management Framework, aimed at providing a consistent basis for identification, assessment, mitigation and reporting of climate related impacts across the entire organization.

ROLES & RESPONSIBILITIES

A proper management, like for any other type of risks, starts with the right structures and the staff to monitor these risks. Successful risk governance starts at the highest level, with the Group's Board of Directors (BoD) and senior executives.

- **Board of Directors** – is responsible with oversight, periodic review of climate risk framework and decisions on strategic directions
- **Risk Owners (GM's, Heads of Functions and Chief Officers)** – are responsible with risk identification, evaluation, monitoring and implementation of risk management plans, according to CRMS Policy and Three lines of defense Policy
- **ERM Department** – is responsible with the definition of appropriate policies for climate risk management and for offering methodological support in this process
- **Sustainability & CSR Department** – is responsible for coordinating the implementation of ESG disclosures and sustainability requirements at Group level, including climate change, ensuring that ESG factors are disclosed in a clear, transparent and comparable way in line with reporting standards' requirements
- **QHSE Department** – is responsible for coordinating the implementation of HSE legal and organization requirements at Group level

CLIMATE RISK MANAGEMENT PROCESS

According to the COSO ERM framework implemented within KMG International's CRMS Policy, monitoring performance for ESG and climate risks includes the following steps:

1. Risk identification

Risk identification starts with examining how the climate risk drivers are translated into financial risks and then identifying which of these are the most relevant for our organization.

2. Risk Assessment and prioritization

After listing all risks it is important to articulate the potential impact on business operations and strategy. For physical risk, data is available from external providers or publicly available sources (maps of temperatures or sea levels rise for example). Internal risk assessment will be required to assess the adaptive capacity and vulnerability of our facilities and assets. Risk prioritization

involves ranking the risks in order of their importance to allow proper decision making and capital allocation. The following aspects are considered in the prioritization process:

- **Establishing the probability of occurrence;**
- **Determining the severity** – the methods involve determining the outcomes of the identified risks, whether it affects business fundamentals (profits, revenues, asset value) or other elements like people morale or land use;
- **Determining the level of control** – manageable/ unmanageable and focusing on the risks it can actually control.

3. Implementation of risk response (risk management plan)

The standard approaches are transfer, acceptance, reduction and avoidance (TARA). Transfer strategies in the context of climate risk refer to sharing risk strategies and collaboration with insurance companies, suppliers, regulators, professional association and even with competitors. Acceptance means accepting that climate risk will have an impact but taking no action or to continue and convert risks into opportunities. Reduction means improvements in processes, systems, strategies and controls, and development of contingency planning. Avoidance refers to removing the risk completely by not entering a certain activity.

4. Risk review

It is usually performed by Internal Audit reviews over the performance of risk management and internal control processes.

5. Communication, reporting and disclosure

This step represents an integral part of a successful risk management process. It is valuable for all internal and external stakeholders to be informed about the evolutions of our risk management system, especially with this new type of risk materializing. The entire TCFD framework is based on disclosure, which helps spread knowledge and expertise.

During the reporting period, an initial assessment of the risks and opportunities, and the financial implications was performed prior to developing the Group's Decarbonization Strategy. However, the Climate Risk Management Framework is still in development, following a multi-staged approach to comprise the full complexity of the topic.



Taxonomy analysis

INTRODUCTION

The information in this section complies with the simplified reporting requirements set out in Article 8 of the EU Taxonomy Regulation and Art. 10 para. (2) of the Delegated Act on the application of Article 8 (Commission Delegated Regulation (EU) 2021/2178).

This section provides an overview of the aligned, eligible and non-eligible economic activities carried out within KMG International during the reporting period January 1, 2022 – December 31, 2022.

Thus, the KMG International NV entities in scope and the core activities identified for each of them are presented below:

Rompetrol Rafinare SA carries out petroleum and petrochemical production operations in the following units:

- Petromidia Refinery (gasoline, diesel, jet), together with the Petrochemical Plant (HDPE, LDPE, PP)
- Vega Refinery (n-hexane, bitumen, solvents, heating fuels, additives)

Rompetrol Downstream SRL, part of the Rompetrol Retail business unit, carries out its retail activity in distribution points (gas stations) located throughout Romania and the 6 depots in Arad, Craiova, Șimleu Silvaniei, Vatra Dornei and Zărnești.

Rompetrol Well Services SA offers a wide range of specialized services for crude oil and natural gas wells, including: cementing, consolidation and packing operations, stimulation, testing, instrumentation, well casing operations.

Rominserv SRL offers industrial maintenance services, industrial project management and technical and technological development services.

Rompetrol Energy SA realizes the production and distribution of thermal energy, demineralized water and electricity distribution.

ARTICLE 8 TAXONOMY REGULATION

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy and is an important step towards achieving carbon neutrality by 2050, in line with EU targets, as the Taxonomy is a classification system for sustainable economic activities.

In the following section, KMGi, as a non-financial enterprise, presents the share of turnover, capital expenditure (CAPEX) and operational expenditure (OPEX) for the reporting period 2022, which are associated with the eligible and taxonomy-aligned economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with the (EU) Taxonomy Regulation 2020/852 and subsequent delegated acts.

OVERVIEW

Proportion of eligible, aligned, and non-eligible economic activities from the Taxonomy perspective for each NFRD entity (by turnover, CAPEX and OPEX)

Rompetrol Rafinare SA	Total RON	Total USD	Proportion of economic activities Taxonomy -eligible but not -aligned	Proportion of economic activities Taxonomy -aligned	Proportion of economic activities Taxonomy -non-eligible
Turnover	23,026,777,606	4,909,760,684	0.18%	0.11%	99.71%
CAPEX	263,204,741	56,120,414	3.64%	11.65%	84.71%
OPEX	755,440,476	161,074,728	10.03%	6.31%	83.66%

Rompetrol Well Services SA	Total RON	Total USD	Proportion of economic activities Taxonomy -eligible but not -aligned	Proportion of economic activities Taxonomy -aligned	Proportion of economic activities Taxonomy -non-eligible
Turnover	52,768,046	11,254,782	0%	0%	100%
CAPEX	17,263,649	3,682,126	1.16%	78.94%	19.90%
OPEX	53,825,975	11,480,425	0%	0.01%	99.99%

Rompetrol Downstream SRL	Total RON	Total USD	Proportion of economic activities Taxonomy -eligible but not -aligned	Proportion of economic activities Taxonomy -aligned	Proportion of economic activities Taxonomy -non-eligible
Turnover	16,572,205,378	3,534,649,755	0%	0%	100%
CAPEX	96,349,061	20,550,082	17.51%	4.16%	78.33%
OPEX	454,919,647	97,028,825	7.38%	0%	92.62%

Rominserv SRL	Total RON	Total USD	Proportion of economic activities Taxonomy -eligible but not -aligned	Proportion of economic activities Taxonomy -aligned	Proportion of economic activities Taxonomy -non-eligible
Turnover	97,353,286	20,764,271	0%	0%	100%
CAPEX	301,045	64,209	0%	0%	100%
OPEX	94,007,313	20,050,616	0%	0%	100%

Rompetrol Energy SA	Total RON	Total USD	Proportion of economic activities Taxonomy -eligible but not -aligned	Proportion of economic activities Taxonomy -aligned	Proportion of economic activities Taxonomy -non-eligible
Turnover	314,850,521	67,200.00	0%	0%	100%
CAPEX	316,400,696	67,500,000	99.6%	*99.6%	0.4%
OPEX	328,274,515	70,000,000	0%	0%	100%

* Natural gas activities will be reported for the period January 1, 2023 - December 31, 2023. Thus, for the eligible activities 4.30 related to Rompetrol Energy and 4.31 related to Rompetrol Rafinare, the specific analyses of the technical examination criteria for alignment with the taxonomy have not been carried out and will be performed for the next reporting year.

We examined the economic activities relevant to the Taxonomy based on the activities carried out by the KMG International entities and identified those eligible activities under Annexes I and II of the Climate Supplementary Delegated Act. The following section indicates which environmental objective these activities are eligible for and the results of the alignment assessment.

OUR ACTIVITIES

KMGI's activities are mainly focused on the refining, retail, marketing and trading sectors, with additional operations in the exploration and production sector and in the area of industrial oil services for third parties (well services, industrial services, drilling, etc.). At the same time, KMGI also offers management consulting and business consulting services, as a supporting component of its other operations.

Rompetrol Rafinare SA

The company has more than 40 years of experience in the field of petroleum products manufacturing, its history starting in 1979, when its first unit, the AD unit (atmospheric distillation unit), was put into operation.

In December 2022, Rompetrol Rafinare SA had 5 directly controlled subsidiaries and 2 indirectly controlled subsidiaries in Romania and 2 (two) working points, Petromidia Refinery and Vega Refinery, located in Năvodari, Constanța County and Ploiești, Prahova County.

The main activity of the company is the activity related to the CAEN code 1920 - Manufacture of refined petroleum products - this activity is not eligible for the Taxonomy.

Secondary activities carried out, eligible and contributing to turnover. These activities are eligible for taxonomy:

activity 3.10. Manufacture of hydrogen

activity 3.14. Manufacture of organic basic chemicals

activity 4.9. Transmission and distribution of electricity

activity 4.15. District heating/cooling distribution

activity 4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system

activity 5.1. Construction, extension and operation of water collection, treatment, and supply systems

activity 5.3. Construction, extension, and operation of waste water collection and treatment

activity 6.2. Freight rail transport

The main and secondary activities are carried out at Rompetrol Rafinare's two work sites.

Rompetrol Downstream SRL

Part of the Rompetrol Retail business unit, Rompetrol Downstream (DWS) operates according to the Integrated Management System, being certified for ISO 22000 and ISO 50001 and ISO 9001, ISO 14001, ISO 45001 standards.

At the end of 2022, Rompetrol Downstream will carry out its retail activity in gas stations distributed throughout Romania and the 6 fuel depots in Arad, Craiova, Șimleu Silvaniei, Vatra Dornei and Zărnești.

The main activity of the company consists in Retail sale of automotive fuel in specialised stores according to CAEN code 4730. This activity is not eligible for Taxonomy.

Secondary activities of Rompetrol Downstream were analyzed and identified to be eligible, namely:

activity 4.1. Electricity generation using solar photovoltaic technology

activity 5.5. Collection and transport of non-hazardous waste in source segregated fractions

activity 6.14. Infrastructure for rail transport

activity 7.1. Construction of new buildings

activity 7.2. Renovation of existing buildings

activity 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

activity 8.1. Data processing, hosting and related activities

Secondary eligible activities are carried out in the distribution points (gas stations) of Rompetrol Downstream, located throughout the country. These activities are eligible for taxonomy.

Rompetrol Well Services SA

Rompetrol Well Services SA is a joint-stock company part of the KMG International NV Group, which was established and operates in accordance with Romanian laws, with headquarters in Ploiești, Prahova county. Rompetrol Well Services SA provides a wide range of specialized services for crude oil and natural gas wells, including: cementing, consolidation and packing operations, stimulation, testing, instrumentation, well casing operations, equipment rental.

The main activity of the company consists of Support activities for petroleum and natural gas extraction according to CAEN code 0910. This activity is not eligible for Taxonomy.

Secondary activities that complement the main object of activity of Rompetrol Well Services have been analyzed and identified as eligible, namely:

activity 6.6. Freight transport services by road

activity 7.2. Renovation of existing buildings

activity 7.3. Installation, maintenance and repair of energy efficiency equipment

These activities are carried out at two work points of Rompetrol Well Services, in the localities of Moinești and Ploiești, Prahova County. These activities are eligible for taxonomy.

Rominserv SRL

Rominserv SRL was established and operates according to Romanian laws, with headquarters in Bucharest. The main activity since its establishment, it has been the installation of industrial machines and equipment, offering solutions for industrial investment projects, maintenance works, technical and technological modernizations according to CAEN code 3320 Installation of industrial machinery and equipment. This activity is not eligible for Taxonomy. No eligible secondary activities have been identified.

Rompetrol Energy SA

The current field of activity of Rompetrol Energy SA is the production and distribution of thermal energy, demineralized water and the distribution of electricity. After the completion and commissioning of the cogeneration plant, the field of activity is completed by the production and sale of electricity. The cogeneration plant is a brownfield project, in addition to the current installations, new equipment will also be integrated.

Thus, the main activity of the company consists of Support activities for petroleum and natural gas extraction according to CAEN code 0910. This activity is not eligible for Taxonomy.

The secondary activity that complements the main object of activity of Rompetrol Energy was analyzed and identified to be eligible:

activity 4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels

These activities are eligible for taxonomy.

ECONOMIC ACTIVITIES ELIGIBLE FOR TAXONOMY AND THEIR EVALUATION FOR ALIGNMENT

KMG International has implemented EU taxonomy reporting requirements in accordance with EU Regulation 2020/852 and delegated acts relating to Articles 8, 10 (climate change mitigation) and 11 (climate change adaptation).

This section presents the eligible economic activities of the KMGI entities identified in accordance with Annexes I and II to the Delegated Act, as well as a brief presentation of the results of the analyses carried out to align them with the taxonomy.

Section	Eligible economic activity	Entity	Contribution to climate change mitigation	Contribution to climate change adaptation	Aligned to DNSH and social criteria
Manufacturing	3.10 – Manufacture of hydrogen	Rompetrol Rafinare SA	()	(x)	no
	3.14 – Manufacture of organic basic chemicals	Rompetrol Rafinare SA	()	(x)	no
Energy	4.1 – Electricity generation using solar photovoltaic technology	Rompetrol Downstream SRL	(x)	(x)	yes
	4.9 – Transmission and distribution of electricity	Rompetrol Rafinare SA	()	(x)	yes
	4.15 – District heating/cooling distribution	Rompetrol Rafinare SA	()	(x)	yes
	4.30 – High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Rompetrol Energy SA	()	(x)	n/a ¹
	4.31 – Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	Rompetrol Rafinare SA	()	(x)	n/a ²

Section	Eligible economic activity	Entity	Contribution to climate change mitigation	Contribution to climate change adaptation	Aligned to DNSH and social criteria
Water supply, sewerage, waste management and remediation	5.1 – Construction, extension and operation of water collection, treatment and supply systems	Rompetrol Rafinare SA	()	(x)	yes
	5.3 - Construction, extension and operation of waste water collection and treatment	Rompetrol Rafinare SA	()	(x)	yes
	5.5 - Collection and transport of non-hazardous waste in source segregated fractions	Rompetrol Downstream SRL	()	(x)	yes
Transport	6.2 – Freight rail transport	Rompetrol Rafinare SA	()	(x)	no
	6.6 – Freight transport services by road	Rompetrol Well Services SA	()	(x)	yes
	6.14 – Infrastructure for rail transport	Rompetrol Downstream SRL	()	(x)	no
Construction activities and real estate activities	7.1 – Construction of new buildings	Rompetrol Downstream SRL	()	(x)	no
	7.2 – Renovation of existing buildings	Rompetrol Downstream SRL	(x)	()	no
	7.2 – Renovation of existing buildings	Rompetrol Well Services SA	(x)	()	no
	7.3 – Installation, maintenance and repair of energy efficiency equipment	Rompetrol Well Services SA	(x)	()	yes
	7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Rompetrol Downstream SRL	(x)	(x)	yes
Information and communication	8.1 – Data processing, hosting and related activities	Rompetrol Downstream SRL	(x)	()	no

1. Reporting on the alignment of activity, 4.30 - High-efficiency co-generation of heat/cool and power from fossil gaseous fuels, eligible is mandatory from financial year 2023.

2. Reporting on the alignment of activity, 4.31 - Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system eligible is mandatory from financial year 2023.

The table below indicates for which environmental objective the activities qualify as eligible together with the results obtained from the taxonomy alignment evaluation.

According to the analysis carried out, during the reporting period 01.01.2022 – 31.12.2022 the following activities carried out by KMG International NV entities

contribute significantly to one of the two environmental objectives (Adaptation to climate change/Climate change mitigation) and do not significantly undermine any of the other 5 environmental objectives defined in art. 17 of Regulation (EU) 2020/852.

The activities aligned to the taxonomy are:

Rompetrol Rafinare SA

- 4.9. Transmission and distribution of electricity
- 4.15. District heating/cooling distribution
- 5.1. Construction, extension and operation of water collection, treatment and supply systems
- 5.3. Construction, extension and operation of waste water collection and treatment

Rompetrol Downstream SRL

- 4.1. Electricity generation using solar photovoltaic technology
- 5.5. Collection and transport of non-hazardous waste in source segregated fractions
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

Rompetrol Well Services SA

- 6.6. Freight transport services by road
- 7.3 Installation, maintenance and repair of energy efficiency equipment

Following the assessments carried out, no taxonomy-aligned activities were identified for the entities Rominserv SRL and Rompetrol Energy SA (for 2022).

The results regarding the alignment of the activities to the taxonomy were obtained from the DNSH (Do No Significant Harm) and minimum social guarantees compliance assessments of eligible activities.

Results of DNSH analysis

In order to align the eligible activities, a DNSH (Do No Significant Harm) assessment was carried out. Based on this, the following were analyzed:

- the substantial contribution of the two environmental objectives (Adaptation to Climate Change* and Climate Change Mitigation)
- the potential harm that eligible activities could have on Climate Change Adaptation*, Climate Change Mitigation, Sustainable Use and Protection of Water and Marine Resources, Transition to a Circular Economy, Pollution Prevention and Control and Protection and Restoration of Biodiversity and Ecosystems

* In order to analyze the substantial contribution, but also the potential damage that an activity has on Adaptation to Climate Change, a Climate Risk and Vulnerability Assessment Study associated with eligible KMG

International activities was carried out. Thus, based on the sensitivity, exposure and vulnerability analyses, it appears that there are no significant vulnerabilities or risks following the measures already implemented on individual sites for Rompetrol Rafinare SA (Vega Refinery, Petromidia Refinery) and Rompetrol Energy SA, as well as for the other analyzed KMG entities.

Potential exposure (medium or high risk) is already mitigated in the earlier stages of construction of the buildings on the site, as well as equipping the site with fire-fighting equipment. The level of seismic risk is already taken into account in the design standards (regulatory standard) and implemented during the construction of the site buildings. Measures have already been implemented at the sites.

The DNSH evaluation of the 6 environmental objectives shows that the following activities carried out by the entities Rompetrol Rafinare SA, Rompetrol Downstream SRL and Rompetrol Well Services SA comply with the technical examination requirements, contributing to one of the two environmental objectives, without prejudicing any of the others 5 objectives:

- 4.9. Transmission and distribution of electricity
- 4.15. District heating/cooling distribution
- 5.1. Construction, extension and operation of water collection, treatment and supply systems
- 5.3. Construction, extension and operation of waste water collection and treatment
- 4.1. Electricity generation using solar photovoltaic technology
- 5.5. Collection and transport of non-hazardous waste in source segregated fractions
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 6.6. Freight transport services by road
- 7.3. Installation, maintenance and repair of energy efficiency equipment

The result of the verification of the fulfillment of the minimum social criteria

According to the analysis regarding the fulfillment of the minimum social criteria carried out, the member entities of the KMG International Group carry out economic activities aligned with the OECD Guidelines for Multinational Organizations and the UN Guiding Principles on Business and Human Rights (including gender equality and child labor exploitation, as well

as the principles and rights established in the eight fundamental conventions identified in the Declaration International Labor Organization on fundamental principles and rights at work and the International Charter of Human Rights).

The analysis includes all activities (including eligible activities) related to the financial year 2022 of Rompetrol Rafinare SA, Rompetrol Downstream SRL, Rompetrol Well Services SA, Rominserv SRL and Rompetrol Energy SA.

Summary - Meeting the minimum social criteria	Result	
Commitment to respecting human rights	yes	
Human rights reflected in operational policies and procedures and embedded throughout the organization	yes	
Human rights background check process to identify, prevent and mitigate human rights impacts in operations and supply chain	yes	
Complaints mechanism (including legal rights of action in court)	yes	
External communication on how human rights impacts are addressed	yes	
Identifying and redressing adverse human rights impacts through legitimate processes	yes	
Health and Safety Policy	yes	
Labor Practices Policy (Labor Code + Collective Labor Agreement)	yes	
	GDPR - Processing of personal data	yes
	Anticorruption Policy	yes
Policies that set standards for responsible business conduct:	Warning mechanism/procedure	yes
	ESG procurement policy/procedure	yes
	Trade union policy - collective bargaining - employment contract	yes

TAXONOMY-ELIGIBLE CAPEX AND OPEX

Key Performance Indicators ("KPIs") include turnover KPI, the CAPEX KPI and the OPEX KPI. For the 2022 reporting period, the KPIs have to be disclosed in relation to our Taxonomy-eligible and aligned and Taxonomy-non-eligible economic activities (Art. 10 (2) of the Art. 8 Delegated Act).

The establishment of KPIs is determined in accordance with Annex I to art. 8 Delegated act. We determine Taxonomy-eligible KPIs in accordance with legal requirements and describe our accounting policy in this regard as follows:

TURNOVER KPI

Definition - The share of taxonomy-eligible/aligned economic activities in our total turnover was calculated as the share of net turnover derived from products and services associated with taxonomy-eligible economic activities (numerator) divided by net turnover (denominator), in each case for the financial year from 01.01.2022 to 31.12.2022.

For each entity in scope: The turnover KPI denominator is based on the net turnover according to the Profit and Loss Account (F20), row 1 (net turnover). The turnover KPI numerator is defined as the net turnover derived from products and services associated with economic activities eligible for the Taxonomy.

CAPEX KPIS

Definition - the KPI CAPEX is defined as taxonomy-eligible CAPEX (numerator) divided by total CAPEX (denominator - Fixed assets situation (F40) , column 2 - Increases 2022) for entities in scope - Rominserv and Rompetrol Well Services . In the case of Rompetrol Rafinare, Rompetrol Downstream and Rompetrol Energy, the total CAPEX costs have been adjusted to include technical equipment costs, fixed asset costs and fixed asset prepayments in fiscal year 2022.

OPEX KPIS

Definition - OPEX KPI is defined as taxonomy-eligible OPEX (numerator) divided by total OPEX (denominator - Profit and Loss Account (F20), line 9 (Staff expenses), line 11.1 External benefits Accounts 611, 612, 624, 628 (excluding losses recorded on derivative/hedging instruments), see the Balance Sheet at 31.12.2022), environmental expenses for each entity within the scope of application.

Total OPEX consists of non-capitalized direct costs relating to research and development, building renovation measures, short-term rental, maintenance and repairs and any other direct costs related to the daily maintenance of real estate assets, facilities, and equipment.



KPI INDICATORS

Turnover		Codes	Absolute turnover (RON)	Proportion of turnover	Substantial contribution criteria				
Romp petrol Rafinare SA					Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
Transmission and distribution of electricity	4.9	8,788,576	0.04%	0%	100%	0%	0%	0%	0%
District heating/cooling distribution	4.15	916,583	0%	0%	100%	0%	0%	0%	0%
Construction, extension and operation of water collection, treatment and supply systems	5.1	7,028,982	0.03%	0%	100%	0%	0%	0%	0%
Construction, extension and operation of waste water collection and treatment	5.3	8,840,417	0.04%	0%	100%	0%	0%	0%	0%
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	4.9 4.15 5.1 5.3	25,574,558	0.11%						
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)									
Manufacture of hydrogen	3.10	0	0%						
Manufacture of organic basic chemicals	3.14	41,304,559	0.18%						
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	0	0%						
Freight rail transport	6.2	0	0%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	3.10 3.14 4.31 6.2	41,304,559	0.18%						
Total (A.1 + A.2)	-	66,879,117	0.29%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)	-	22,959,898,489	99.71%						
Total (A + B)	-	23,026,777,606	100%						

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
yes	yes	n/a	yes	yes	yes	yes	0.04%			
n/a	yes	yes	n/a	yes	yes	yes	0%			
n/a	yes	yes	n/a	n/a	yes	yes	0.03%			
yes	yes	yes	n/a	yes	yes	yes	0.04%			
						yes	0.11%	n/a		

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CAPEX Romp petrol Rafinare SA	Codes	Absolute CAPEX (RON)	Proportion of CAPEX	Substantial contribution criteria					
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
Transmission and distribution of electricity	4.9	21,098,885	8.01%	0%	100%	0%	0%	0%	0%
District heating/cooling distribution	4.15	9,587,852	3.64%	0%	100%	0%	0%	0%	0%
Construction, extension and operation of water collection, treatment and supply systems	5.1	0	0%						
Construction, extension and operation of waste water collection and treatment	5.3	0	0%						
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	4.9 4.15 5.1 5.3	30,677,467	11.65%						
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)									
Manufacture of hydrogen	3.10	0	0%						
Manufacture of organic basic chemicals	3.14	0	0%						
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	9,587,852	3.64%						
Freight rail transport	6.2	0	0%						
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	3.10 3.14 4.31 6.2	9,587,852	3.64%						
Total (A.1 + A.2)	-	40,265,319	15.29%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CAPEX of Taxonomy-non-eligible activities (B)	-	222,939,422	84.71%						
Total (A + B)	-	263,204,741	100%						

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
yes	yes	n/a	yes	yes	yes	yes	8.01%			
n/a	yes	yes	n/a	yes	yes	yes	3.64%			
						yes	0%			
						yes	0%			
						yes	11.65%	n/a		

APPROACH

OPEX Romp petrol Rafinare SA		Codes	Absolute OPEX (RON)	Proportion of OPEX	Substantial contribution criteria				
					Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
Transmission and distribution of electricity	4.9	21,833,933	2.89%	0%	100%	0%	0%	0%	0%
District heating/cooling distribution	4.15	1,533,380	0.20%	0%	100%	0%	0%	0%	0%
Construction, extension and operation of water collection, treatment and supply systems	5.1	14,134,132	0.61%	0%	100%	0%	0%	0%	0%
Construction, extension and operation of waste water collection and treatment	5.3	10,212,480	0.44%	0%	100%	0%	0%	0%	0%
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	4.9 4.15 5.1 5.3	47,713,925	2.05%						
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)									
Manufacture of hydrogen	3.10	31,245,704	4.13%						
Manufacture of organic basic chemicals	3.14	3,245,396	0.44%						
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31	11,150,421	1.48%						
Freight rail transport	6.2	30,064,828	3.98%						
OPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	3.10 3.14 4.31 6.2	75,706,349	10.03%						
Total (A.1 + A.2)	-	123,420,274	16.34%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OPEX of Taxonomy-non-eligible activities (B)	-	2,208,742,448	83.66%						
Total (A + B)	-	2,332,162,722	100%						

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
yes	yes	n/a	yes	yes	yes	yes	2.89%			
n/a	yes	yes	n/a	yes	yes	yes	0.20%			
n/a	yes	yes	n/a	n/a	yes	yes	0.61%			
yes	yes	yes	n/a	yes	yes	yes	0.44%			
						yes	2.05%	n/a		

APPROACH

Turnover Romp petrol Downstream SRL	Codes	Absolute turnover (RON)	Proportion of turnover	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
Electricity production using solar photovoltaic technology	4.1	0	0%					
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0	0%					
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in building parking spaces)	7.4	0	0%					
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	4.1 5.5 7.4	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
Infrastructure for rail transport	6.14	0	0%					
Construction of new buildings	7.1	0	0%					
Renovation of existing buildings	7.2	0	0%					
Data processing, website administration and related activities	8.1	0	0%					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	6.14 7.1 7.2 8.1	0	0%					
Total (A.1 + A.2)	-	0	0%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
Turnover of Taxonomy-non-eligible activities (B)	-	16,572,205,378	100%					
Total (A + B)	-	16,572,205,378	100%					

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")							Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
							yes	0%			
							yes	0%			
							yes	0%			
									n/a		

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CAPEX Romp petrol Downstream SRL	Codes	Absolute CAPEX (RON)	Proportion of CAPEX	Substantial contribution criteria					
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
Electricity production using solar photovoltaic technology	4.1	250,377	0.26%	100%	100%	0%	0%	0%	0%
Collection and transport of non-hazardous waste in source segregated fractions	5.5	387,000	0.40%	0%	100%	0%	0%	0%	0%
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in building parking spaces)	7.4	3,375,000	3.50%	100%	100%	0%	0%	0%	0%
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	4.1 5.5 7.4	4,012,377	4.16%						
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)									
Infrastructure for rail transport	6.14	3,877,857	4.03%						
Construction of new buildings	7.1	7,625,776	7.91%						
Renovation of existing buildings	7.2	412,763	0.43%						
Data processing, website administration and related activities	8.1	4,957,314	5.14%						
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	6.14 7.1 7.2 8.1	16,873,710	17.51%						
Total (A.1 + A.2)	-	20,886,087	21.67%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CAPEX of Taxonomy-non-eligible activities (B)	-	75,462,974	78.33%						
Total (A + B)	-	96,349,061	100%						

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
n/a	yes	n/a	yes	n/a	yes	yes	0.26%			
n/a	yes	n/a	yes	n/a	n/a	yes	0.40%			
not	yes	n/a	n/a	n/a	n/a	n/a	3.50%			
						yes	4.16%	n/a		

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OPEX Romp petrol Downstream SRL	Codes	Absolute OPEX (RON)	Proportion of OPEX	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
Electricity production using solar photovoltaic technology	4.1	0	0%					
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0	0%					
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in building parking spaces)	7.4	0	0%					
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	4.1 5.5 7.4	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
Infrastructure for rail transport	6.14	0	0%					
Construction of new buildings	7.1	0	0%					
Renovation of existing buildings	7.2	0	0%					
Data processing, website administration and related activities	8.1	33,605,090	7.38%					
OPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	6.14 7.1 7.2 8.1	33,605,090	7.38%					
Total (A.1 + A.2)	-	33,605,090	7.38%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
OPEX of Taxonomy-non-eligible activities (B)	-	421,314,557	92.62%					
Total (A + B)	-	454,919,647	100%					

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")							
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Transition activity category
						yes	
						yes	
						yes	
						yes	0% n/a

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Turnover		Codes	Absolute turnover (RON)	Proportion of turnover	Substantial contribution criteria					
Rompetro Well Services SA					Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)										
Freight transport services by road		6.6	0	0%						
Installation, maintenance and repair of energy efficiency equipment		7.3	0	0%						
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		6.6 7.3	0	0%						
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)										
Renovation of existing buildings		7.2	0	0%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)		7.2	0	0%						
Total (A.1 + A.2)		-	0	0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)		-	52,768,046	100%						
Total (A + B)		-	52,768,046	100%						

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
							0%	n/a		

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OPEX Rompetro Well Services SA	Codes	Absolute OPEX (RON)	Proportion of OPEX	Substantial contribution criteria					
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
Freight transport services by road	6.6	0	0%						
Installation, maintenance and repair of energy efficiency equipment	7.3	7,024	0.01%	0%	100%	0%	0%	0%	0%
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	6.6 7.3	7,024	0.01%						
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)									
Renovation of existing buildings	7.2	0	0%						
OPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	7.2	0	0%						
Total (A.1 + A.2)	7.2	7,024	0.01%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OPEX of Taxonomy-non-eligible activities (B)	-	53,818,955	99.99%						
Total (A + B)	-	53,825,975	100%						

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
yes	yes	n/a	n/a	yes	n/a	yes	0.1%			
							0.01%	n/a		

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Turnover Rominserv SRL	Codes	Absolute turnover (RON)	Proportion of turnover	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
-	-	0	0%					
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	-	0	0%					
Total (A.1 + A.2)	-	0	0%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
Turnover of Taxonomy-non-eligible activities (B)	-	97,353,286	100%					
Total (A + B)	-	97,353,286	100%					

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
							0%	n/a		

APPROACH

CAPEX Rominserv SRL	Codes	Absolute CAPEX (RON)	Proportion of CAPEX	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
-	-	0	0%					
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	-	0	0%					
Total (A.1 + A.2)	-	0	0%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
CAPEX of Taxonomy-non-eligible activities (B)	-	301,045	100%					
Total (A + B)	-	301,045	100%					

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")							Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
								0%	n/a		

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OPEX Rominserv SRL	Codes	Absolute OPEX (RON)	Proportion of OPEX	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
-	-	0	0%					
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
OPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	-	0	0%					
Total (A.1 + A.2)	-	0	0%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
OPEX of Taxonomy-non-eligible activities (B)	-	94,007,313	100%					
Total (A + B)	-	94,007,313	100%					

Reporting on the alignment of eligible activities is mandatory starting from financial year 2022.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
							0%	n/a		

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Turnover Rompetrol Energy SA	Codes	Absolute turnover (RON)	Proportion of turnover	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
-	-	0	0%					
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	0	0%					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	4.30	0	0%					
Total (A.1 + A.2)	4.30	0	0%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
Turnover of Taxonomy-non-eligible activities (B)	-	314,850,521	100%					
Total (A + B)	-	314,850,521	100%					

Reporting on alignment for Activity 4.30 - Eligible high-efficiency cogeneration of thermal energy for heating/cooling and electricity based on gaseous fossil fuels is mandatory from financial year 2023.

DNSH criteria ("Do no significant harm")							Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees				
							0%	n/a		

APPROACH

CAPEX Romp petrol Energy SA	Codes	Absolute CAPEX (RON)	Proportion of CAPEX	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
-	-	0	0%					
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	315,135,093	99.6%					
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	4.30	315,135,093	99.6%					
Total (A.1 + A.2)	4.30	315,135,093	99.6%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
CAPEX of Taxonomy-non-eligible activities (B)	-	1,265,603	0.4%					
Total (A + B)	-	316,400,696	100%					

Reporting on alignment for Activity 4.30 - Eligible high-efficiency cogeneration of thermal energy for heating/cooling and electricity based on gaseous fossil fuels is mandatory from financial year 2023.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
							0%	n/a		

APPROACH

OPEX Rompetrol Energy SA	Codes	Absolute OPEX (RON)	Proportion of OPEX	Substantial contribution criteria				
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution
A. TAXONOMY-ELIGIBLE ACTIVITIES								
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)								
-	-	0	0%					
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)	-	0	0%					
A.2 TAXONOMY-ELIGIBLE BUT NOT-ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED)								
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	0	0%					
OPEX of Taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)	4.30	0	0%					
Total (A.1 + A.2)	4.30	0	0%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES								
OPEX of Taxonomy-non-eligible activities (B)	-	328,274,515	100%					
Total (A + B)	-	328,274,515	100%					

Reporting on alignment for Activity 4.30 - Eligible high-efficiency cogeneration of thermal energy for heating/cooling and electricity based on gaseous fossil fuels is mandatory from financial year 2023.

DNSH criteria ("Do no significant harm")										
Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum (social) guarantees	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Facilitation activity category	Transition activity category
							0%	n/a		

APPROACH

INFORMATION RELATING TO ACTIVITIES OF ROMPETROL RAFINARE AND ROMPETROL ENERGY

In accordance with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 regarding the publication of specific information regarding the respective economic activities. The information related to the activities in the nuclear and fossil gas sectors - is presented in the form of a table, using the models provided in annex XII of the Regulation.

ACTIVITIES CARRIED OUT

For the reporting entities Rompetrol Rafinare SA and Rompetrol Energy SA of KMG International, the following activities carried out in the financial year 2022 and KPIs associated with these activities were identified according to the requirements of Delegated Regulation (EU) 2022/1214 - Annex XII

Template 1: Fossil gas related activities

Row Fossil gas-related activities

Row	Description	Yes/No
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	no
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	yes

ECONOMIC ACTIVITIES (CONDUCTED) ELIGIBLE BUT NOT ALIGNED - ROMPETROL RAFINARE SA

Rompetrol Rafinare's heat production activity is eligible (assessment of the taxonomy alignment of this activity is considered for the reporting period 01 Jan 2023 - 31 Dec 2023, as per published requirements).

Eligible activity Rompetrol Rafinare: 4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system;

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	KPI CAPEX - Economic activities	CCM	CCA	CCM+CCA
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	RON 9,587,852 3.64%	RON 0 0%	RON 9,587,852 3.64%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the applicable KPI	RON 0 0%	RON 0 0%	RON 0 0%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	RON 9,587,852 3.64%	RON 0 0%	RON 9,587,852 3.64%

*The activity description is applicable to both environmental objectives (CCM and CCA).
The technical review criteria are to be assessed for the financial year 2023.



Row	KPI OPEX	CCM (RON / %)	CCA (RON / %)	CCM+CCA (RON / %)
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	RON 11,150,421 1.48%	RON 0 0%	RON 11,150,421 1.48%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the applicable KPI	RON 64,555,928 8.55%	RON 0 0%	RON 64,555,928 8.55%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	RON 75,706,349 10.03%	RON 0 0%	RON 75,706,349 10.03%

*The activity description is applicable to both environmental objectives (CCM and CCA).
The technical review criteria are to be assessed for the financial year 2023.

ECONOMIC ACTIVITIES NON-ELIGIBLE - ROMPETROL RAFINARE SA

Template 5: Taxonomy non-eligible economic activities

Row	Economic activities	Turnover	CAPEX	OPEX
7	Amount and proportion of other taxonomy-noneligible economic activities not referred to in rows above in the denominator of the applicable KPI	RON 22,959,898,489 99.71%	RON 222,939,422 84.71%	RON 632,020,202 83.66%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	RON 22,959,898,489 99.71%	RON 222,939,422 84.71%	RON 632,020,202 83.66%

ECONOMIC ACTIVITIES (CONDUCTED) ELIGIBLE BUT NOT ALIGNED – ROMPETROL ENERGY SA

Romp petrol Energy 's activity is eligible - the taxonomy alignment of this activity is considered for the reporting period 01 Jan 2023 - 31 Dec 2023.

Romp petrol Energy eligible activity: 4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels;

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Row	KPI CAPEX - Economic activities	CCM	CCA	CCM+CCA
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	RON 314,850,521 99.6%	RON 0 0%	RON 314,850,521 99.6%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the applicable KPI	RON 0 0%	RON 0 0%	RON 0 0%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	RON 314,850,521 99.6%	RON 0 0%	RON 314,850,521 99.6%

*The activity description is applicable to both environmental objectives (CCM and CCA).
The technical review criteria are to be assessed for the financial year 2023.

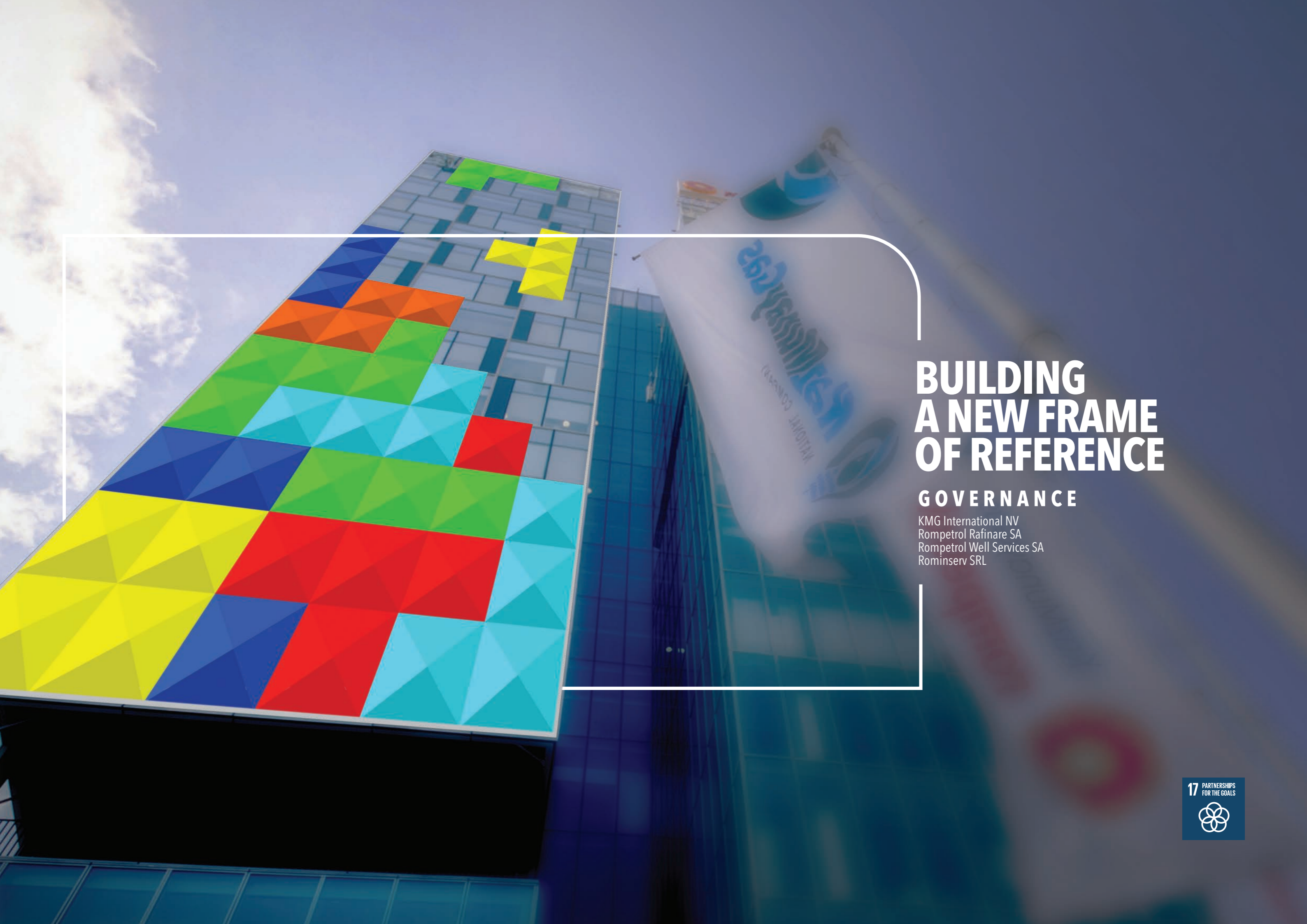
ECONOMIC ACTIVITIES NON-ELIGIBLE – ROMPETROL ENERGY SA

Template 5: Taxonomy non-eligible economic activities

Row	Economic activities	Turnover	CAPEX	OPEX
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	RON 314,850,521 100%	RON 1,265,603 0.4%	RON 328,274,515 100%
7	Amount and proportion of other taxonomy-noneligible economic activities not referred to in rows above in the denominator of the applicable KPI	RON 0 0%	RON 0 0%	RON 0 0%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	RON 314,850,521 100%	RON 1,265,603 0.4%	RON 328,274,515 100%



Cogeneration Thermal Power Plant - the highest technological standards of energy efficiency and environmental protection



BUILDING A NEW FRAME OF REFERENCE

GOVERNANCE

KMG International NV
Rompétrol Rafinare SA
Rompétrol Well Services SA
Rominserv SRL



The current Sustainability Report provides an overview of the performance of KMG International, with a zoom in on the two listed companies, Rompetrol Rafinare and Rompetrol Well Services, as well as on Rominserv, the Group's general contractor.

KMG International NV, public limited liability company registered in Amsterdam, The Netherlands.

Rompetrol Rafinare SA, joint stock company headquartered in Năvodari, Romania.

Rompetrol Well Services SA, joint stock company headquartered in Ploiești, Romania.

Rominserv SRL, limited liability company headquartered in Bucharest, Romania.

KMG International NV

OPERATIONAL PROFILE

KMG International N.V. (named The Rompetrol Group N.V. until 2014) is a company incorporated and operating under the laws of The Netherlands, having its headquarters located in Amsterdam, The Netherlands. KMG International N.V. and its subsidiaries, altogether referred to as the KMG International Group, represent a major worldwide player in the oil field carrying out operations in 14 countries throughout Europe, Central Asia, and North Africa. KMG International Group's activities are primarily concentrated in refining, retail, marketing, and trading. The Group conducts additional operations in the exploration and production segments, as well as other oil industry services (such as upstream services, industrial services, drilling etc.), business and management consulting services being also performed as support function.

KMG International N.V. was incorporated in November 1999, its entire issued capital being 100% held by National Company 'KazMunayGas' JSC since 9 May 2016.

As of December 2022, the KMG International Group comprised 61 entities (sub-divided into 52 legal entities – joint stock or limited liability companies/partnerships and 9 branches, representatives offices and joint ventures), headquartered in 12 countries (i.e.: Romania, The Netherlands, Republic of Kazakhstan, Switzerland, Bulgaria, Republic of Moldova, Georgia, Turkey, France, Spain, Libya, Gibraltar).

The Articles of Association and the regulations applicable to each entity comply with local legislation and provide the rules underlying the conduct of business, as well as the proper administration and management of each entity. In Romania, the main applicable corporate regulations are comprised by Company Law no. 31/1990, as further amended, and supplemented, Law no. 265/2022 regarding the commercial register and for the modification and completion of other normative acts affecting the registration in the commercial register, and Law no. 24/2017 regarding the capital market (the latter being applicable to stock exchange listed companies).

GRI

GRI 2-1
GRI 2-2
GRI 2-6
GRI 2-9
GRI 2-10
GRI 2-11
GRI 2-12
GRI 2-13
GRI 2-15 thru 2-20

IPIECA

IPIECA GOV-1 C1, C5, A1
IPIECA GOV-4 C1



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LEGAL ENTITIES

KMG International N.V.

Limited liability company (naamloze vennootschap), based in Amsterdam, The Netherlands

KMG Rompetrol S.R.L.

Limited liability company based in Bucharest, Romania

Oilfield Exploration Business Solutions S.A.

Joint stock company based in Bucharest, Romania

Rompetrol Downstream S.R.L.

Limited liability company based in Bucharest, Romania

Rompetrol Rafinare S.A.

Joint stock company based in Năvodari, Romania

Rompetrol Financial Group S.R.L.

Limited liability company based in Bucharest, Romania

Rompetrol Well Services S.A.

Joint stock company based in Ploiești, Romania

Rominserv S.R.L.

Limited liability company based in Bucharest, Romania

Rompetrol Petrochemicals S.R.L.

Limited liability company based in Năvodari, Romania

Rompetrol Quality Control S.R.L.

Limited liability company based in Năvodari, Romania

Rompetrol Gas S.R.L.

Limited liability company based in Bucharest, Romania

Rom Oil S.A.

Joint stock company based in Zărnești, Romania

Midia Marine Terminal S.R.L.

Limited liability company based in Navodari, Romania

Byron Shipping S.R.L.

Limited liability company based in Năvodari, Romania

Rompetrol Logistics S.R.L.

Limited liability company based in Ploiești, Romania

Global Security Sistem S.A.

Joint stock company based in Bucharest, Romania

Rompetrol Energy S.A.

Joint stock company based in Năvodari, Romania

KMG Rompetrol Services Center S.R.L.

Limited liability company based in Bucharest, Romania

Rompetrol Renewables S.R.L.

Limited liability company based in Ploiești, Romania
- activity suspended until 04/15/2024.

KMG Rompetrol Development S.R.L.

Limited liability company based in Bucharest, Romania

Î.M. Rompetrol Moldova S.A.

Joint stock company based in Chișinău, Rep. of Moldova

Rompetrol Georgia LTD.

Limited liability company based in Tbilisi, Georgia

Rompetrol Bulgaria J.S.C.

Joint stock company based in Sofia, Bulgaria

KazMunayGas Trading A.G.

Joint stock company based in Lugano, Switzerland

TRG Petrol Ticaret A.Ş.

Joint stock company based in Istanbul, Turkey

Byron Shipping LTD.

Limited liability company headquartered in Gibraltar

Fondul de Investiții în Energie

Kazah-Român S.A.

Joint stock company based in Bucharest, Romania

BRANCHES AND JOINT VENTURES

Rompetrol France S.A.S.

Based in Montpellier, France

Dyneff S.A.S.

Based in Montpellier, France

DPPLN S.A.S.

Based in Port-La-Nouvelle, France

Dyneff Retail S.A.S.

(formerly Terminal Midi Pyrenees S.A.S.)

Based in Montpellier, France

EPPLN S.A.S.

Based in Port-La-Nouvelle, France

Dyneff Espana S.L.

Based in Girona, Spain

Dyneff Gas Stations Network S.L.

Based in Girona, Spain

Dyneff Trading S.L.

(formerly Bioneff S.L.)

Based in Girona, Spain

ETS Rossignol S.A.S.

Simplified joint stock company based in Route de Saint Juéry, 48310 Fournels, France

Bio Advanced Energy S.A.S.

Based in Montpellier, France

Depot FOS S.A.

Based in Fos Sur Mer, France

Depot Rhone (SPR S.A.)

Based in Courbevoie, France

Boissonnade Combustibles S.A.S.

Based in Mende, France

Paul Orriols Combustibles de Cerdagne S.A.S.

Based in Bourg-Madame, France

PLANTIER S.A.S.

Based in Florac Trois Rivières, France

NATGAS France S.A.S.

Simplified joint stock company based in Paris, France

ANEO S.A.S.

Simplified joint stock company based in Baillargues, France

ORCEYRE S.A.S.

Based in La Chapelle-Laurent, France

AUBAC S.A.S.

Based Tournous-Devant, France

TPDT S.A.R.L.

Based in Port-de-Bouc, France

ABC Carburants-Allo Beziat Carburants S.A.S.

Based in Bouloc, France

Geraud-Tampier S.A.S.

Based in Septfonds, France

David Recoules S.A.S.

Based in Requista, France

Alegri S.A.S.

Based in Pzens, France

Midia Green Energy S.A.

Based in Năvodari, Romania

Benon Rompetrol LLC Oman

Joint venture based in Oman

Oilfield Exploration Business Solutions S.A.

Libya Branch

Oilfield Exploration Business Solutions S.A.

Iraq Branch

KMG Rompetrol S.R.L.

Representative Office in Kazakhstan

Rominserv S.R.L.

Kazakhstan Branch

Rominserv S.R.L.

Bulgaria Branch

KazMunayGas Trading A.G.

Representative Office in Odessa, Ukraine

These lists include only entities still operational as of December 2022. For a detailed list of all legal entities and their shareholding structure, see Appendix - Shareholding structure

MANAGEMENT MANAGEMENT SYSTEM

The management system of KMG International N.V. includes three levels of approval, in accordance with its statutory documents and applicable Dutch law:

Sole Shareholder
Board of Managing Directors
Chief Executive Officer (CEO)

The unified management system existing at the level of KMG International N.V. is mirrored at the level of the Group's subsidiaries. As a result, the decision-making powers within most of such subsidiaries are divided into two or three layers:

General Meeting of Shareholders or Sole shareholder
Board of Directors and Sole Director (CEO)
General Manager and Finance Manager

Kazakhstan's **National Company KazMunayGas JSC** is the Sole Shareholder of KMG International N.V. .

Board of Directors (as of Dec. 2022)
Mr. Nikolay Kazutin as Chairman [also Managing Director for Legal Support, Collateral and Risks, Member of the Management Board at National Wealth Fund Samruk-Kazyna JSC]
Mr. Ilias Kuldzhanov as Chief Executive Officer (CEO)
Mr. Emile Eduard Wolff as independent non-executive managing director
Mr. Arman Saulebay as non-executive managing director [also Managing Director at KazMunaiGaz Finance Sub B.V.]
Mr. Vassiliy Lavrenov as non-executive managing director [also Deputy Chairman of the Board at National Company KazMunayGas JSC]
Mr. Arman Kairdenov as non-executive managing director [also Deputy Chairman of the Board for Oil Refining and Petrochemistry at National Company KazMunayGas JSC]

The managing directors are appointed by the general meeting of the sole shareholder. The Chairman of the Board of Directors is Mr. Nikolay Kazutin, the representative of the JSC NWF Samruk Kazyna.

In accordance with KMG International N.V. Articles of Association and Board Regulations, the CEO, being the sole executive member of the Board, is responsible for the day-to-day management of the company, being also in charge of reviewing, defining, and submitting strategic options that may contribute to the development of the company and its subsidiaries. The CEO is authorized to independently represent KMG International N.V., with the possibility to delegate his managing function for certain operations or categories of operations to certain third parties.

NOMINATION & SELECTION OF HIGHEST GOVERNING BODY

The nomination and selection process of the highest governance body within the Group and its subsidiaries is based on the following main pillars:

Accountability

- Independence of decision making. Board independence is necessary to provide the needed checks and balances on the company's executive management and shareholder, fortifying the directors' collective fiduciary duty of care to the company as a whole.
- Shareholder communications and engagement. As part of the engagement process, the Board should demonstrate an appropriate level of responsiveness to shareholder concerns. It is essential that the Board be transparent about requests and subsequent actions taken.
- Duty of care to respect shareholder rights.

Effectiveness

- Composition. Putting together a well-structured and balanced Board is a complex process and one of a Nominations Committee's key objectives. The complexity arises from the need to achieve an appropriate mix of skills, diversity and competencies within a board structure that is not so large that it becomes ineffective.
- Diversity. Sought to facilitate Board reflections that are both objective and which might stimulate a wider scope of discussion and constructive criticism.
- Board evaluations. Needed in order to identify and monitor the strengths and weaknesses of di-

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GRI 2-20

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GOV-4 C1

rectors and guide remedial action plans. A proper evaluation process can identify areas of weakness requiring attention, including those regarding directors' performance, Board composition and director nominations.

- Link to company strategy. The directors' nomination process must be designed to ensure the Board can fulfil its ongoing obligation to provide strategic oversight of the company's operations. This places a premium on a director's understanding of the company, its sector, competitive strategies, operational risks, and stakeholder concerns.
- The human factor: ethics, tone, and sustainability awareness. The importance of directors' integrity and sensitivity to potential company impacts on key stakeholders and society.

Transparency

- Public disclosures. Relevant disclosures should be made readily available, in a timely manner, through the company's website, proxy statements and annual reports.
- Director information. This should enable shareholders to take comfort in a director candidate's ability to contribute positively to the company's long-term governance and performance. Director disclosures should not only contain basic biographical information, but also articulate the specific skills and capabilities the individual director brings to the board.
- Reporting on outputs. Company reporting should demonstrate how the committee performed their duties during the year, the link to company strategy, and progress towards implementation of policies and meeting objectives.

The criteria used for nominating and selecting the highest governance body members is based on the candidate directors' relevant skills and expertise which can help the company succeed in any of its strategic areas. Shareholders should also monitor whether the proposed board of directors has an appropriate understanding of environmental, social, governance and ethical factors that impact on the company's bottom line. Diversity should encompass many attributes beyond gender, including diversity by nationality, race or ethnicity, or a specifically sought-after skill or expertise. Although an independent perspective is important, this alone does not guarantee effective directors' oversight, particularly in cases where directors have a limited understanding of the company's main strategies and risks.

BOARD OF MANAGING DIRECTORS

The Board of Managing Directors is composed of a number of 6 (six) managing directors, of which 1 (one) executive managing director (CEO) and 5 (five) non-executive managing directors.

The non-executive managing directors include one independent director. The sole shareholder has appointed four representatives who are in charge of overseeing that the Group is implementing the Procedures and Policies of the shareholder, oversees the communications and engagement of KMG with its sole shareholders, are in charge with the priority directions for strategic development, international collaboration, and interaction with bodies of state authority and with the sole shareholder.

Competencies of the Board members that are relevant to the organization:
Legal and Corporate Governance Engineering Technical maintenance Economics and Finance Innovations and IT systems Investment, project, retail, and marketing mgmt. Strategic development Post-merger integration, innovation, business management and improvement, mentoring/coaching Risk management and transformation

The non-executive members of KMG International N.V. Board mainly have the following duties: (1) to participate in determining the strategy and general policies of the company; (ii) to supervise the management position and the general affairs of the company and its subsidiaries.

The Board Members are together responsible for the Company's management, the general affairs of the Company's enterprise and its business and the general affairs of the Company's Group Companies, which includes that the Board Members are responsible for setting and achieving the Company's objectives, strategy, and policies and that they are responsible for delivery of results. However, the responsibility for managing the Company is vested in the Board as a collective.

In accordance with KMG International N.V. Board Regulations, the company's Board approves an appointment of general managers (CEO) of the KMG International N.V.'s affiliates, as well as the organizational structure of KMG Rompetrol and the appointment of Chief Officers

by business units. Therefore, the nomination process of key people within the Group is approached, discussed, and approved by the highest governance body, based on criteria such as expertise, knowledge, skills, in line with the Group's business needs.

As per the above-mentioned Board Regulations, all transactions in which there is a conflict of interest among KMG International N.V., and a Board Member shall be agreed on terms that are customary for arm's-length transactions in the branch of business in which the company and its subsidiaries are active. Such Regulations also lay down rules and requirements concerning a conflict of interest.

In the performance of its duties the Board acts in accordance with the interests of the Company and the business connected with it, taking into consideration the interests of all those involved in the Company, including the Company's shareholders.

The Board of Directors approves the following:

- entering or terminating any agreement or series of related agreements with a third party with a value exceeding USD 20 million, other than any agreements for crude and/or oil products supply, any bank loan facilities and labor contracts;
- entering or terminating any agreement or series of related agreements with a third party and/or affiliates with a value exceeding USD 50 million for any agreements for crude and/or oil products supply;
- entering or terminating any loan facilities with a bank or any other financial institution with a value exceeding USD 10 million;
- entering or terminating any agreement with affiliates representing a value exceeding 20 million USD other than any agreements for crude and/or oil products supply
- the appointment of general managers (CEO) of the Company's affiliates, as well as organizational structure of Rompetrol and appointment of Chief Officers by business units in the Company;
- giving a prior written consent concerning pledge of any Company's or its affiliates' assets exceeding a total value of USD 10 million;

- giving any guarantee or indemnity in favor of any third party's liabilities exceeding a total value of USD 10 million;
- establishing subsidiaries (taking participation in the capital of a company with a value exceeding USD 5 million) and/or branches of the Company;
- granting any loans to third parties (legal entities and/or natural persons) with a value exceeding USD 10 million;
- entering into an employment agreement with an employee with an annual value exceeding USD 250,000 gross;
- taking or disposing of (at market value) in a single transaction a participation in the capital of a company, with a value not exceeding USD 300 million;
- deciding upon the restructuring strategy of the Company and,
- deciding upon the signatory rights of the Company in respect to bank accounts opened in the Netherlands and abroad.

The Board of Managing Directors requires the approval of the general meeting to:

- carry out the transfer (at market value) of all, or a material part, of the company's or any affiliate's properties or assets in a single transaction, exceeding a total value of 300 million USD
- enter into or to terminate any agreement with a third party for a term exceeding two (2) years or representing a value exceeding 300 million USD, other than any agreements for crude oil supply
- take or to dispose of (at market value) in a single transaction a participation in the capital of a company with a value exceeding 300 million USD
- carry out any consolidation between the company and another entity or any de-merger or merger of the company with, or into, another person or entity
- file a petition for suspension of payment and to file for bankruptcy of the company
- carry out any public offering of the company's equity or equity related instruments
- alter the accounting reference date of the company or any affiliate.



KMGI has appointed five Senior Executives Persons which are responsible for the day-to-day operations of the entity, in addition to the Directors. The process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people is quarterly.

The Board of Directors is responsible for reviewing and approving the reported information as is delivered by the Senior Executives and managers of KMGI, through the KMGI Board of Directors specialized Committees, as described below.

After the information and strategies are discussed and approved at the level of the Committees, the matters are presented and submitted for the approval of the KMGI Board of Directors, where a detailed presentation to the Board members is made by the owner of the topic in discussion, the Board members can ask questions and can provide their input and comments on the matter, finalizing with a Board of Directors decision which should be taken by majority of votes.

SPECIALIZED COMMITTEES

In support of its activity, the Board of Managing Directors established specialized committees, such as the Audit Committee, the Appointment and Remuneration Committee, the Strategy and Innovation Committee and the Finance and Investment Committee.

The Appointment and Remuneration Committee established by the Board of Managing Directors at the level of KMG International N.V. is responsible for advising the Board and the General Meeting (i.e. Sole Shareholder) generally in matters related to remuneration policy, terms of employment and total compensation, as well as performance criteria mainly for Top Management, creation and implementation of any compensation plans, monitoring and assistance in implementation of remuneration policies and plans at Group level in a consistent manner. The decision-making powers of any remuneration policies and plans applicable at Group level would rest upon the KMG International N.V. Board of Managing Directors.

Rompetrol Rafinare SA

The most important asset of KMG International N.V. in Romania, with a significant economic impact and contribution to energy security. It has over 40 years of experience in petroleum products manufacturing and a history dating back to 1979, when its first unit, AD (atmospheric distillation), was commissioned.

Rompetrol Rafinare S.A. is a joint stock company, part of the KMG International N.V. Group, managed in a one-tier management system, incorporated and operating under the laws of Romania, and headquartered in Năvodari, Constanța county, Romania (215 Năvodari Blvd., Administrative Pavilion). In accordance with the provisions of the Articles of Incorporation of Rompetrol Rafinare S.A., its main field of activity is manufacturing of the products obtained from the processing of crude oil.

The company carries out its activity either directly or through related entities in Romania, Switzerland, Bulgaria, Moldova, Turkey, etc. It is the parent for the following subsidiaries: Rompetrol Quality Control S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Logistics S.R.L., Rompetrol Gas S.R.L. and Rompetrol Petrochemicals S.R.L.

OPERATIONAL PROFILE

Rompetrol Rafinare S.A. (originally Midia Năvodari Petrochemical Plant) was designed based on Romanian refining technologies and certain foreign licenses (years 1975 - 1977). Rompetrol Rafinare S.A. was incorporated February 5th, 1991.

KMG International N.V., the holding company of the KMG International Group, holds directly or indirectly a 54.58% stake in Rompetrol Rafinare S.A. The Romanian State represented by the Ministry of Energy holds 44.6959% of Rompetrol Rafinare shares, while the remaining shares represent the free traded shares within the Standard category of the Bucharest Stock Exchange.

The Articles of Association comply with Company Law no. 31/1990, as further amended and supplemented, and Law no. 24/2017 regarding issuers of financial instruments and market operations, republished, as well as Regulations applicable to stock exchange listed companies and Procedures and Policies applicable at the level of the Company and KMG International N.V. Group.

As of December 2022, Rompetrol Rafinare S.A. had 5 directly controlled subsidiaries in Romania, 2 indirectly controlled subsidiaries in Romania and 2 work points, located in Năvodari, Constanța County and Ploiești, Prahova County, Romania.

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GRI 2-18
GRI 2-20

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WORKING POINTS

Petromidia Refinery

1-283 Năvodari Blvd., Năvodari, Constanța County

Vega Refinery

146 Văleni St., Ploiești, Prahova County

LEGAL ENTITIES

Rompetrol Logistics S.R.L.

Registered office: 7 Basarabilor St., Ploiești, Prahova County

Office of the Trade Register no.: J29/2556/16.09.2008

Tax identification no.: RO 14156698

Main business object: Freight rail transport (NACE code 4920)

Direct participation: 66.1911%

Rompetrol Petrochemicals S.R.L.

Registered office: 215 Năvodari, Administrative Bldg., Room 21, Năvodari, Constanța county

Office of the Trade Register no.: J13/2681/09.12.2002

Tax identification no.: RO15077797

Main business object: Manufacture of plastics in primary forms (NACE code 2016)

Direct participation: 100%

Rom Oil S.A.

Registered office: 1 Mare St., Ground Floor, Zărnești, Brașov County

Office of the Trade Register no.: J8/549/13.05.1998

Tax identification no.: RO 10600770

Main business object (as of 2017): Renting and operating of own or leased real estate (NACE code 6820)

Direct participation: 99.9998508%

Rompetrol Quality Control S.R.L.

Registered office: 215 Năvodari, Administrative Pavilion, 2nd Floor, Room 220, Năvodari, Constanța County

Office of the Trade Register no.: J13/6775/22.06.2004

Tax identification no.: RO16542407

Main business object: Technical testing and analysis (NACE code 7120)

Direct participation: 70.91%

Rompetrol Downstream S.R.L.

Registered office: City Gate Northern Tower, 3-5 Presei Libere Sq., 2nd Floor, Bucharest, District 1

Office of the Trade Register no.: J40/1716/24.02.2000

Tax identification no.: RO12751583

Main business object: Retail sale of automotive fuel in specialized stores (NACE code 4730)

Direct participation: 99.994688898%

Global Security Sistem S.A.

Registered office: 1 Constantin Căpitanu St., Bucharest, District 1

Office of the Trade Register no.: J40/10517/25.11.1999

Tax identification no.: RO12452549

Main business object: Private security activities (NACE code 8010)

Indirect participation (Rompetrol Logistics S.R.L.): 51%

Rompetrol Gas S.R.L.

Registered office: 3-5 Presei Libere Sq, City Gate Northern Tower, 5th Floor, Rooms 4-5, Bucharest, District 1

Office of the Trade Register no.: J40/11389/12.07.2006

Tax identification no.: RO18846690

Main business object: Wholesale of solid, liquid, and gaseous fuels and related products (NACE code 4671)

Indirect participation (Rompetrol Logistics S.R.L.): 100%



MANAGEMENT

The management system of ROMPETROL RAFINARE S.A. includes three levels of approval, in accordance with its Articles of Association and applicable Romanian law:

General Meeting of Shareholders
Board of Directors
General Manager and Finance Manager

The Shareholders of Rompetrol Rafinare S.A. are: KMG International N.V., which holds directly or indirectly 54.58% of its share capital, the Romanian State, represented by the Ministry of Energy, which holds 44.6959% of its share capital, and other shareholders (legal entities and natural persons) holding less than 0.8% of the share capital.

THE GENERAL MEETING OF SHAREHOLDERS (GMS)

The General Meeting of Shareholders is the main corporate governing body of the Company, having decision-making responsibilities in relation to detailed activities within the Article of Incorporation of the Company.

In terms of structure, depending on the points on the agenda that the shareholders are required to approve, the General Meeting of the Shareholders can be ordinary or extraordinary.

THE ORDINARY GENERAL MEETING OF SHAREHOLDERS (OGMS)

According to article 11 of the Company's updated Articles of Incorporation, corroborated with the applicable legal provisions, the Ordinary General Meeting is summoned at least once a year, within the term required mandatorily by the law, and includes the following main tasks:

- to discuss, to approve or to modify the annual financial statements, based on the reports presented by the board of directors and by the financial auditor and to establish the dividend;
- to appoint and to revoke Company directors;
- to appoint and to establish the minimum duration for the financial audit contract, and also to revoke the financial auditor;
- to establish for each current financial year the remuneration owed to the directors;

- to pass opinion on the directors' manner of administration;
- to establish the income and expenses budget, and, if such is the case, the activity schedule, for the following financial year;
- to decide the pledge, the lease, or the cancellation of one or more units of the Company;
- to approve the maximum limits of the remuneration of the people handling/having managing positions according to the legal provisions in force;
- to approve the Remuneration Policy for Directors and executive managers.

THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ("EGMS")

The Extraordinary General Meeting has the following tasks:

- to change the Company's legal form;
- to move the Company's headquarters;
- to change the Company's object of activity;
- to set up or to dissolve secondary offices: branch offices, agencies, representations or any other such units without legal personality;
- to extend the Company duration;
- to increase the share capital;
- to reduce the share capital or to replenish it by the issue of new shares;
- to merge with other companies or to divide the company;
- the company's anticipated dissolution;
- to convert shares from one category to another;
- to convert one category of bonds into another one or into shares;
- to issue bonds;
- any other change to the Articles of Incorporation or any other decision for which the EGMS consent is required.

The Extraordinary General Meeting delegates the Board of Directors to exercise the tasks mentioned at letters b) and c) of the paragraph above from the revised Articles of Incorporation.

The Extraordinary General Meeting delegates the Board of Directors to increase the share capital, pursuant to the provisions of art. 85 of Law no. 24/2017 on the issuers of financial instruments and market operations, as republished.

BOARD OF DIRECTORS

The Board of Directors is appointed for a 4-year mandate by the Ordinary General Meeting of Shareholders. The directors are appointed by the General Meeting of the Shareholders. The Chairman of the Board of Directors is nominated by Decision of the Board of Directors amongst its members. The Chairman of the Board of Directors is Mr. Yedil Utekov, also representative of the majority shareholder KMG International N.V.

Pursuant to Resolution no. 6/2022 adopted by the Extraordinary General Meeting of Shareholders on April 28, 2022, the increase of the numerical composition of the Board of Directors of the Company was approved, from a number of five members, to a number of seven members, starting May 1, 2022.

Moreover, as per Resolution no. 3/2022 adopted by the Ordinary General Meeting of Shareholders on April 28th, 2022, as a result of the mandate expiration on April 30th, 2022, the election of five new members to the Board of Directors of the Company was approved for a term of 4 years starting May 1st, 2022. As of December 31, 2022, two positions as members of the Board of Directors went vacant.

During 2022 of the 5 (five) Board of Directors members, 3 (three) were representatives of the main shareholder - KMG International N.V. (of whom one executive starting October 1st, 2020) and 2 (two) were representatives of the Romanian State through the Ministry of Energy (both directors are non-executive and independent).

Board of Directors (as of Dec. 2022)
Mr. Yedil Utekov as non-executive director and Chairman of the Board of Directors
Mr. Askar Abilov as non-executive director
Mr. Felix Crudu-Teşloveanu as executive director and General Manager
Mr. Nicolae Bogdan Codruţ Stănescu as independent non-executive director
Mr. Bogdan Cătălin Steriopol as independent non-executive director

Competencies of the Board members that are relevant to the organization:

Legal and Corporate Governance Engineering Technical maintenance Economics Investments, projects Strategic development Marketing Management and Consumer Behavior Risk management and transformation

The Board Members are together responsible for the Company's management, the general affairs of the Company, including for setting and achieving the Company's objectives, strategy and policies and delivery of results. In the performance of its duties the Board acts in accordance with the interests of the Company and the business connected to it, taking into consideration the interests of all those involved in the Company, including the Company's shareholders.

Duties of the Board of Directors according to the articles of incorporation:

- establishes the main activity and development directions of the company;
- establishes the accounting and financial control system and approves the financial planning;
- appoints, recalls, concludes, and terminates the agreements of the Company managers;
- supervises the managers' activity;
- prepares the annual report, organizes the general meeting, and implements its decisions;
- introduces the request for opening the company insolvency procedure, according to Law no. 85/2014 on the insolvency procedure;
- except for the legal documents for whose adoption / conclusion the approval of the General Meeting of Shareholders is necessary, according to the imperative provisions of the law, approves the adoption / conclusion on behalf of the company of the legal documents whose object exceeds the value of:
 - 50 million USD as regards the legal documents having as object the supply of crude oil, respectively the distribution of refined products
 - 20 million USD as regards the legal documents having another object than the supply of crude

oil, respectively the distribution of refined products, the approval of the participation in the establishment of some trading companies with a contribution exceeding this value, other documents with patrimony content exceeding this value limit

- approves the Company organizational structure.

These cannot be delegated to company managers.

The Board of Directors also has the following duties delegated by the Extraordinary General Meeting of Shareholders under the conditions provided by art. 114 of Law no 31/1990, republished:

- decides regarding the relocation of the company headquarters;
- decides regarding the change of the company business object of activity (except for the main domain and the main activities of the company);
- decides regarding the increase of the share capital by the issue of new shares, according to the law;
- the Board of Directors also meets other tasks, established de jure under their charge, by virtue of the applicable normative acts;
- as regards the issue of shares, the Board of Directors may initiate this operation within the share capital increase operations, exercised based on the tasks delegated according to the provisions of Law no. 31/1990 corroborated with the provisions of Law no. 24/2017.

The Board of Directors is responsible for reviewing and approving the reported information as is delivered by the General Manager, the Finance Manager, and managers of Rompetrol Rafinare S.A, through the RRC Board of Directors specialized Committees, as described below.

After the information and strategies are discussed and advised at the level of the Committees, the matters are presented and submitted for the approval of the RRC's Board of Directors, where a detailed presentation to the Board members is made by the owner of the topic in discussion, the Board members can ask questions and can provide their input and comments on the matter, finalizing with a Board of Directors decision which should be taken by majority of votes.

In support of its activity, the Board of Directors established two specialized committees, the Audit Committee and the Strategy Committee.

Audit Committee

(as of Dec. 2022)

Mr. Dan Alexandru Iancu as Chairman

Mr. Askar Abilov

Mr. Nicolae Bogdan Codruț Stănescu

Strategy Committee

(as of Dec. 2022)

Mr. Yedil Utekov as Chairman

Mr. Felix Crudu-Teșloveanu

Mr. Bogdan Cătălin Steriopol

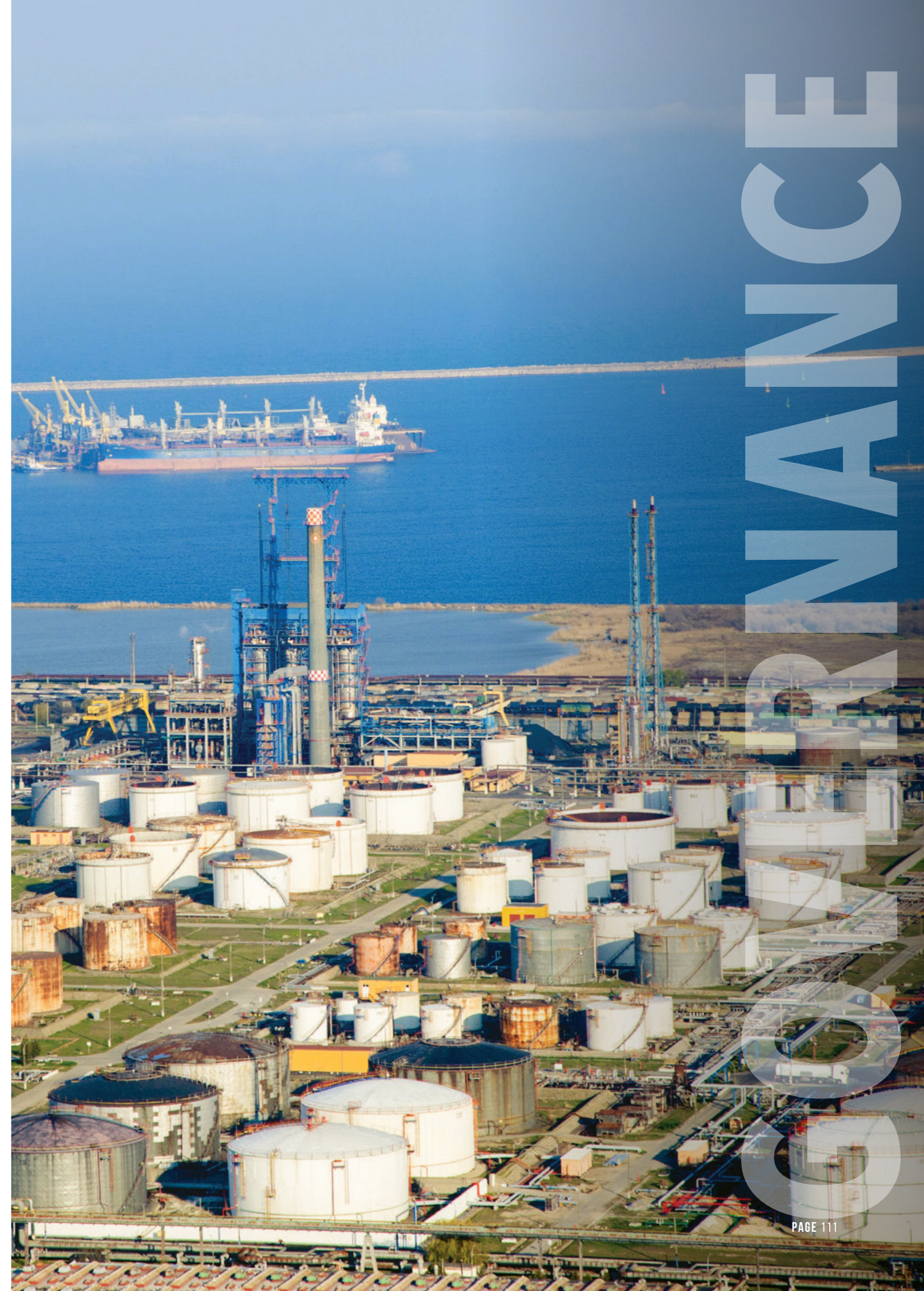
GENERAL MANAGER AND FINANCE MANAGER

The Company's management also includes Executive Managers - General Manager and Finance Manager, who are responsible for the day-to-day operations of the entity, in addition to the Board of Managing Directors. The process and frequency for Executive Managers or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people is quarterly.

As of December 2022, General Manager of Rompetrol Rafinare S.A. is Mr. Felix Crudu-Teșloveanu and Finance Manager is Mrs. Ramona-Georgiana Gălățeanu. The current mandate of the Executive Managers runs until April 2026 (concurrently with the expiration of the term of office of the directors who appointed them).

Rompetrol Rafinare S.A is represented in front of third parties and is legally committed in the relationship with third parties, by the General Manager who benefits of General Company representation power.

The commitments with patrimonial content or effect, as well as any legal deed inferring the undertaking by Rompetrol Rafinare S.A' obligations with patrimonial content and effect will be signed both by the Company's General Manager, as the case may be, and by the Finance Manager, subject to the possibility to sub-appoint third parties. In case of vacancy for the position of general manager and/or finance manager and throughout such period, the signature right mentioned above will be exercised by the persons appointed by the Board of Directors to carry out the duties of the general manager, namely the finance manager.



FINANCE

Rompetrol Well Services SA

Rompetrol Well Services SA offers a wide range of specialized services for crude oil and natural gas wells including cementing, stimulations, nitrogen services, tubular running operations and rentals of equipment and tools.

OPERATIONAL PROFILE

Rompetrol Well Services S.A. is a joint-stock company part of the KMG International N.V. Group, incorporated and operating under the laws of Romania, headquartered in Ploiești, Prahova County, Romania.

Rompetrol Well Services SA was incorporated March 5th, 1991, and has as majority shareholders KMG International N.V., which holds 73.0111 % of its share capital, as minority shareholder ING LUXEMBOURG KJK Balkan Holding SARL, which holds 10.6797% of its share capital, and other shareholders, holding 16,3092 % of its share capital.

The Articles of Association comply with Company Law no. 31/1990, as further amended and supplemented, with Law no. 24/2017 regarding issuers of financial instruments and market operations, as republished, as well as with the Procedures and Policies applicable at the level of the KMG International N.V. Group.

WORKING POINTS

Rompetrol Well Services SA Mediaș
based in Mediaș (Sibiu), Romania

Rompetrol Well Services SA Târgu Cărbunești
based in Târgu Cărbunești (Gorj), Romania

Rompetrol Well Services SA Cămpina
based in Cămpina (Prahova), Romania

Rompetrol Well Services SA Moinești
based in Moinești (Bacău), Romania

Rompetrol Well Services SA Videle
based in Videle (Teleorman), Romania

Rompetrol Well Services SA Mihăești
based in Mihăești (Vâlcea), Romania

GRI

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GRI 2-10
GRI 2-11
GRI 2-12
GRI 2-13
GRI 2-15
GRI 2-16
GRI 2-17
GRI 2-18
GRI 2-20

IPIECA

GOV-1 C1, C5, A1

MANAGEMENT

The management system of Rompetrol Well Services SA includes three levels of approval, in accordance with its Articles of Association and applicable Romanian law:

General Meeting of Shareholders
Board of Directors
General Manager and Finance Manager

The Ordinary General Meeting of Shareholders, held at least once a year in observance with the law, has the power to:

- discuss, approve and amend the annual financial statements, based on the reports presented by Board of Directors and the financial auditor, and to fix the dividends;
- elect and dismiss the company's Directors;
- appoint and set the minimum duration of the financial audit contract, as well as to revoke the financial auditor;
- fix the Directors' remuneration for each current financial year;
- assess the Directors' management activities;
- review the Board of Directors' activity and decide to take proceedings against the Directors for prejudices caused to the company, and to appoint the person in charge of such proceedings;
- establish the income and expenditure budget and, if the case may be, the activity schedule for the next financial year;
- decide the pledging, leasing, or closing down of one or several of the company's working points;
- approve the maximum limits of the managers' remuneration, if the law provides for such approval.

The Extraordinary General Meeting of Shareholders has the power to:

- change the company's legal form;
- relocate the company headquarters;
- change the company's business;
- open or close down secondary offices: subsidiaries, agencies, outlets or other such facilities with no legal personality, unless the Articles of Association stipulate otherwise;

- extend the company's duration;
- increase the equity;
- decrease the equity or replenish it by issuing new shares;
- merge with other companies or start the company's division;
- start the company's early dissolution;
- convert shares from one category to another;
- convert a category of bonds into another category or into shares;
- issue bonds;
- approve the acceptance/signing on behalf of the company of the legal documents for business deals exceeding USD 10 million;
- make any amendment to the Articles of Association or any other decision requiring the approval of the Extraordinary General Meeting.

The Extraordinary General Meeting delegates the exercise of the powers stipulated at b) and c) above to the Board of Directors.

The Board of Managing Directors is composed of 5 (five) managing directors, of which 1 (one) is the Chairman of the Board. Members of the Board are appointed by the Ordinary General Meeting of Shareholders and can be company shareholders, natural persons or legal entities, of Romanian or foreign nationality. The Directors appoint a fellow director to be the Chairman of the Board. The Chairman of the Board of Directors is Mr. Yedil Utekov, also representative of the majority shareholder KMG International N.V.

Board of Directors

(as of Dec. 2022)

Mr. Yedil Utekov as Chairman
Mr. Ștefan Georgian Florea as executive director and General Manager
Ms. Olga Țurcanu as non-executive director
Mr. Vasile Gabriel Manole as non-executive director
Mr. Moby Eugeniu Henke as non-executive director



Competencies of the Board members that are relevant to the organization:

Legal
Engineering
Technical maintenance
Economics and Finance
Marketing Management and Consumer Behavior

The Board of Directors has the duty to:

- establish the company's main directions of activity and development;
- determine the accounting and financial control system and to approve the financial planning;
- appoint and dismiss the company's managers, respectively sign and terminate their employment contracts;
- determine the company's organizational structure and policy regarding the remuneration of the company's employees;
- supervise the managers' activity;
- prepare the annual report, organize the General Meeting and implement the latter's resolutions;
- appoint and/or remove the persons appointed as representatives of the company before banks, having the right of the first signature, respectively of second signature; the rules of joint signatures shall be applied correspondingly for all the payments made for and on behalf of the company;
- approve the contract terms of any type of loans from banks and/or financial institutions, as well as from any type of legal entity;
- approve the company's interim financial statements, in accordance with the law;
- approve the company's marketing strategy and investments plan, as well as the annual budget (investment expenditure and operational expenditure), following the joint proposal made by the General Manager and the Financial Manager;
- with the exception of the legal documents for the approval/signing of which it is necessary, in accordance with the mandatory requirements of the law, to have the approval of the general meeting of shareholders, to adopt and sign on the company's behalf the legal documents for amounts between USD 500,001 and 10,000,000; the approval is nec-

essary in the case of one commercial transaction executed by one and/or several separate contracts if the cumulated value of such contacts exceeds the respective amount;

- file the request for the company's insolvency, in accordance with Law no. 85/2006 regulating the insolvency procedure
- decide the relocation the company's headquarters;
- decide on changing the company's business activity (except for the company's main field of activity and main activity);
- decide on the increase of the registered capital by the issue of new shares, in accordance with the law;
- exercise any other attributions for the fulfilment of the Company's scope of activity and to act according to the duties and limits devolving upon it as per the Articles of Incorporation, legal provisions or resolutions of the General Assembly of Shareholders.

In support of its activity, the Board of Directors established a specialized committee, the Audit Committee.

Audit Committee

(as of Dec. 2022)

Mr. Dan Alexandru Iancu as Chairman
Mr. Yedil Utekov
Mrs. Olga Turcanu

The Board of Directors is responsible for reviewing and approving the reported information as is delivered by the General Manager and the Finance Manager of Rompetrol Well Services SA.

Rompetrol Well Services SA is represented in front of third parties, and it is legally committed in the relationship with third parties, by the General Manager who benefits of general Company representation power. The commitments with patrimonial content or effect, as well as any legal deed inferring the undertaking by Rompetrol Well Services SA' obligations with patrimonial content and effect will be signed both by the Company's General Manager, as the case may be, and by the Finance Manager, subject to the possibility to sub-appoint third parties. In case of vacancy for the position of general manager and/or finance manager and throughout such period, the signature right mentioned above will be exercised by the persons appointed by the Board of Directors to carry out the duties of the general manager, namely the finance manager.



Rominserv SRL

The first Romanian company to integrate industrial maintenance services, industrial project management, and technical & technology development services.

It offers customers a financially and operationally valid alternative to the traditional internal management system for the execution/maintenance of upgrading and development investment projects.

Part of the KMG International N.V. Group, Rominserv S.R.L. is a company incorporated and operating under the laws of Romania and headquartered in Bucharest. Its main activity consists of installation of industrial machinery and equipment, providing solutions for industrial investment projects, maintenance works, technical and technological upgrades.

The services rendered are ISO 9001:2015 certified and integrated with other ISO standards (14001:2015, 45001:2018, 50001:2018) by DNV GL.

OPERATIONAL PROFILE

Rominserv S.R.L. was incorporated on October 3rd, 2001, and has KMG International N.V. as majority shareholder, which holds 99,9996623% of its share capital, and as minority shareholder, Rompetrol Financial Group S.R.L. (Romanian company, subsidiary of KMG International N.V.) which holds 0,0003377% of its share capital.

As of December 2022, Rominserv S.R.L. had 2 (two) branches in the Republic of Kazakhstan and Bulgaria and 2 (two) work points in Năvodari and Ploiești, Romania.

The Articles of Association comply with Company Law no. 31/1990, as further amended and supplemented, and with the Procedures and Policies applicable at the level of the KMG International N.V. Group.

GRI

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GRI 2-10
GRI 2-11
GRI 2-12
GRI 2-13
GRI 2-15
GRI 2-16
GRI 2-17
GRI 2-18
GRI 2-20

IPIECA

GOV-1 C1, C5, A1

BRANCHES

Rominserv SRL Pavlodar Branch

based in Pavlodar, Kazakhstan

Rominserv SRL Bulgaria Branch

based in Sofia, Bulgaria

WORKING POINTS

Rominserv SRL Petromidia working point

based in Năvodari (Constanța), Romania

Rominserv SRL Vega working point

based in Ploiești (Prahova), Romania

MANAGEMENT

The management system of Rominserv S.R.L. includes three levels of approval, in accordance with its Articles of Association and applicable Romanian law:

General Meeting of Shareholders
Board of Directors
General Manager and Finance Manager

The General Assembly of Shareholders has the following duties and powers to:

- discuss, approve or amend the Company's annual financial statements based on the reports submitted by the Board of Directors and the financial auditor and to establish the distribution of the net profit;
- decide upon the distribution of the Company's profit, remaining after the setup of the reserve fund and other legal funds;
- elect/revoke the Company's directors and to decide whether the duties thereof were properly fulfilled;
- appoint and/or to revoke the financial auditor, namely, to establish the minimum term of the financial audit agreement;

- establish for each financial year the directors' fee;
- analyze the activity of the Directors and to decide upon the pursue thereof for the damages caused to the Company, designating also the person empowered to exercise such duty;
- amend the Company's Articles of Association;
- amend the Company's legal form of incorporation;
- increase/decrease the Company's share capital;
- decide upon the Company's merger with other companies or upon its spin off;
- approve any procurement, lease, mortgage, pledge or any type of disposal whatsoever of the Company's assets when the value thereof exceeds half of the Company's assets accounting value;
- file actions in law against the Company's directors and managers that were vested with management powers, for any damages they caused to the Company pursuant to any breach of their duties towards the Company;
- exercise any other duties in relation to the activities and actions that may be exercised or carried out by the Company, in compliance with the Romanian legislation.



The Board of Managing Directors is composed of a number of 3 (three) managing directors, of which 1 (one) is the Chairman of the Board. The managing directors are appointed by the General Meeting of the Shareholders. The Chairman of the Board of Directors is Mr. Yedil Utekov, who is also a representative of the majority shareholder, KMG International N.V.

Board of Directors

(as of Dec. 2022)

Mr. Yedil Utekov as Chairman
Mr. Adrian Tohănean as managing director
[Deputy Group Chief Financial Officer for KMG International N.V.]
Mr. Eugen-Ovidiu Mantho as managing director
[Acting as QHSE Director for KMG International N.V.]
Mr. Daniel Brinzoï as General Manager
Mr. Vasile Gabriel Manole as Finance Manager

Competencies of the Board members that are relevant to the organization:

Legal and Corporate Governance
Engineering
Technical maintenance
Economics
Investments, projects
Strategic development
Marketing Management and Consumer Behavior
Risk management and transformation

The Board of Directors has the following main duties:

- establish the Company's main activity and development guidelines;
- establish the accounting and financial control system and to approve the financial planning;
- approve the Company's organizational structure;
- appoint, revoke, terminate, suspend and cease the contracts of the Company's General Manager and Finance Manager and to supervise the activity thereof;
- appoint and/or to revoke the persons acting as representatives of the Company in the relationship with the banks, with first signature right, namely with second signature right; the joint signature rules shall correspondingly apply to any payment made for and on behalf of the company;

- prepare the annual report, to organize the General Assembly of the Shareholders, to file for approval to the General Assembly of the Shareholders the Company's financial statements and to implement the resolutions thereof;
- approve the Company's marketing strategy and investment plan, upon the joint proposal of the General Manager and the Finance Manager;
- decide upon the adoption/conclusion of legal documents (including, without limitation, the approval of credit contracts and set up of related guarantees, the purchase of ownership interests such as shares/social parts or loan stocks in other companies, the conclusion of service agreements, rent agreements, the accomplishment of investments of any type etc.) whose object exceeds the value of USD 450,000;
- supervise and coordinate the Company's business management performed by the General Manager and the Finance Manager;
- change the Company's registered seat;
- modify the Company's scope of activity (except the Company's main field of activity and main activity);
- approve the establishment and/or disestablishment of secondary seats of the Company;
- establish the organizational guidelines for all the Company's subsidiaries, work points or other secondary seats in the country or abroad;
- establish the duties and obligations of the persons appointed to manage the Company's subsidiaries, work points or other secondary seats in the country or abroad;
- file the application for the initiation of the Company's insolvency procedure, as per the Law 85/2006 on insolvency procedure;
- exercise any other attributions for the fulfilment of the Company's scope of activity and to act according to the duties and limits devolving upon it as per the present Articles of Incorporation, legal provisions, or resolutions of the General Assembly of Shareholders.

The Board of Directors is responsible for reviewing and approving the reported information as delivered by the General Manager and the Finance Manager of Rominserv S.R.L. The General Manager and Finance Manager are responsible for the day-to-day operations of the company. Senior executives and other employees must report back quarterly to the highest governance body on the management of the organization's impacts on the economy, environment, and people.



As general contractor of the Group, Rominserv handled the replacement of the 185 C1 column of the Amine Treatment Unit at Petromidia refinery.

FINANCE

BUILDING A NEW FRAME OF REFERENCE

ENVIRONMENT

Introduction
Approach to environmental protection and conservation
Climate change and climate-related risks
Group Carbon footprint
KMG International Decarbonization Strategy
Environmental performance targets
Rompetyl Rafinare SA
Rompetyl Downstream SRL, Rompetyl Gas SRL
Rompetyl Bulgaria EAD
Rompetyl Georgia LTD
Rompetyl Moldova SA
Rompetyl Energy SA
Rominserv SRL
Rompetyl Well Services SRL
Rompetyl Quality Control SRL
Midia Marine Terminal SRL
KMG Rompetyl Services Center SRL, KMG Rompetyl Development SRL



Introduction

The oil and gas industry plays a critical role in meeting the world's energy needs, but it also faces the challenge of balancing those needs with environmental sustainability.

We recognize that our operations have an impact on the environment and local communities, and we are committed to minimizing that impact through responsible practices and continuous improvement.

Our sustainability report outlines our efforts to reduce our carbon footprint, conserve water, protect biodiversity, and promote social and economic development in the communities where we operate. As a Responsible Steward of the environment, it is essential that we support good environmental practices and embed further considerations about the risks posed by climate change. The following section details our climate change considerations, including our alignment with the TCFD and approach to environmental management.

Approach to environmental protection and conservation

We recognize that our operations have the potential to impact the environment, and we are committed to minimizing that impact through responsible practices and continuous improvement. Our environmental strategy and objectives cover regulatory compliance processes and procedures, responsibility assignment, training, emergency preparedness, alignment with the best techniques available in the industry (BAT / BREF), monitoring and measurement and environmental investments, as well as regularly auditing of our performance.

Our approach to environmental protection and conservation is guided by strong principles which are embedded in our strategy and the way we do business:

Compliance with regulations and standards

We comply with all relevant regulations and industry standards related to environmental protection. In addition, we strive to exceed these requirements whenever possible.

Risk management

We identify, assess, and manage environmental risks associated with our operations. We have implemented robust risk management processes and procedures to ensure that our activities do not have a negative impact on the environment.

Continuous improvement

We constantly strive to improve our environmental performance, which is why we regularly monitor our opera-

tions and implement new technologies and practices to reduce our environmental footprint. We regularly verify compliance through self-monitoring programs, inspections and third-party assessments and we constantly assess the environmental performance of the companies within KMG International, as well as the overall performance of the Group.

Stakeholder engagement

We engage with stakeholders, including local communities, environmental groups, and regulators, to ensure that we are addressing their concerns and incorporating their feedback into our environmental management practices. We also inform and empower employees to recognize their responsibility to perform all activities in a manner that is consistent with Group environmental policies and procedures. Furthermore, we provide dedicated training to employees about the measures to prevent and reduce emissions in the atmosphere, water and soil, to manage waste and dangerous substances, to avoid or mitigate accidental spills and other risks in their activity which may have an impact on the environment.

Transparency

We are transparent about our environmental performance and report regularly on our progress toward our sustainability goals. We also inform the public about the risks associated with the use of hazardous chemicals, the security measures and required actions in case of a major accident.

GRI

GRI 2-27
GRI 3-3
GRI 11.8.2
GRI 11.15.4

SASB

EM-MD-160a.4

IPIECA

CCE-1 C1
ENV-6 C1, C2, C3, C4

We recognize that the transition to a low-carbon economy will require significant changes in our operations, and we are committed to working collaboratively with stakeholders to address the challenges of the energy transition. We believe that by taking a proactive approach to environmental management, we can minimize our environmental footprint and contribute to a more sustainable future.

Our approach to environmental stewardship focuses on the relevant material topics identified in our stakeholder engagement & materiality assessment processes and it refers to issues like environmental compliance, climate change and decarbonization, waste management, protection of water resources, air emission management, energy consumption.

To manage our environmental performance, we plan and conduct operational activities following an established set of procedures, designed to maintain environmental compliance and to demonstrate our environmental stewardship through the following measures:

- Reviewing performance to check proper implementation of monitoring and operational control policies and compliance with applicable laws and policies
- Evaluating environmental nonconformities and the corresponding preventative and corrections actions.

In line with the Group's Decarbonization Strategy, the Risk Management Department within KMG International implemented a risk assessment project, during the reporting period, based on environmental factors with an impact on short / medium term climate development.

ENVIRONMENTAL COMPLIANCE

Our environmental management approach is supported by a comprehensive integrated QHSE system that outlines our policies, procedures, and practices for managing environmental risks and impacts while following all applicable rules and regulations throughout our value chain. Within KMG International Group, there are over 300 authorized working points, operating in Romania and the Republic of Moldova, the only countries of operations that legally mandate environmental authorizations.

During the reporting period, KMG International Group environmental compliance activities focused on:

- obtaining or maintaining the validity of all regulatory acts required for each project, as well as for each activity carried out on the sites where environmental permits and subsequent observance is mandatory
- ensuring compliance with the legal requirements to reduce the risk of potential environmental incidents and sanctions from competent authorities
- maintaining all Group entities' certifications based on ISO 14001:2015, part of their Integrated Management System
- complying with the requirements of all applicable standards, according to the provisions of the legislation in force.

Additionally, environmental compliance activities comprise reports and audits aimed at meeting required deadlines set by both internal and legal requirements, along with the timely transmission (immediately after the entry into force) of any new legal requirements regarding applicable European regulations (Directives, Decisions, Regulations).

Environmental compliance activities also refer to identifying and communicating financing opportunities for major projects carried out by Group entities (CAPEX) from grants and loans with attractive interest rates and /or through state aids (accepted by the European Commission), in reference to the Group's Romanian operations. As such, projects may be financed from the European Union budget either as part of its next financial exercise (2021-2027) or as part of the investment package supported through the National Recovery and Resilience Plan (set up to counteract the effects of the COVID-19 pandemic).

There were no accidental pollution incidents recorded in 2022. No significant environmental impact of transporting products and other goods and materials were registered either during the reporting year.

Climate change and climate-related risks

Incorporating a climate change strategy and addressing climate-related risks is an essential aspect of our sustainability reporting. In the current edition of our report are continuing to advance the elements of our TCFD related disclosures, in alignment to the revised guidance issued in October 2021, to comprehensively evaluate the potential impacts of climate change related risks and opportunities on our organization's operations, strategy and financial planning.

We are aware of the potential risk if we cannot fully operate due to exceeding the global carbon budget. During the strategy development and planning processes, we have considered scenarios reflecting various aspects of potential economic, technological, and social developments, along with their implications for the energy market and, consequently, for business.

Overall, a comprehensive climate change strategy and a robust approach to addressing climate-related risks are essential for demonstrating our commitment to sustainability and our pledge to provide transparency and accountability to our varied stakeholders.

We have various programs in place to assess environmental aspects for each location, manage potential environmental risks and mitigate impacts. They reflect upon the specific of the company's activity and include the following:

- Environmental Management program
- Waste Management program
- Investment program approved at company level (projects carried out mainly in the operational activity and which aim to reduce the impact on the environment and communities).

Climate related risks and opportunities are integrated into our Risk Management process aimed at identifying, assessing, and managing business-related risks.

Climate related risks are identified using the standardized methodology of the Enterprise Risk management process. Risks are identified on a daily basis in a bottom-up approach by all employees and in a top-down approach by all Group unit managers, by monitoring regulatory, market, and reputational risks in line with the latest national and international developments.

Climate related risks are documented, ranked and discussed internally among key operational stakeholders. All risks are recorded in the Risk Register, which is updated quarterly or as needed (future capital expenditures and operational decisions consider the Risk Register). These risks are assessed in terms of their potential impact on the medium-term financial performance plan:

- short and medium-term risks are analyzed for their quantitative impact on the Risk Register and annual financial plan
- effects of long-term risks are evaluated based on a qualitative analysis, considering a higher level of uncertainty. The quantitative impact is analyzed based on the worst scenario.

During the reporting period, a Climate Risk Management Procedure was developed and implemented, which also states that the BoD has the responsibility to review Group climate risk assessments annually (detailed methods and tools are still under development).

Within the Group, there is a general risk management framework which targets all types of risks, including market and financial risks, safety and operational risks or strategic risks. The Risk Management Department coordinates the periodic reassessment of risks and the measures for implementation at the level of each entity.

Climate related risks are identified based on a workshop meeting with key operational stakeholders, where they are documented, ranked and discussed internally. Finally, all risks, along with a detailed mitigation plan are sent for approval to Group management.

All parties involved contribute to the development of a risk mitigation plan, which is approved by local and Group management and then shared with relevant departments and responsible roles.

The following short, medium and long-term risks were identified in relation to our operations:

GRI

GRI 301-1
GRI 301-2

TCFD

Governance a, b
Risk management a, b, c
Metrics and targets a, b, c

IPEICA

CCE-1 C1-C4, A3
CCE-2 C1, C2, C4, A1

Short- and medium-term risks*

		Financial impact
Policy & legal risks	Increased pricing of GHG emissions Enhanced emission reporting obligations Exposure to litigation	Increased operating costs (higher compliance costs, increased insurance premiums) Asset impairment, and early retirement of existing assets due to policy changes
Technology risks	Substitution of existing products with lower emissions options Costs to transition to lower emissions technology	Reduced demand for existing products and services Capital investments in technology development Costs to adopt/deploy new practices and processes
Market risks	Changing customer behavior Increased cost of raw materials	Reduced demand for products due to change in consumer preferences Increased production costs due to changing input prices (energy, water) and output requirements (waste treatment) Increased energy costs
Acute climate-related risks	Increased severity of extreme weather events (thunderstorms, floods)	Reduced revenue from decreased production capacity (transport difficulties, supply chain interruptions) Reduced revenue and higher costs from negative impacts on workforce (health, safety, absenteeism)

Long-term risks*

		Financial impact
Chronic climate-related risks	Changes in precipitation patterns and extreme variability in weather patterns Rising average temperatures Rising sea levels	Reduced revenue from decreased production capacity (transport difficulties, supply chain interruptions) Reduced revenue and higher costs from negative impacts on workforce (health, safety, absenteeism) Increased operating costs (inadequate water or energy supply) Increased capital costs (damage to facilities) Reduced revenues from lower sales/output

* For the purposes of climate disclosure, short-term is defined as 1 – 3 years, medium-term as 3 – 10 years, and long-term as 10 – 40 years.

Resilience through participation in renewable energy programs and the adoption of energy-efficiency measures was identified as short-term opportunity - an increase in cost from climate change regulation can make the capital investment in renewable energy more attractive, which often saves money over a longer period of time. The development of new products and services was seen as a long-term opportunity.

KMG International has a complex metric system for managing environmental aspects and their evolution within company operations. These metrics include water and energy consumption, emissions, and waste management. Daily/monthly/yearly targets are set for water & energy consumption, along with greenhouse gas emissions. All metrics are incorporated in the In-

tegrated Management System and reported to management annually. Also, the company has dedicated environmental objectives which are defined or updated each year to incorporate climate change targets.

All environmental issues (process of obtaining permits & certifications, relations with local and national relevant authorities, post-audit follow-up measures) are brought to the attention of the management through multiple channels, with various frequencies, depending on the nature of each issue:

- weekly management meetings
- monthly Group Management reports
- quarterly updates of the Risk Register
- yearly Integrated Management System Analyses.

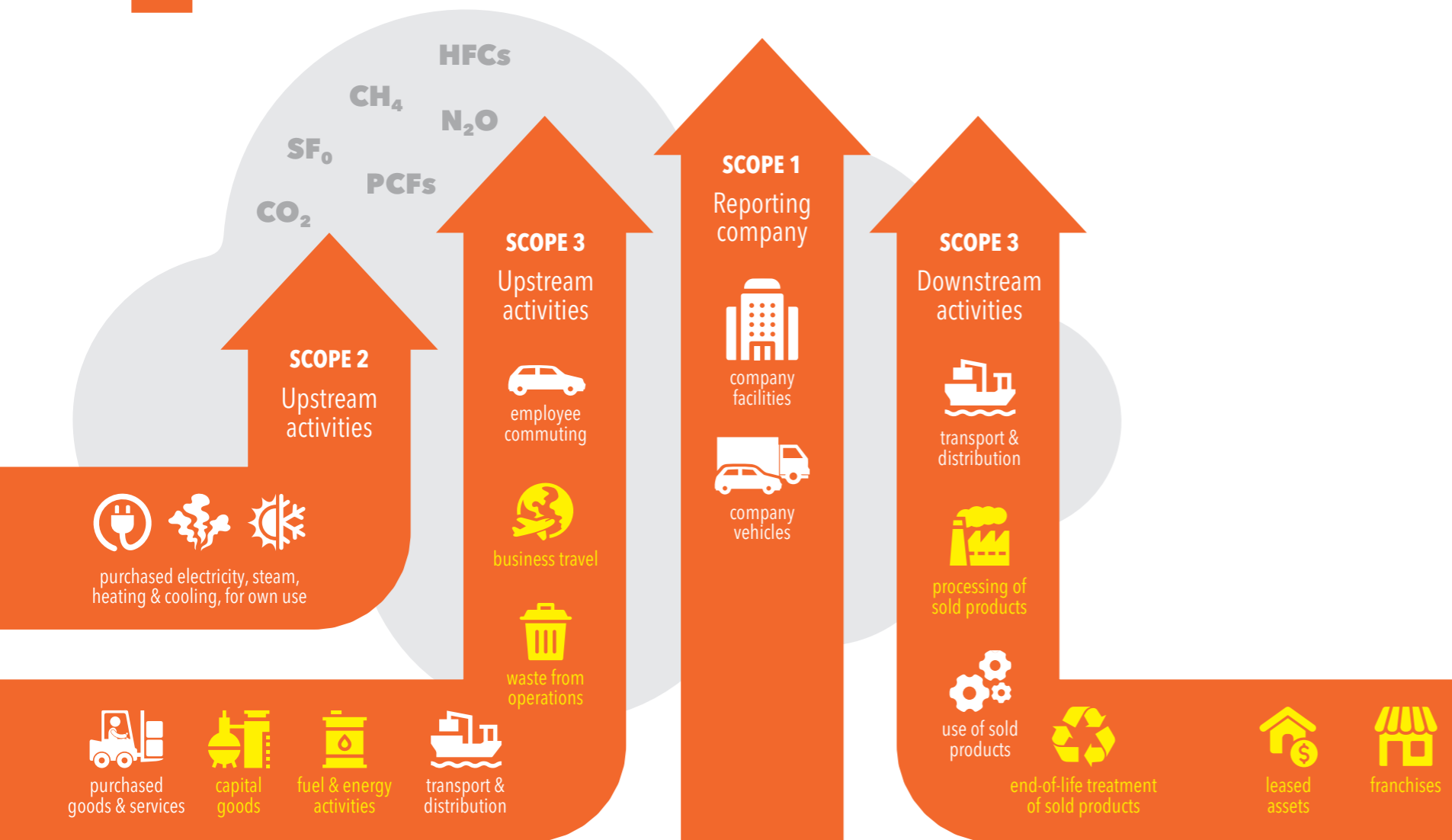
Group Carbon footprint

The carbon footprint presented in this report represents the total greenhouse gas (GHG) emissions of KMG International during the financial year 2022, expressed as CO₂ equivalent. The Greenhouse Gas Protocol (GHG Protocol) defines three emission scopes, as illustrated in the graph below.



SCOPES ACROSS THE VALUE CHAIN

- Scope 1 emissions** are direct emissions from Company-owned and controlled sources. In other words, emissions are released into the atmosphere as a direct result of a set of activities, at Company level. All fuels that produce GHG emissions, fugitive emissions such as refrigerant gas leaks must be included in scope 1.
- Scope 2 emissions** are indirect emissions from the generation of purchased energy, such as purchased electricity.
- Scope 3 emissions** are all indirect emissions – not included in scope 2 – that occur in the value chain of the reporting company, including both upstream and downstream emissions. In other words, emissions that are linked to the company's operations.



KMG International entities included in the CFP calculation - FY 2022

SECTOR	ENTITY	ACTIVITY
Industry	Rompetrol Rafinare SA	Manufacturing of products by processing of crude oil
	• Petromidia Refinery	Includes refining of petroleum products and petrochemicals
	• Vega Refinery	Includes refining of petroleum products and petrochemicals
	Rompetrol Energy SA	Production and distribution of thermal energy, demineralized water and the distribution of electricity.
Services	KMG International HQ	HQ includes all KMG offices in Bucharest
	Rominserv SRL	Industrial maintenance and management services
	Rompetrol Quality Control SRL	Laboratory activities
	Midia Marine Terminal SRL	Crude unloading through marine terminal / products loading
	Rompetrol Well Services SA	Well services for upstream clients
Retail	Rompetrol Downstream SRL	Gas stations and warehouses
	Rompetrol Gas SRL	Wholesale of solid, liquid and gaseous fuels derived products
	Rompetrol Bulgaria EAD	Gas stations and warehouses
	Rompetrol Moldova SA	Gas stations and warehouses
	Rompetrol Georgia LTD	Gas stations and warehouses

Rompetrol Rafinare SA operates the two refineries of the Group - Petromidia of Navodari, county of Constanta, together with the only petrochemical division of the country, and Vega Refinery of Ploiești, which keeps the local refining industry at high standards.

KMG Rompetrol Services Center and **KMG Rompetrol Development** operate in the Rompetrol HQ building, and their emissions are not metered separately. Therefore, their emissions were calculated together.

GREENHOUSE GAS EMISSIONS

Tons CO₂ equivalent emissions in the value chain - FY 2022

SECTOR	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
Refining Industry	1,068,378	1,872	4,462,032	5,532,282
KMG Services	4,501	469	3,491	8,461
Retail (warehouses, gas stations)	2,853	11,167	8,452,113	8,466,113
Biogenic uptake*	-311	-	-646,030	-646,341
Grand Total Emissions				14,006,876

* Biogenic CO₂ is the carbon dioxide (CO₂) resulting from the decomposition, digestion or combustion of biomass or biomass-derived products. Biogenic CO₂ is part of the "natural short carbon cycle". Assimilated by biomass through photosynthesis, atmospheric CO₂ is then returned, as biogenic CO₂, to the atmosphere or to the soil, depending on the conversion type and final use of biomass. Fuel products from KMG include biofuel in their composition, for which the biogenic uptake is accounted for separately in accordance with GHG Protocol guidance, which includes emission factors for biofuel and a net zero assumption over the lifecycle of biofuels.

METHODOLOGY CFP - KMG ASSETS

Greenhouse gas emissions of KMG include emissions that are directly caused by our own activity as well as the emissions generated along the value chain that are material and controlled by KMG.

EMISSIONS FROM ETS INSTALLATIONS - SCOPE 1 STATUTORY REPORTING AND AUDITING REQUIREMENT

The two KMG refineries and the petrochemical unit fall under the provisions of HG no. 780/2006 regarding the establishment of the commercialization scheme of greenhouse gas emissions certificates, with subsequent amendments and additions, must draw up, annually, a GHG emissions monitoring report.

In accordance with the harmonized requirements of Regulation (EU) no. 2066/2018 for the ETS Directive 2003/87/EC, which provides (among others):

- the obligation to verify greenhouse gas emissions by 01 March each year and
- the obligation to validate greenhouse gas emissions by March 31

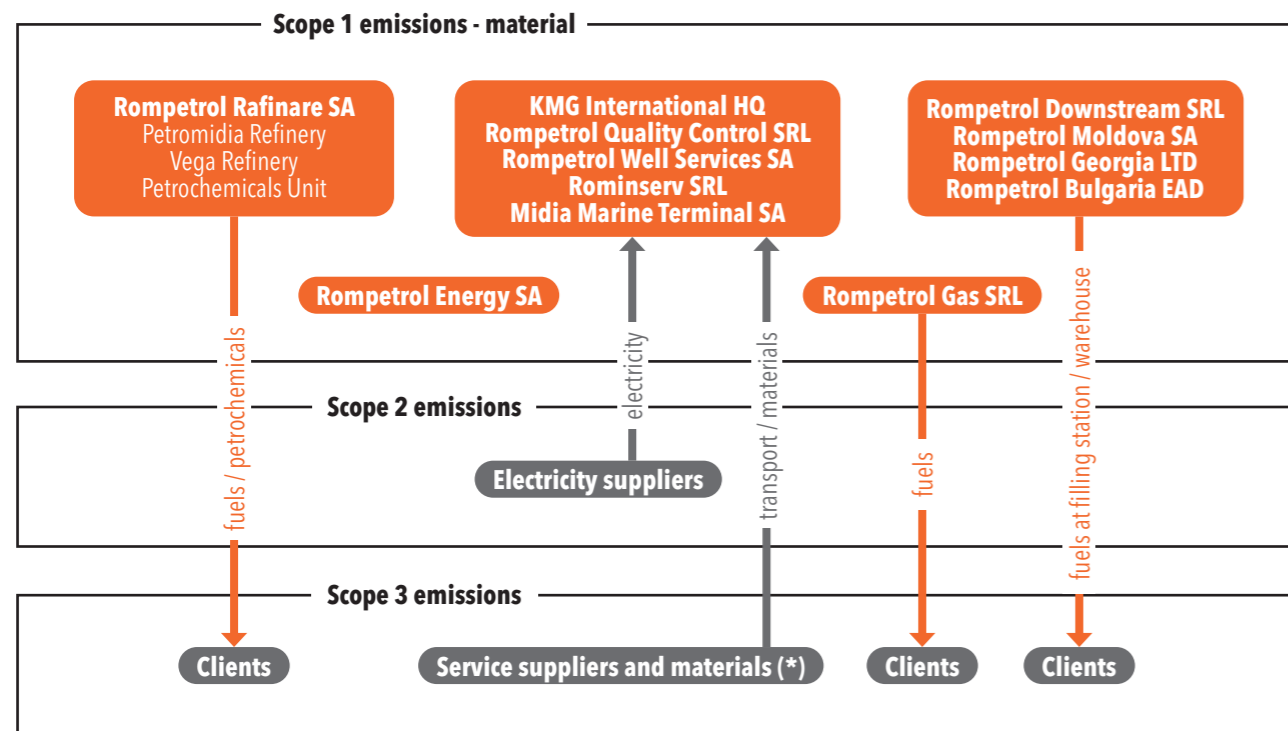
The European Directive on Emission Trading Scheme (Directive 2003/87/EC) applies to energy activities (burning fuels for energy purposes, oil refining), production and transformation of ferrous and non-ferrous metals, mineral products industry, paper industry, chemical industry, capture, transport and storage of GHG and air transport.

GHG PROTOCOL

The GHG Protocol was employed for estimating other emissions along the value chain; it is the most widely used accounting (emissions calculation) standards for greenhouse gases in the world (<https://ghgprotocol.org/about-us>), including a number of calculation tools. Guidance documents include - one or more approaches for determining CO2 and other GHG emissions, e.g., direct measurement, mass balance, etc.

The inventory of GHG emissions includes all relevant KMG companies and activities selected based on operational control criteria 100% operated by KMG. KMG Boundaries for GHG emission calculation were set based on materiality following internal consultation with KMG representative from potentially material entities. Double reporting was avoided by defining the emissions Scope 1,2,3 of KMG - centralized approach.

Companies included in the reporting boundaries of KMG



Materiality for emissions: within the categories defined by the GHG Protocol, those with an estimated weight of less than 1% have been excluded, provided that the sum of all of them does not exceed 5%.

(* If material emissions are identified

Assumptions and notes on methodology

- To avoid double reporting at the KMG level, boundaries were set at the Group level for scope 1, 2 and 3 emissions. The boundaries were established according to the GHG Protocol – centralized approach.
- The inventory of GHG emissions includes all relevant KMG companies and activities - selected based on the criterion of operational control 100% owned by KMG. Entities with KMG operational control according to the GHG Protocol were included.
- In the KMG centralized reporting the emissions related to LPG quantities are reported by gas stations (Rompetrol Downstream Romania).
- The transport of raw materials (oil) to refineries is not under the operational control of KMG, therefore the associated emissions in the amounts reported in scope 3 for KMG were calculated based on estimates. Any other purchased goods or services are not included, as specified in the boundaries/limitations for scope 3 emissions, not considered material. Therefore the associated emissions in the amounts reported in scope 3 for KMG were calculated based on estimates within the boundaries specified.
- Operational transport from the refineries to the other KMG entities, as well as to its own storage facilities, is provided by Rompetrol Downstream. Thus, the emissions associated with scope 3 (because they are external carriers) are included in the calculation by Rompetrol Downstream Ro, Rompetrol Bulgaria, Rompetrol Moldova and Rompetrol Georgia.
- The transportation of petroleum products from refineries to customers (both by car and by barge) is under the control of KMG customers, with the isolated exception of deliveries to the Romanian Army which are not material in terms of emission volume, these were not quantified to be included.
- Rail transport was not included in the calculation as material, as there are no direct GHG emissions associated with it, given that the vast majority of rail transport is electric, with very few exceptions. Also, for the Vega Refinery, raw materials are transported by rail, and within KMG, other transports are carried out by rail.
- Material GHG emissions associated with raw material include the cement received monthly from Germany and transported to Rompetrol Well Services for their well rehabilitation activities, and for which scope 3 emissions in upstream for the cement production and transport are calculated and included. For the delivery of raw material (cement) to Rompetrol Well Services, only the delivery distance (not the return distance) of the vehicles was taken into account. It is assumed that they will run other cargo routes (since not under the operational control of KMG) back to Germany.
- To avoid double reporting in the case of external transporters, who supply from Rompetrol petrol stations or other facilities (they are Rompetrol customers), the emissions were calculated and included in Scope 3 only once.
- To avoid double reporting, the Scope 1 fuel quantities from KMG's own fleet (entities from industry and services, as well as the Rompetrol Downstream fleet) were subtracted from the total Scope 3 fuel quantities because these vehicles are fueled from Rompetrol gas stations.
- In the case of operational transport carried out by third parties, their fuel consumption was included in Scope 3 if there are no contractual conditions in place that require them to purchase fuel from Rompetrol.
- The storage (warehouses) facilities are operated by Rompetrol Downstream, Rompetrol Georgia, Rompetrol Bulgaria and Rompetrol Moldova, the associated emissions being reported by these entities (emissions of Romoil SA and Rompetrol Logistics SRL storage facilities are included in Rompetrol Downstream; the entity that operates the storage facilities).
- Emissions associated with waste generated were not included in the calculation, not found to be significant/material.
- Emissions associated with the construction phase of new gas stations are not included in the calculation, as they are temporary and not under KMG's operational control. Consequently, they are not reported by Rompetrol Downstream (or other entities such as KMG Rompetrol Services Center, Rompetrol Georgia, Rompetrol Bulgaria, Rompetrol Moldova).
- Business flights and other emissions associated with business travel (accommodation) have not been included in the calculation as they are not considered significant/material or quantifiable (in the case of accommodation).
- KMG Rompetrol Services Center and KMG Rompetrol Development operate in the Rompetrol HQ building and their emissions are not metered separately.
- Employee commuting was not included in the calculation to avoid double reporting, they are assumed to be fueling from KMG and their related emissions are reported within the fuel quantities sold.
- For Bulgaria, Moldova, Georgia, and in some cases Romania, the emission factor per country for electricity was used (and replaced by the supplier factor if available) - the last published factor. Emission factors for fuels* updated February 2022 (Recommended by the European Commission).
- EU ETS emissions calculations have been introduced where applicable (refineries).

Assumptions and notes on methodology on biogenic intake

- In this study, we operated under the assumption that all diesel contains an average of 6.727 vol% biodiesel. This value was derived based on the computed average volume of fuel sold. We did not distinguish quantities of EURO5 diesel, which has a biodiesel content of 6.76% vol. The difference between these two types of diesels is minor and is not expected to significantly influence the results of our final calculations.
- Our calculation of biogenic uptake (represented as negative values) was grounded in the combustion emission factors associated with biofuels. Furthermore, we applied the emission factors and a net-zero life cycle assumption to all biofuels, in line with the standards set forth by the GHG Protocol. However, it is crucial to note that the calculation of biogenic uptake was restricted to Rompetrol fuel with a known biofuel content. Fuels supplied by third parties were not considered within the scope of our biogenic uptake calculations.
- Percentage bioethanol in gasoline = 8.052% vol. based on the calculated average of fuel sold.

SCOPE 1

Because Scope 1 emissions refer to all direct greenhouse gas emissions from sources that are controlled by the organization itself, Scope 1 emissions were therefore calculated as follows.

KMGI Industry entities

Emissions from installations – EU ETS - Rompetrol Rafinare SA - Petromidia Refinery, Petrochemicals Division, Vega Refinery, Rompetrol Energy SA.

Direct emissions from installations include the following sources: combustion in furnaces, flares, processes. No fugitive or emergency CH4 emissions are accounted for, they are not considered relevant emissions on the enclosed industrial platform. GHG emissions are calculated based on activity data (fuel consumption, production per plant, etc.). The direct emissions of the installations are calculated according to the EU ETS regulations, validated by an accredited external verification body. The total flare gas (Nm³) is taken into account.

Mobile emissions – include company vehicles (tons of CO2e) - Emission factors: GHG Protocol by fuel type.

KMGI Services entities

Heating gases, vehicles, refrigerants included in Scope 1 if material and controlled by KMGI.

KMGI Downstream – warehouse and filling stations

Truck transport (may be in Scope 3 if carried out by a carrier – service provider – external), **refrigerants** (losses of cooling agents) from refrigeration units and air conditioning are included in Scope 1.

Rompetrol Gas SRL – LPG bottling stations in Arad and Bacău – material emissions are from thermal power plants for heating (propane combustion).

SCOPE 2

All indirect greenhouse gas emissions stemming from the consumption of purchased electricity. There are no purchases of steam, or other sources of energy generated upstream.

KMGI Industry entities

Purchased electricity (MWh) from outside of KMGI, the latest emission factor (tones of CO2 e/MWh) from the supplier is used.

KMGI Services entities

Purchased electricity - emission factor from the supplier is included.

KMGI Downstream – warehouse and filling stations

Purchased electricity - emission factor from the supplier if available /or country average is included.

SCOPE 3

All other indirect greenhouse gas emissions resulting from KMGI operations. KMGI's material Scope 3 emissions include estimated emissions from transporting oil to refineries, emissions from operational transport managed by Rompetrol Downstream, greenhouse gas emissions related to cement delivery from Germany to Rompetrol Well Services, emissions from external transporters supplying from Rompetrol stations, and fuel consumption from third-party operational transport, excluding cases with Rompetrol fuel purchase contracts.

KMGI Industry entities

Material emissions from the final use of petrol products are reported by Rompetrol Downstream, Rompetrol Gas, Rompetrol Bulgaria, Rompetrol Moldova, Rompetrol Georgia. There are no material emissions identified for the final use or discharge of non-fuel products (petrochemicals).

KMGI Services entities

Business trips are the emissions derived from the movement of employees by any other means of transport not belonging to the fleet of vehicles owned by the group are not applicable or material.

Emissions derived from employees commuting from their respective homes to the workplace not included to avoid double counting – these are included in fuel sold by gas stations. Emissions related to end use of products sold or waste are not applicable or material.

KMGI Downstream – warehouse and filling stations

Material emissions are the end use of petroleum products sold: emissions derived from the combustion of petroleum products, including Diesel, Gasoline and LPG.

KMG International Decarbonization Strategy

In response to the Paris Agreement and the ambitious plan set forth by the Green New Deal, many governments and business leaders have set targets and made commitments to reduce carbon emissions to transition to a low-carbon economy. Decarbonization has become a global imperative and a priority for governments, companies and society at large, because it plays a very important role in limiting global warming and reaching the net 0 target by 2050.

2021 was a pivotal moment in the energy transition with new regulations and requirements shedding added light to the path forward. It was also the year KMG International started the development of the Group's decarbonization strategy aimed at reducing emissions and associated abatement costs, while also maximizing profitability by extending the life of KMG's business, integrating existing assets with new opportunities generated by decarbonization and/or diversified businesses. The strategy was completed and approved by the Board over the course of the reporting period.

When developing its decarbonization strategy, KMG International considered both the economic context and its implications, as well as business and community needs. Some of the factors considered in the design of the Group's strategic planning:

- On the long-term (2030+) road fuels demand will be negatively impacted by the population decline, higher electrification rates, as well as vehicle energy efficiency improvement;
- Transposition of EU policies to the national legislation is expected to bring more stringent targets & to drive up the costs associated with carbon certificates within the ETS scheme, as well as biofuels quotas, which are expected to reach up to 14% in 2030;
- Upcoming regulation is expected to support the development of low carbon technologies, bringing opportunities in the areas of renewable and low carbon energy sources (including hydrogen), as well as EV charging, with up to 15,000 new charging points by 2026.

STRATEGIC POSITIONING

As part of our long-term sustainability strategy, we have identified four strategic options in addressing climate change and energy transition within KMG International's operations. For this decision, several important criteria have been defined and evaluated, such as the potential for internal capacity development, higher margins in the non-oil and gas energy sectors, long-term business model sustainability, alternative energy generation capacities using Romanian or EU funds, capitalizing on existing infrastructure, relatively limited cost-effective decarbonization options leading to a reduction in the carbon footprint by 2030.

The first option identified is for the company to remain specialized in conventional oil & gas distribution, which would involve consolidating current activities and exploiting the full potential of the fossil fuel value chain, with a diversification degree below 5% by 2030.

As a second option, KMG would apply a diversification rate of 5-15% by 2030 and becomes a diversified downstream player. This means that the Group continues to focus on oil and gas activities but also seeks gradual diversification, including second-generation biofuels, and the production and supply of renewable electricity.

In the third scenario, the Group is set to become an energy supplier (15-40% diversification rate by 2030), which means holding a stronger position in the renewable energy segment, by providing energy not only for the B2B channel, but also for B2C and complementing its offer with energy solutions from renewable sources.

The fourth strategic option considered was for KMG International to become a low-carbon energy supplier (100% diversification by 2030), with a complete transition to a low carbon activity and full removal from the fossil fuel sector, stopping its refining activity as we know it today.

Following diligent assessments and projections considering the risks and feasibility of each option, the recommended option, detailed in the decarbonization strategy, was to pursue gradual diversification, including into 2nd generation biofuels (bioethanol and biodiesel), renewable electricity production with ~200 MW installed capacity, expanding EV charging network, as well as going into energy supply after 2025. The next logical

GRI

GRI 2-24
GRI 2-25
GRI 11.2.4

IPIECA

CCE-1 A1
CCE-3 C1, A1, A2



step will then be to make the transition to an energy supplier by 2035-2040.

Assessed purely from a financial contribution perspective, the energy provider option with full range B2B & B2C energy solutions and large utility-size renewable energy generation capacities would bring significantly higher benefits. However, increased implementation complexity, high financing requirements, large gap in resources and capabilities are factors that make it relatively improbable for the Group to reach energy provider positioning before 2030. Nevertheless, diversified downstream player positioning as an intermediate step toward energy provider is an achievable target by 2030. And the energy provider positioning should remain the target to be met as soon as possible, once the intermediate diversified downstream player positioning has been achieved.

PROJECT PORTFOLIO

Through this strategy we are establishing our technology outlook on the transition to lower carbon and renewable energy, establishing future projects for implementation. We have classified our future projects into medium and long-term initiatives, our main immediate priorities ad-

ressing the production of biofuels and the extension of the electrical energy value chain. A portfolio of 9 projects has been shortlisted following the assessment of more than 40 decarbonization solutions which can be implemented in the medium and long-term.

The CAPEX for shortlisted projects amounts to approximately 600M USD, with the bulk of the investments attributed to 1st priority projects:

- Launching biodiesel and bioethanol production;
- Expanding EV charging in Rompetrol own network, up to ~100% coverage rate;
- Entering renewable energy generation;
- Implementing on-site generation facilities, on the gas station rooftops & the refinery land.

Diversification through investments in prioritized opportunities will improve the resilience and long-term sustainability of the Group, which in turn will lead to improved profitability and the ability to offer added-value products and services in the coming decades. However, a significant effort will be expected from the Group by 2026 in order to launch the first project wave, with no projects currently defined after 2030.

1ST PRIORITY PROJECTS – FOR IMMEDIATE IMPLEMENTATION

A. BIOFUELS PRODUCTION

The planet is warming up faster than foreseen and GHG concentrations keep rising despite the economic downturn and disruptions due to the Covid pandemic. Biofuels are liquid or gaseous transport fuels, such as biodiesel and bioethanol, made from biomass, which serve as a renewable alternative to fossil fuels in the transport sector, helping to reduce greenhouse gas emissions and improve security of supply.

The quasi-constant energy demand in Europe is set to slowly shift from fossil-based products to biofuels and alternative energy sources. According to the International Energy Agency, global demand for biofuels is set to grow by 41 billion liters (28%) by 2031. Given the demand projections for the biodiesel sector, the European Union is expected to remain the world's largest biodiesel producing region¹.

Regulation is a key driver for the biofuels production, considering the expected implementation of RED II blending mandates in Romania. This support is anticipated to be further strengthened in RED III post 2030 – elimination of double counting and/ or increase in quotas.

Since 2010, EU legislation related to biofuel support has been based on the 2009 Renewable Energy Directive (RED), which required that at least 10% of transport energy use in EU Member States should be based on renewables by 2020. In 2018, agreement was reached to increase the transport sector target to 14%, with national caps on food and feed crop-based biofuels at 1 percentage point above 2020 levels, but not exceeding 7%.

A new framework was adopted under Directive 2018/2001 - RED II entered into force in 2021 to be implemented by 2030, which set a new overall renewable energy target of 32% by 2030. Even more ambitious, among the proposed policies under the "Fit for 55" package, presented in July 2021, the revision of the Renewable Energy Directive (RED III) is the key policy initiative to enable the transition to a 100% renewable energy grid.

To play its part in the global efforts towards a low carbon economy and meet demand from clients looking to decarbonize, such as transportation companies interested in transition fuels (biodiesel/ HVO3), for example, the Group's decarbonization strategy includes two projects supporting biofuels' production to be pursued immediately:

Bioethanol production

Construction of a 50,000 t plant on the Petromidia platform, based on second generation cellulosic feedstock (cereal straw, such as wheat, barley). Implementation is to start as soon as possible to fully capture current market opportunities and avoid the steep decrease in demand expected to materialize towards 2040.

Biodiesel production

Co-processing of up to 120,000 t of 1st & 2nd generation bio-feedstocks in the hydrotreater, substituting SRGO and resulting in ~90,000 t of biodiesel output. Going forward, the construction of a dedicated HVO unit is recommended & should be decided by 2024.

B. E-MOBILITY

According to UN data, the transport sector is responsible for approximately one quarter of greenhouse gas emissions, with 95% of the world's transport energy still coming from fossil fuels. Transport demand is expected to grow across the world in the coming decades as the global population increases, incomes rise, and more people can afford cars, trains and flights. In its Energy Technology Perspectives report, the International Energy Agency (IEA) expects global transport (measured in passenger-kilometers) to double, car ownership rates to increase by 60%, and demand for passenger and freight aviation to triple by 2070. To meet the targets of the Paris Climate Agreement and to reduce increasing air pollution, it is essential that countries and companies are part of a global shift to zero emissions electric mobility.

The Taxonomy Regulation in the European Union provides a science-based classification system that defines various economic activities that can be qualified as environmentally sustainable, including investments related to electromobility. A supplement to the Taxonomy Regulation is the According to the Climate Delegated Act, a supplement to the EU Taxonomy which came into force in January 2022, cars with up to 50 g CO₂/km of tailpipe emissions (or ZEVs, including PHEVs) count as a sustainable activity until 2025. After 2025, only zero g CO₂/km tailpipe emission cars qualify as sustainable. Other electromobility-related activities include infrastructure dedicated to the operation of ZEVs, such as electric charging points, electricity grid connection upgrades, hydrogen refueling stations and electric road

1. <https://www.iea.org/reports/renewables-2021>



systems. Energy vectors used for road transport vehicles are included such as electricity and hydrogen if they follow emissions and sustainability criteria (less than 100 g CO₂-eq/kWh).

With an early commitment strategy to e-mobility, Rompetrol can establish itself as an important player in a booming market in the long-term and capitalize on existing optimum locations. Expansion of the EV network within its own fuel distribution stations should be only the starting point, with a focus on high-speed charging, while also targeting expansion of outside-the-network EV charging.

EV charging network

The project involves the expansion of the EV charging station infrastructure, reaching a network electrification of ~50% by 2025 and full coverage by 2030. Gradual expansion outside the network is envisaged, targeting retail chains, the hospitality sector & offices (~100 locations by 2030)

Several station clusters have been defined, e.g., highway cluster with higher installed power (up to 350 kW), main & secondary route cluster with up to 150 kW, while outside-the-network cluster is targeted to display medium charging powers of ~50 kW.

C. ENERGY VALUE CHAIN

The transition to cleaner energy resources is an essential step towards achieving the world's climate change goals. Aware of the need to act, we have devised plans to move our energy business forward along the entire value chain, and set-up projects aimed at building sustainable advantages and applying our commitments into action.

Renewable energy generation

Development of onshore wind farms and solar PV farms, with a total capacity of ~200 MW, connected to the DSO/TSO grid

Onsite energy generation

The project allows to cover part of the internal demand of the Petromidia refinery & of the retail network in a cost-efficient manner by developing on-site solar PV generation capacities

Onsite roof-mounted PV solar panels will be installed within ca. 100 stations by 2025 (gradual expansion to the entire network targeted by 2030) with an average capacity of 25 kW per station

A solar PV park will be developed on the Petromidia platform with a capacity of ca. 8 MW.

2ND PRIORITY PROJECTS – SUBJECT TO CERTAIN MARKET CONDITIONS

CARBON CAPTURE (UTILIZATION) STORAGE

- CCUS for SMR less attractive before 2030 as KMGI can hedge CO₂ price at current levels
- CCUS for FCC or CHP only worth considering at high CO₂ prices expected post 2030

The Intergovernmental Panel on Climate Change (IPCC) highlights that, to achieve the ambitions of the Paris Agreement and limit future temperature increases to 1.5°C more than just increasing efforts to reduce emissions needs to be done – technologies to remove carbon from the atmosphere also need to be deployed. CCS is one of these technologies and can therefore play an important role in tackling global warming.

Carbon dioxide (CO₂) capture and storage (CCS) is a process consisting of the separation of CO₂ from indus-

trial and energy-related sources, transport to a storage location and long-term isolation from the atmosphere and re-use.

Outside-network EV charging

KMGI can seize the opportunity to establish an EV charging infrastructure outside its fuel distribution network (e.g., retailers, hospitality, parking lots, etc.)

Install 1 fast charger (50 kW) per outside-network location from 2022, expand by one more from 2024 and by another one from 2028 onwards.

Electricity supply & energy services

There is a vast energy services universe to be considered – decentralized small-scale generation & e-mobility as main candidates.

STRATEGY IMPLEMENTATION

KMG International ramped up new skills and a very robust central monitoring, along with support mechanisms and a streamlined decision-making process to:

- adjust Program Management approach to bring all initiatives to the same level of implementation and facilitate timely delivery & impact
- streamline overall implementation governance to facilitate fast decision making and ensure flexibility of alignment with multiple stakeholders
- ensure continuous communication with stakeholders to maintain engagement and alignment
- accelerate implementation set-up timeline to ensure efficient execution
- bring in and further develop new skills and capabilities (e.g., RES development, biofuels etc.).

Implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change can be found among the five objectives that will drive EU investments during 2021-2027. All projects in the 1st priority list for decarbonization are potentially subject for funding through various programs, such as the Recovery and Resilience Plan, Modernization Fund, Just Transition Fund, Connecting Europe facility etc. Upon readiness of each particular project (availability of required documentation) and availability of call announcements, KMG International would apply for such funding opportunities.

We have embarked on a comprehensive process on our path towards decarbonization across the Group. There is a very ambitious journey ahead of us, having along the way, challenges and opportunities but we believe that lasting progress comes from building upon past sustainability achievements, long-term commitment and resilience, and that together the journey is easier.

One of the major investment projects in progress at the end of 2022 (but not part of the decarbonization projects portfolio) is the **cogeneration plant** on the Petromidia platform. The plant will have a major role in stabilizing the production and distribution of electricity in the region, by ensuring the energy needs of the platform, but also by injecting the surplus electricity into the national grid.

The new unit will comply with the highest technological standards of energy efficiency and environmental protection and will be built in partnership with the Midia Thermal Power Plant - currently owned by the Ministry of Energy (56.58%) and KMG International (43.42%). Rompetrol Energy, the operator of the future cogeneration plant, is majority owned by the Kazakh-Romanian Energy Investment Fund (KREIF), along with Rominserv and the Midia Thermal Power Plant.

The project, worth over 140 million dollars, is financed by the Kazakh-Romanian Energy Investment Fund (KREIF) and will generate, annually, about 11 million dollars in taxes paid to the state budget. The project is a brownfield investment and will integrate the assets of the Midia Thermal Power Plant, as well as its staff, for the operation of the new plant's equipment.

According to its technical configuration (two highly efficient Siemens SGT-750 turbines and two heat recovery boilers), the new plant will generate around 80 MW of electrical energy, of which the largest amount will be used to cover the necessary power for the Petromidia platform, as well as the technological steam for the Refinery up to 180 t/hour, and the necessary hot water for the heating system of Năvodari city - up to 20 MWh/hour.

Construction began in May 2021 and the new plant is expected by August 2023. As of December 2022, the project is in the execution phase with a progress of 84% in the design and supply of equipment, while the progress for the actual construction of the technological assembly is at 27%.

Shipment of turbines for the co-generation plant on the Petromidia platform.



Environmental performance targets

KMG International is focused on understanding and mitigating climate change risks just as it is committed to reducing its environmental impact.

As we work to develop our net zero emissions plan, Our board of directors approved our comprehensive decarbonization strategy in 2022.

Bucharest HQ of KMG International NV	2022*	2023	2025	2030	2035	2040	2045	2050
Scope 1: CO ₂ e emissions (t), var. from base year	630.75	-	-4%	-7%	-	-	-	-
Scope 2: CO ₂ e emissions (t), var. from base year	259.34	-1%	-5%	-7%	-	-	-	-
Reduction of energy consumption (MWh), var. from base year	1,194	-1%	-5%	-7%	-	-	-	-
Freshwater withdrawal (million liters), var. from base year	3.38541	-1%	-4%	-13%	-	-	-	-
Reduce water discharge (million liters), var. from base year	3.331	-1%	-2%	-3%	-	-	-	-

* 2022 is the base year for the measurements

Rompetrol Rafinare SA - Petromidia Refinery	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t), var. from base year	883,003	-5.7%	-10%	TBD	TBD	TBD	TBD	TBD
Scope 2: CO ₂ e emissions (t), var. from base year	0	0%	0%	-	-	-	-	-
Scope 3: CO ₂ e emissions (t), var. from base year	4,362,862	-1%	-1%	TBD	TBD	TBD	TBD	TBD
Energy Intensity Index	96.25	91.8	87.9	86.9	86.9	85.7	85	-
Reduction of energy consumption (GJ/t)	3.38	3.38	3.30	3.28	3.28	3.24	3.22	1)
Freshwater withdrawal (million liters), var. from base year	2.781	-1%	-4%	-15%	-15%	-20%	-20%	2)
Water discharge (million liters)	8.766	6	6	6	6	5.8	5.8	3)
Significant spills	0	0	0	0	0	0	0	4)

* 2022 is the base year for the measurements

- 1) At BU level value according to Budget forecast
- 2) New Carasu pumping station in 2025 & in 2040 new pipeline system
- 3) New drinking water system in 2030
- 4) New pump installed in 2025 on reused water system

We aim to define and establish our emissions reduction targets for the 2030-2050 period by 2025, aligning our goals with the European Union's 'Fit for 55' initiative.

Rompetrol Rafinare SA - Vega Refinery	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t), var. from base year	41,606	-0.1%	-0.5%	TBD	TBD	TBD	TBD	
Scope 2: CO ₂ e emissions (t), var. from base year	0	0%	0%	-	-	-	-	
Scope 3: CO ₂ e emissions (t), var. from base year	99,170	-0.1%	-0.1%	TBD	TBD	TBD	TBD	
Energy consumption (GJ/t)	2.34	2.41	2.40	2.40	2.40	2.40	2.40	1)
Freshwater withdrawal (million liters), var. from base year	2.781	-1%	-4%	-15%	-15%	-20%	-20%	
Water discharge (million liters), var. from base year	8.766	6	6	6	6	5.8	5.8	
Significant spills	0	0	0	0	0	0	0	

* 2022 is the base year for the measurements

- 1) At BU level value according to Budget forecast

Rompetrol Downstream SRL	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t), var. from base year	1,647	In accordance with Romanian law and EU regulation						
Scope 2: CO ₂ e emissions (t), var. from base year	6,321	In accordance with Romanian law and EU regulation 1)						
Scope 3: CO ₂ e emissions (t), var. from base year	6,069,400.51	In accordance with Romanian law and EU regulation						
Recycled input plastic materials used (t)	53.2	In accordance with Romanian law 2)						
Asset specific VOC emission (kg), var. from base year	71,034	-25%	-25%	-25%	-45%	-45%	-45%	3)
Significant spills	0	0	0	0	0	0	0	4)
Waste diverted from disposal (t)	971	-	-	-	-	-	-	5)
Environmental grievances	1	0	0	0	0	0	0	6)

* 2022 is the base year for the measurements

- 1) GEO no. 80/2018 and European Climate Law 22.04.2020
- 2) GO no. 6/2021 - Recyclable plastic for plastic bottles
- 3) In accordance with Law no. 203 /2018 and EU Directive no. 2284/2016
- 4) Annual measurement and pump with vapor recovery for new locations
- 5) In conformity with Romanian law: GEO no. 196/2005 - % recovery from recyclable waste generated
- 6) Complaints from neighbors on the environmental line

Rompetrol Gas SRL	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t), var. from base year	671	-	-10%	-	-	-	-	
Scope 2: CO ₂ e emissions (t), var. from base year	242	-	-10%	-	-	-	-	1)
Scope 3: CO ₂ e emissions (t), var. from base year	2,626	-	-10%	-	-	-	-	
Asset specific oil-in-water discharge limits (mg/l)		In accordance with Romanian law						
Significant spills	0	0	0	0	0	0	0	-
Waste diverted from disposal (t), waste recovery rate	16.08	+60%	+65%	+65%	+65%	+65%	+65%	2)
Environmental grievances	0	0	0	0	0	0	0	-

* 2022 is the base year for the measurements

- 1) GEO no. 80/2018 and European Climate Law 22.04.2020
- 2) GEO no. 196/2005

Rompetrol Well Services SA	2022*	2023	2025	2030	2035	2040	2050	Obs.
GHG emission intensity (t)	0.000107	-1%	-5%	-7%	-10%	-15%	-20%	
Third-party water consumption (million liters), var. from base	3.01	-0.5%	-1%	-5%	-	-	-	
Significant spills	0	0	0	0	0	0	0	
Environmental grievances	0	0	0	0	0	0	0	

* 2022 is the base year for the measurements

Rominserv SRL	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t)	279.38	275	270	265	260	255	250	
Scope 2: CO ₂ e emissions (t)	0	0	0	0	0	0	0	
Scope 3: CO ₂ e emissions (t), var. from base year	-	-	-	-	-	-	-	
Energy consumption (GJ/t)	0.6398	0.67	0.70	0.75	0.80	0.85	0.90	
Freshwater withdrawal (million liters)	0.9525	-	-	-	-	-	-	
Water discharge (million liters)	0.8659	0.85	0.80	0.75	0.70	0.65	0.60	
Asset specific oil-in-water discharge limits (mg/l)	-	-	-	-	-	-	-	
Significant spills	0	0	0	0	0	0	0	
Waste diverted from disposal (t)	-	-	-	-	-	-	-	
Environmental grievances	0	0	0	0	0	0	0	

* 2022 is the base year for the measurements

Rompotrol Energy SA	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t)	143,768	TBD	TBD	TBD	TBD	TBD	TBD	1)
Scope 2: CO ₂ e emissions (t)	1,872	1,350	200	200	-	-	-	
Scope 3: CO ₂ e emissions (t)	0	0	0	0	0	0	0	-
Energy consumption (GJ), var. from base year	929,483	TBD	TBD	TBD	TBD	TBD	TBD	2)
Freshwater withdrawal (million liters)	2,541	-5%	-2%	-2%	-2%	-2%	-2%	-
Water discharge (million liters)	1,105	-3%	-2%	-2%	-2%	-2%	-2%	-
Asset specific oil-in-water discharge limits (mg/l)	<0.24	<0.24	<0.24	<0.24	<0.24	<0.24	<0.24	-
Significant spills	0	0	0	0	0	0	0	-
Waste diverted from disposal (t), waste recovery rate	36%	40%	55%	60%	67%	67%	67%	-
Environmental grievances	0	0	0	0	0	0	0	-

* 2022 is the base year for the measurements

1) Increase due to the new cogeneration plant

2) Base year 2024, full year Cogen operation

Midia Marine Terminal SRL	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t), var. from base year	1,438.55	0%	0%	-1%	-1%	-1%	-1%	
Scope 2: CO ₂ e emissions (t), var. from base year	147.55	0%	0%	-1%	-1%	-1%	-1%	
Significant spills	0	0	0	0	0	0	0	

* 2022 is the base year for the measurements

Rompotrol Quality Control SRL	2022*	2023	2025	2030	2035	2040	2050	Obs.
Scope 1: CO ₂ e emissions (t), var. from base year	83	0%	-1%	-1%	-1%	-1%	-1%	
Significant spills	0	0	0	0	0	0	0	
Environmental grievances	0	0	0	0	0	0	0	

* 2022 is the base year for the measurements

GRI

GRI 301-1
GRI 302-1 thru 302-4
GRI 303-1 thru 303-5
GRI 304-1 thru 304-3
GRI 305-1 thru 305-5
GRI 305-7
GRI 306-1 thru 306-5
GRI 11.1.2 thru 11.1.8
GRI 11.2.3
GRI 11.3.2
GRI 11.5.3 thru 11.5.6
GRI 11.6.2 thru 11.6.6
GRI 11.8.2
GRI 11.15.4

SASB

EM-RM-110a.1
EM-RM-110a.2
EM-RM-120a.1
EM-RM-120a.2
EM-RM-140a.1
EM-RM-140a.2
EM-RM-150a.1

IPIECA

CCE-1 C1, C3, C4, A1-A3
CCE-2 C1, C2, C4, A1
CCE-3 C1, C2, A1, A5
CCE-4 C1, C2, C4, A1-A3
CCE-6 C1, C2, A1-A4
CCE-7 C1, C2, C4, A1-A3
ENV-1 C1, C2, C5,
A1-A4, A8-A11
ENV-2 C2, A1-A6
ENV-3 C1-C3, A1-A4
ENV-4 C1, C2, A1
ENV-5 C1, C2, A1-A3
ENV-6 C1-C4
ENV-7 C1-C3, A1-A4

Rompotrol Rafinare SA

Rompotrol Rafinare owns and operates Petromidia and Vega refineries.

Together, the two units represent 44,6% of the local refining capacity and could deliver 70% of the current internal demand for fuels.

Rompotrol Rafinare holds Integrated Environmental Permits, along with Water and Greenhouse Gas (CO₂) Permits issued by the competent environmental authorities in accordance with the applicable legislation, for the 2 operated refineries, Petromidia and Vega. An Environmental Management program prepared based on the environmental impact of the activities carried out by the Refining Division is in place, along with an investment program approved at company level. The latter includes projects aimed at reducing our impact on the environment, including the impact on our local communities.

Climate-change-related risks and opportunities are integrated into Rompotrol Rafinare's Risk Management process aimed at identifying, assessing, and managing business-related risks. Risks are identified on a daily basis in a bottom-up approach by all employees and in a top-down approach by the organization's unit managers by monitoring regulatory, market, and reputational risks in line with the latest national and international developments. These risks are assessed in terms of their potential impact on the medium-term financial performance plan. Climate change-related risks are identified using the standardized methodology of the Corporate Risk management process. The company's Risk Register is updated with a quarterly frequency.

During the reporting period, the Risk Management Department implemented a risk assessment project based on environmental factors with an impact on the short / medium term climate development. The following risks were identified in relation to the operation of the Group's two refining units:

Short term

- legal obligation regarding environmental requirements for historical sludge removal (for both Petromidia and Vega)
- proper usage of resources (energy, water)

Medium term

- Capital expenditures related to the decreasing usage of resources

Long term

- Risks in connection to the future Cogeneration plant (Rompotrol Energy related)

RISK FOR SCOPE 1 EMISSIONS

The introduction of "dynamic allocation" starting EU ETS Phase IV is designed to recognize that installations can change substantially and that their requirements for free allocation vary with those changes. Thus, the level of free allocation will be adjusted symmetrically (reduce/increase allocation) on a two-year rolling average of activity level if there is a variation of +/- 15% of the Historical Activity Level (HAL), determined in the NIMs exercise (National Implementation Measures). Free allocation only applies to Scope 1 emissions.

All GHG emissions regulations are taken into consideration as the refineries fulfill their annual compliance duty, buying the necessary EU Allowances volumes (i.e., when emissions are higher vs. free allocation). Every year, the refining division builds its Budget for the following 5 years, EUAs prices being included in this process. The Financial Risk Management Department provides the estimations for the EUA prices after analyzing the forecasts from the main carbon agencies in the market.

In 2022, Rompotrol Rafinare SA certifications were maintained, for:

- Car fuels and bitumens, according to legal and regulatory requirements
- Quality - Environment - Occupational Health and Safety Management System (QHSE) and Energy Management System, according to ISO 9001, 14001 & ISO 45001 & ISO 50001 standards
- ISCC Management System (International Sustainability & Carbon Certification), in line with sustainability requirements provided by Directive 2009/28 / EC (RED).

Moreover, staged revision of all Safety Data Sheets for own products developed by both refineries, Petromidia and Vega, was carried out in accordance with the requirements of Regulation no. 878 / amending Annex II to Regulation (EC) no. Regulation (EC) No 1907/2006 of the European Parliament and of the Council, on the registration, evaluation, authorization and restriction of chemicals.

Both Petromidia and Vega refineries are SEVESO sites (upper-level tier) and fall under the scope of Law 59/2016 (transposing SEVESO Directive) on the control of major accident hazards involving dangerous substances. Thus, we ensure the development, implementation and continuous improvement of a Safety Management System (SMS) in order to prevent the occurrence and to eliminate/minimize the effects of major accidents. In accordance with the applicable requirements in the field of emergency situations Rompetrol Rafinare has documented, approved, implemented and continuously updated the following plans and documents:

- Notification of substances according to the Procedure for Notification of Activities with Major Accident Hazards Involving Hazardous Substances approved by MO no 1175/2019.
- Safety Report
- Internal Emergency Plan
- Accidental pollution prevention and control plan
- Fire prevention and extinction intervention plan
- Evacuation plan
- Civil protection notification and alarm plan
- Earthquake defense plan
- Plan for the management of emergencies caused by floods and hazardous weather events.
- Action plan to prevent and combat snowfall, frost, landslides, and other hazardous weather phenomena specific to the cold season
- Work procedure "Emergency preparedness and response capacity"
- Training, skills development and emergency response exercises.

There were no spills recorded within Rompetrol Rafinare operations during the reporting period. However, there were two olfactory discomfort -related grievances received from the local community in Năvodari, in the vicinity of the Petromidia Refinery. Following the air monitoring performed by RQC (ISO 17025) and the air quality monitoring stations in the proximity, there were no violations of the limit values for atmospheric pollutants identified.

MATERIALS

PETROMIDIA REFINERY

In 2022, 5.26 million tons were processed, higher by 14.6% compared to the total raw materials during the previous reporting period. This level of processing represented 92.83% of the program established for the 2022 budget. 4.59 million tons were processed in 2021, while the quantity processed in 2020 was 4.86 million tons and in 2019, a record breaking year for Rompetrol Rafinare, there were 6.33 million tons of raw materials processed by Petromidia Refinery.

From an operational point of view, the refinery operated at a capacity of 15,409 tons of raw materials per day, compared to the actual operating time, this capacity being influenced by the refinery's 24-day planned technological shutdown, during which the company's specialists, together with the personnel contracted for the works, completed the technological shutdown in Petromidia and Vega refineries including the rehabilitation works at the Diesel Hydrotreater Unit (DHT) affected by the technical incident on July 2, 2021. The DHT unit was put into operation starting April 13, 2022. After this date, all units in the Refinery were restarted, Petromidia achieving a mechanical availability of 95.53%. Refinery units were operated according to the highest performance standards, ensuring at the same time compliance with the commitments made regarding environmental protection.

In terms of recycled input materials used, Petromidia recorded a total of 10,441 tons during the reporting period, compared to 7,321 tons recovered slops in 2021. In 2020, the same metric indicated 8,105 tons, higher than the previous year by 11%, when it reached 7,029 tons.

PETROCHEMICAL UNIT (PART OF PETROMIDIA)

Raw materials	Budget	Achieved
Propylene/propane mixture (t)	145,641	125,568
Ethylene (t)	75,958	43,690

VEGA REFINERY

Processing in 2022 reached 372,920 tons, of which 372,909 tons from the group and 11 tons non-group. This was below the budgeted level, due to the lower volumes of raffinate processed, and correlated with the availability of raw material, railway blockages and sales demand and approximately 52 tons over the previous year. This level of processing represented 82.35% compared to the program established for the 2022 budget, in accordance with the raw materials available from the Petromidia Refinery and correlated with market demand.

17.6% less was processed during the reporting period than budgeted, the monthly average being 31,077 tons compared to the budgeted 37,737 tons.

Feedstock (t)	2022	2021	2020
Naphta	226,909.313	190,158.215	198,592.393
C5-C6 fraction	57,455.525	51,582.571	50,351.972
Raffinate	169,453.788	138,575.644	148,240.421
Oil	10,813.623	11,478.616	12,544.101
Midia Jet	10,813.623	11,478.616	12,544.101
Diesel	6,791.637	1,115.150	1,619.601
Slurry	6,791.637	1,115.150	1,619.601
Fuel oil	128,394.116	118,291.035	151,035.072
Vacuum residue	0.000	2,160.840	0.000
Midia Fuel Oil	118,166.266	113,198.445	149,443.822
Midia Fuel Oil Type 1	10,227.850	2,931.750	1,591.250
Other feedstock	11.696	9.358	11.910
Total feedstocks	372,920.385	321,052.374	363,803.077

ENERGY

Within the Refining Business Unit there are several energy efficiency indicators which are monitored on a daily basis. Energy indicators are influenced by the increasing complexity of the refining units following the extensive development initiatives, the subsequent higher throughput, along with energy efficiency measures (low cost/no cost) & dedicated projects aimed at reducing energy consumption while optimizing operations.

Energy consumption	2022
BU Refining Energy (GJ/t of throughput)	3.38
Energy Intensity Index (EII)	96.25
Petromidia Energy Index (GJ/t of throughput)	3.03
Polymers Energy Index (GJ/t of polymers)	20.09
Vega Energy Index (GJ/t of throughput)	2.34

BU Refining Energy is a compressive indicator which shows the integrated energy performance of Petromidia Refinery and the Petrochemical Unit, along with Vega Refinery.

$BU\ Refining\ Energy = (Petromidia + Vega + Petrochemical\ energy\ consumption) / (Petromidia + Vega + Petrochemical\ total\ throughput)$

Energy Intensity Index (EII) for Petromidia Refinery shows how efficiently it utilizes energy and is equal with Actual Energy Consumption in GJ/day divided by Standard Energy in GJ/day multiplied by 100.

$Actual\ Energy\ Consumption\ (GJ/day) = \sum (steam\ consumption, steam\ production, fuel\ gas\ consumption, power\ consumption, coke\ on\ catalyst\ \&\ flue\ gases\ from\ FH2, for\ Units\ and\ Off\ sites\ area)$

$Standard\ Energy\ (GJ/day) = standard\ energy\ for\ all\ units\ (unit\ capacity * utilization * EII\ factor) + Off\ sites\ \&\ Utilities\ energy$

The EII factor may either be a constant factor or a result of several variables describing the unit's feedstock and operating conditions, while Off sites & Utilities energy is a linear function of daily net throughput and complexity.

Petromidia Refinery Energy Index is the ratio between Total Energy Consumption and Refinery Total throughput.

Energy Index for Polymers (EIP) shows how efficiently the Petrochemicals Plant utilizes energy and is equal with Actual Energy Consumption in GJ/day divided by total yield (polymer & polymer-grade propylene)

Vega Refinery Energy Index is the ratio between Total Energy Consumption and Refinery net Input.

At the Petromidia Complex, from the total energy consumption basket in 2022, 23% is renewable source considering actual power supplier (100% hydro source - label available in 2021).

At the Vega Refinery, from the total energy consumption basket in 2022, 10% is renewable source considering actual power supplier (100% hydro source - label available in 2021).

To optimize energy efficiency, the company's strategy includes a Long-Range Energy Efficiency Program (not yet included in the CAPEX plan). During the reporting period, comprehensive energy efficiency projects were carried out within the Refining Business Unit, including no cost/low cost and capital investment projects.

Petromidia energy consumption (MJ)		2022	2021	2020	2019	2018	2017
Energy produced internally	Coke on catalyst / PSA gas	3,053	2,464	2,905	3,493	3,213	3,250
	Refinery fuel gas production	8,002	5,914	7,021	9,863	8,824	8,814
Energy acquired	Power	4,246	3,411	4,164	4,658	4,641	4,327
	Steam	2,473	2,308	2,444	2,523	2,718	3,030
	Natural gas	977	1,700	1,251	1,324	1,278	915
Total energy		18,751	15,798	17,786	21,861	20,674	20,336

Vega energy consumption (MJ)		2022	2021	2020	2019	2018	2017
Energy acquired	Power	92	80	87	99	92	92
	Natural gas	781	804	847	933	850	850
Total energy		872	884	934	1,032	943	943

Energy efficiency indicators	2022 Budget	2022 Actual	2021	2020	2019	2018	2017
BU Refining Energy Indicator	3.45	3.38	3.30	3.46	3.29	3.31	3.42
Petromidia EII	95.70	96.25	102.80	99.20	97.10	96.10	100.00
Petromidia energy consumption	3.04	3.03	2.90	3.06	2.99	2.97	3.04
Petrochemical energy consumption	18.60	20.09	20.60	18.90	18.70	18.20	18.70
Vega energy consumption	2.52	2.34	2.76	2.57	2.39	2.40	2.65

No cost / low-cost initiatives

- Furnace operation at the minimum combustion excess air;
- All back pressure steam turbine in operation;
- Steam traps & condensate recovery program;
- Minimize process air coolers in use;
- Minimize pumps in operation;
- Energy efficiency awareness program.

Capital projects

- Maximize usage of heat potential of condensate from Amine unit;
- Replace HP steam pipeline at lower size to eliminate losses;
- Heat recovery from Crude Unit distillation column;
- Heat recovery from Delayed Coker Unit distillation column;
- Replace heater in Vega DV Unit.

Approved/in progress

- CO Boiler upgrade-heat recovery from flue gases;
- Condensate recovery from Petrochemicals.

Detailed energy efficiency targets for the upcoming period were established considering the refinery & petrochemical units' production plan and energy specific consumption registered in the first half of 2022, as well as the projects with impact on energy reduction to be carried out by the Group (Cogeneration in operation starting with July 2023).

Total Rompetrol Rafinare energy used throughout the reporting period was 19,623 TJ of which Petromidia Refinery was 15,921 TJ (81%), Petrochemicals was 2,830 TJ (15%) and Vega Refinery was 872 TJ (4%). For comparison, total energy used within BU Refining was 16,681 TJ in 2021, 18,721 TJ in 2020.

Of the total energy consumption basket in 2022, the largest share was fuel gas (50%), followed by power (22%), coke on catalyst & PSA gases from HPP unit (15%) and steam (13%). Energy exported by Rompetrol Rafinare was less than 1% from total acquisition and production of energy.

WATER

Rompetrol Rafinare has dedicated internal procedures in place documenting water management. They address water quality monitoring, verification and maintenance of wastewater transport facilities, sealing and isolation of structures/basins, monitoring of technological processes, checking the quality of process water from intake to discharge.

All specific pollutants (mentioned in the permits) are monitored in the discharged water, with different frequencies (daily, weekly, monthly, quarterly). The Accidental Pollution Prevention and Control Plan contains rules and procedures for the management of a possible incident and establishes immediate intervention and control measures to limit impact and secure the technological installations.

Discharges to water are managed by reporting on water emissions in an open and transparent manner and using targets to track company progress regarding water management. Communities and authorities are regularly informed about activities that may have a greater impact on the loading of pollutants into the discharged water (turnarounds, overhauls, technical incidents).

Principles of management of treated wastewater discharge:

- keep emissions to water below the emission limit values specified in the Water Management Permit;
- operate the constructions and installations for the usage, treatment and discharge of wastewater to ensure maximum efficiency, in accordance with the operating regulations;
- take all necessary measures to prevent or minimize emissions of pollutants into water. Unauthorized and accidental discharges of any pollutants to soil, surface or groundwater are prohibited;
- for all installations handling substances of concern to water, provision is made for routine maintenance of seals, pumps, fittings, filling and transfer points, etc., and, where appropriate, leak detection devices;
- document a site plan showing all underground constructions and pipelines;
- the wastewater disposal facilities are checked and maintained;
- the accidental pollution prevention and control plan contains regulations for the management of a possible incident and establishes immediate intervention and control measures to limit the impact and secure the technological installations.

Sufficient neutralization/treatment substances are kept within reach and in sufficient quantities in the vicinity of the facilities handling substances of water hazard.

Fluctuating weather conditions, especially during periods of dryness, may negatively impact the water levels of the Danube-Black Sea channel, posing a significant challenge to our water withdrawal processes. In response to this potential negative impact, we've adopted sustainability measures such as reutilizing water from our Waste Water Treatment Plant for our firefighting systems. This innovative approach minimizes the demand for fresh water withdrawal and demonstrates our commitment to sustainable practices. Additionally, we serve as the sole operator treating wastewater from Năvodari and Corbu in our geographical area. This unique position allows us to create a positive impact on the community by promoting cleanliness and environmental sustainability.

At Vega, water serves as an integral component of our operational processes. Sourced directly from our own boreholes, this water is primarily utilized to generate steam necessary for our technological installations, with a portion also being directed towards ongoing projects on-site. This use of water, while necessary for our operations, has both positive and negative impacts. On the positive side, our self-sufficient approach to water sourcing reduces our reliance on external water supplies, promoting operational efficiency. On the negative side, the extraction of water presents potential environmental impacts. However, to monitor these impacts and ensure we are operating within acceptable parameters, we conduct periodic evaluations in line with existing authorizations. This monitoring takes place through observation boreholes located both within and surrounding our operational site, ensuring comprehensive oversight of our water utilization impact.

PETROMIDIA REFINERY

During the reporting period, the management of water at Petromidia Refinery was performed in conformity with the requirements of Water Management Permit no. 135/2020 (valid for 3 years).

Drinking water

The drinking water for Petromidia Refinery is supplied from the local public water supplier (R.A.J.A. Constanta system). The drinking water supply is provided by a connection pipe of Dn 250 mm from the Palas Constanta main line, Dn = 800 mm. Freshwater withdrawal represents 100% of total water withdrawn. Also, during the reporting period, reused water was 11.2% of the total fresh water for fresh water consumed.

Technological and firewater supply

For the operation of the industrial platform, the technological and firewater are drawn from two sources:

- Poarta Alba - Midia-Năvodari Canal via the Saligny pumping station, owned by the National Land Improvements Agency (ANIF) Constanta, for normal operating conditions. The raw water intake from this source has a designed capacity of 71,481.600 thousand m³. The raw water flow is about 650-1,000 m³/h (raw water is used as cooler and technological process water).
- For emergency situations, industrial water intake is supplied by the Luminița Branch of the Poarta Alba - Midia Canal (including the firewater supply). Technological water is collected using a pumping station. The Luminița Branch intake has a designed capacity of 3,000 m³/h.

Hydrographic basins with water impact (catchment):

- XIV - 1.000.00.00.00.0 (Danube River)
- XV-1.000.00.00.00.0 (Black Sea coast)

The distribution of treated water inside the Rompetrol Refinery is done through a branched network of steel pipes with diameters of 300, 400, 600, and 1000 mm. The distribution network is about 9 km long.

Cooling water - recirculation installations

Water recirculation installations are included in the water supply system that provides cooling water for the technological installations in the refinery and petrochemical plant and consist of:

- 3 recirculated water households G1, G2, G3;
- ASU cooling water station;
- cooling water station: G100, G200, G300.

In 2022, the water recirculation coefficient was 97% for cooling water.

Wastewater discharge

Wastewater is discharged in the Wastewater Treatment Plant (WWTP) belongs to Rompetrol Rafinare, which has three stages of treatment: mechanochemical, secondary biological and tertiary biological. Chemically impure water resulting from technological processes on the site is collected into the chemically impure sewer. All sewage (chemical, meteorological and domestic) from the site is directed to the final Wastewater Treatment Plant. The treated water is discharged from the treatment plant into the two ponds (Stilling Pond I and Reed Pond II) where the biological treatment process

(tertiary treatment) is (naturally) completed, and then through the Buhaz Stream, into the Black Sea. The biological self-purification pond, consisting of the first lentic pond and the second reed pond, has a surface of 50 ha and is located in the Vadu area, approximately 15 km North from the refinery.

According to the company's Water Management Permit, the categories of wastewater reaching the Wastewater Treatment Plant include:

- domestic water (also from Rompetrol Energy facilities and from Năvodari and Corbu cities);
- rainwater;
- water loaded with salts (from the cooling system);
- chemically impure water.

Quality monitoring of the treated water is done at the discharge point from Pond II into the Buhaz Stream. The quality of the discharged water is monitored daily (total nitrogen, CCOCr, suspended solids, petroleum products), monthly (pH, CBO5, total phosphorus, surfactants, iron), quarterly (phenols, sulfides, sulphates, nickel, lead, cadmium) and semi-annually (priority dangerous substances), according to legal requirements and internal inspection programs. Sufficient neutralization/treatment substances are kept within reach and in sufficient quantities in the vicinity of the facilities handling substances of water hazard.

Water analyses are performed by an ISO 17025-accredited laboratory in accordance with national and international standards, as well as requirements of the integrated environmental permit and water management permit.

The refinery's sewerage system is provided with separate routes for each category of wastewater collected from the site.

In 2022, there was no exceeding of the concentration value limits for pollutants discharged (including priority dangerous substances). During the reporting period, Petromidia Refinery discharged 2,103 kg of hydrocarbons to surface water, with an annual average concentration of 0.24 mg/liter. For comparison purposes, in 2021, it discharged 2,124 kg of hydrocarbons to surface water, with an annual average concentration of hydrocarbons of 0.245 mg/liter -- and 1,723 kg (0.245 mg/l) in 2020. In 2022, the quantity of hydrocarbons, and also, the concentration of this indicator in surface water, was lower than 2021, even if the water consumption/discharged was higher than 2021, due to a better management of waste water flow.

Water withdrawal (th. m ³)	2022	2021	2020	2019	2018	2017
Fresh water	8,702	7,476	8,500	8,382	9,101	9,091
Raw water	8,406	7,223	8,259	8,053	8,573	8,467
Danube Source	7,217	6,049	7,532	7,524	8,068	7,797
Luminița Source	1,189	1,175	727	529	505	670
Drinking water	296	253	241	329	528	624
La Fântâna & sparkling water	287	267	314	285	-	-

Note: In 2022 in Water withdrawal category, it was included also category of Drinking water purchased being recalculate the water consumption indicator also for previous years using the same approach.

Water reused and discharged (th. m ³)	2022	2021	2020	2019	2018	2017
Reused water	658	882	1,262	1,632	2,155	1,822
Total discharged water	8,766	8,670	6,771	6,472	5,429	4,199
Refinery discharged water	5,624	5,944	4,740	4,808	5,281	3,932

Total discharged water refers to the comprehensive volume of water that has been treated and subsequently released by the Petromidia Refinery.

This includes not only wastewater originating from the Petromidia complex but also the volume of municipal wastewater from various clients, of which RAJA is the primary one.

Water consumption	2022	2021	2020	2019	2018	2017
Fresh water consumption (th. m ³)	3,068	1,546	3,833	3,530	3,292	4,535
Fresh water consumption index (m ³ /t of throughput)	1.11	1.07	1.21	0.85	1.00	1.04

VEGA REFINERY

Water management at Vega Refinery during the reporting period was performed in compliance with the requirements of Water Permit no. 42/26.02.2021 (valid for 3 years).

Water withdrawal	2022	2021	2020	2019	2018
Fresh water (th. m ³)	1,304	1,340.6	1,349	885.25	967.82

Water discharged	2022	2021	2020	2019	2018
Discharged water (th. m ³)	1,269	1,422	1,465	1,272	1,028

Water consumption	2022	2021	2020	2019	2018
Fresh water (th. m ³)	46	-4.1	-52.9	-320.9	5.64

Technological and firewater supply

For the operation of the industrial platform, the technological and firewater supply is represented by ground-water wells: P1, P2, P4, P6, (and P3, P5, P7, P8 - wells in reserve). Water extracted from the wells enters the main pipe (8" diameter), which forms a closed circuit (ring type) inside the refinery. From here it is directed through pipes with diameters of Dn 50 and 200 mm to the technological units. The distribution network is about 7.8 km long. According to the water management permit, the authorized water volume is maximum 1,715,500 mc /year.

Wastewater discharge

Monitoring includes visual verification, daily monitoring of the technological process, verification of process water quality along its entire route, from capture to discharge. Also, Vega Refinery has documented an "Accidental Pollution Prevention and Control Plan" and identifies critical points for increasing monitoring. All specific pollutants mentioned in the Water Permit and Integrated Environmental Permit are monitored in the discharged water, with different frequency (daily, weekly, monthly, half yearly). Other indicators monitored in the discharged water, with different frequency include water pH, SEEP (extractables substances with petroleum ether), sulfides and hydrogen sulfide, phenols, total suspended solids, CCOCr, ammonia nitrogen, detergents, cyanide.

Through the contract signed between Vega Refinery and the owner of the Wastewater Treatment Plant, the maximum allowed concentrations of some pollutants are established, which differ from the regulations in force - NTPA 002.

The wastewater drainage system (sewerage) to the Wastewater Treatment Plant crosses a part of Ploiești City. In case of heavy rains there is a risk of backflow sewerage on municipal streets. All treated water is evacuated to Waste water treatment plant in Corlățești.

In 2022, Vega didn't record any incidents of non-compliance with water discharge limits.

In terms of fresh groundwater extracted for remediation or to control the migration of contaminated groundwater, there are 20 observation monitoring drilling points (7 on the refinery premises and 13 that were built for the Vega lagoons greening project). Water from these boreholes is not used in production, it is used only to monitor the evolution of the underground aquifer. Water quality indicators are monitored every six months.

BIODIVERSITY

Our biodiversity policy recognizes the crucial importance of biodiversity resources worldwide, as well as our company's direct and indirect impact on these resources and our dependence on them. We are committed to following specific principles to uphold this recognition, including the ones below.

- **Stewardship** - We manage all of our landholdings with responsible care for the resources and values they contain, including the biodiversity they hold and represent.
- **Integration in decisions** - We integrate the consideration of biodiversity issues, risks, and opportunities into all decision-making, planning, and operational processes.
- **Impact on biodiversity** - We seek opportunities to protect, restore, and enhance biodiversity on and around our company sites, creating conservation outcomes that address our impact on biodiversity.
- **Transparency** - We report on biodiversity issues in an open and transparent manner and use targets to track our progress in biodiversity management.

When identifying specific environmental aspects, we take into consideration aspects like:

- Direct environmental impacts of our activities, services, and products, as well as indirect environmental impacts that we can influence from a life cycle perspective;
- Normal operating conditions, including planned shutdowns according to operating procedures, abnormal operating conditions such as breakdowns or technical incidents, foreseeable emergency situations, and special activities such as accidental shutdowns, repairs, maintenance, temporary waste storage, and transport of hazardous products on inland roads
- Indirect environmental aspects due to interaction with third parties such as suppliers, contractors, and neighboring economic operators.

For each new project an environmental impact assessment is performed prior to implementation. This assessment identifies, describes, and evaluates, as appropriate in each case, the significant direct and indirect effects of a project considering the following factors:

1. population and human health;
2. biodiversity, paying special attention to protected species;

3. land, soil, water, air and climate;
4. material assets, cultural heritage and landscape.

Petromidia Refinery is located in the vicinity of Natura 2000 Sites, at approximately 300 m from the Special Protection Area ROSPA 0060 Taşaul-Corbu Lakes and 1.35 km from ROSPA0076 Black Sea. Also, the last stage of the Wastewater Treatment Plant (two biological ponds) is located on the territory of the Danube Delta Biosphere Reserve.

The Natura 2000 sites present in the area and in the vicinity of the refinery are:

- **ROSCI0065 Danube Delta:** the area of the Vadu ponds located on the territory of the reservation, at the southern limit
- **ROSCI0066 Danube Delta marine area:** which separates the land from the area of the biological ponds at approx. 3.5 km to the NE and East
- **ROSPA0031 Danube Delta and Razim-Sinoie Complex** ponds area, which is on the territory of the reservation, at the southern limit. The two biological ponds (Pond 1 and 2) have a surface of approximately 50 ha.

Over the years, local biodiversity has been affected both directly and indirectly, due to the impact on environmental factors such as soil, water or air, but also through a gradual adaptation of flora and fauna to the new conditions specific to industrial activities.

At present, biodiversity within the site is mainly represented by green spaces acting as protection curtain and ruderal flora associated with anthropogenic habitats as well as a series of species of synanthropic fauna (e.g.: *Corvus corone cornix*, *Corvus frugilehus*, *Pica pica*, *Columba livia domestica*, *Passer domesticus*, etc.).

In the immediate vicinity of the area where the torches are located, large lake habitats are occupied by reeds that represent shelter and food for a number of species (*Phalacrocorax carbo*, *Cygnus olor*, *Alcedo atthis*, *Anas platyrhynchos*, *Larus sp.*, *Circus aeruginosus*, *Pelecanus onocrotalus*, *Fulica atra*, *Ardea cinerea*, *Emys orbicularis*, *Natrix natrix*, *Pelophylax sp.*, *Bufo viridis*). In the area of the Vadu ponds, there are protected species present occasionally, especially in winter, such as the winter swan (*Cygnus cygnus*), lynx (*fulica atra*), wild duck, common gull (*Larus cachinas*), which can be seen on the water surface or on the shore. Vadu ponds contain

populations of plants and animals, algae species, zooplankton, aquatic macrophytes that ensure the natural self-purification process.

Habitats protected

The site on which the Petromidia Refinery is located is not in a protected area (applicable to the technological platform). However, the two biological ponds at Vadu are located on the territory of the Danube Delta Biosphere Reserve. In order to protect biodiversity, the area is permanently monitored, through on-site inspections and daily/weekly analyses of the potential pollutants in the treated water from the two ponds.

Habitats to be restored

The land currently in the process of being restored is known as Vadu Cassettes 1 & 2 and is located in the immediate vicinity of the existing ponds at Vadu. They were designed and executed as a storage basin for the biological sludge from Pond 1 at Vadu, back in 1991 (IEELIF Constanta project no. 3/1991). At that time, they represented the solution for the elimination of biological sludge that had accumulated on the bottom of Pond 1 after a period of operation of approximately 10 years, a situation that reduced and endangered the performance of the biological treatment process of the treated wastewater from the Final Treatment Plant, which finally reached the Black Sea.

In 2019, inspections carried out by the local environmental authority have shown that the two cassettes were contaminated with petroleum products. They are currently undergoing remediation under the Contaminated Sites Law procedure.

EMISSIONS

In July 2021, the European Commission released its "Fit for 55" legislation package, supporting its commitment to reduce net greenhouse gas emissions by at least 55% by 2030. The package presents a policy action plan on how to reach Europe's climate targets, in line with its ambition to become the first climate-neutral continent by 2050. As a result of existing climate and energy legislation, EU's greenhouse gas emissions have already fallen by 24% compared to 1990. But increased efforts are needed to make the transition to a European net-zero economy in time.

Every year, the company drafts its budget for the upcoming 5 years and the price of EU Allowances for GHG are included in this process, thus influencing investment decisions. The Financial Risk Management Department provides the estimations for the EUAs prices after ana-

lyzing forecasts from the main carbon agencies in the market. Considering the EU's ambitious target, prices for EU Allowances are expected to increase in the following years, putting pressure on Rompetrol Rafinare's financial results. This financial risk has been mitigated by using a hedge program for the necessary volumes of EUAs in the first stage of Phase 4 (2021-2025). Rompetrol Rafinare has access to financial derivative instruments to accomplish its hedge program and lock-in the price for the next 3 years.

Greenhouse gas emissions are regularly monitored and controlled through operational KPIs. According to its GHG emissions management strategy, Rompetrol Rafinare carries out specific activities, grouped under two strategic directions, aimed at mitigating emissions and reducing the CO2 impact.

Oil refineries are sources of air pollutants (for instance - nitrogen oxides, carbon monoxide, sulfur dioxide, volatile hydrocarbons) thus having a negative impact on air quality by its nature due to the specificity of refinery.

However, due to major investments done in environmental projects, the negative impact has decrease over the years.

European legislation on environmental protection is the most restrictive worldwide, and Petromidia is aligned with all legislative requirements (national and European requirements).

For pollutants regulated by Law no. 104/2011 regarding the air quality, the results of the last Study on the dispersion of pollutants into the atmosphere showed that their values are below the limit values imposed by the legislation, as following:

- in the case of benzene, concentrations can reach up to 60% of the limit value;
- in the case of particles in suspension (PM10), the concentrations can reach up to 50% of the limit value for 24 h;
- for the other pollutants (SO2, NO2, O3, etc.), the maximum concentration values are far below the limit values, the target values, respectively the critical levels imposed by Law no. 104/2011.

The synergistic effect of pollutants:

- The synergistic effect on the quality of the surrounding air of the emissions of the sources belonging to the Vega Refinery, determined according to STAS 12574/1987 "Air in protected areas. Quality conditions", is far below the maximum allowed value, for all pollutant groups and averaging intervals.

These results, which show a decrease of negative impact on the environment due to the activity carried out on the refinery site, are a result of the investments of recent years.

At the level of each gas station we have invested in a modern system of diesel vapor recovering at the pump, which means 0 emissions of volatile compounds within the premises of our stations. These actions have positively contributed to improving local air quality and making our operations more sustainable.

SCOPE 1 (OPERATIONS)

Operational measures to control or reduce CO2 production

- Optimization of the hydrogen network within Petromidia Refinery (optimizing the hydrogen circuit between producers and consumers allows reductions in the Hydrogen Plant throughput. This unit is one of the main CO₂ producers within the Petromidia platform);
- Hot feeds - heat integration between units, hotter feed meaning less fuel gas consumed in heaters (main source of CO₂).

New projects capable of reducing GHG emissions (high cost/high impact on CO2 reduction)

- Increase share of biofuels in regular diesel components - Coprocessing of vegetable oils in 122-Diesel Hydrotreater (DHT). Unit revamp is required to process spent or fresh vegetable oils for producing Hydrotreated Vegetable Oils - HVO (technical study required for unit revamp);
- Partial replacement of conventional biofuels with second generation biofuel (study required for feed availability) - New Bioethanol Plant, 50 kt/year capacity, second generation biofuel;
- Carbon Capture and Storage (CCS)/Carbon Capture and Usage (CCU) – included in Decarbonization Strategy | feasibility study with Roland Berger completed | output under analysis to define strategy;
- Install new heater in the VD unit at Vega Refinery.

SCOPE 2 (IMPORTED ELECTRICITY & STEAM)

- Build Cogeneration Plant;
- Generate renewable energy 100MW solar PV and 100 MW wind power.

During the reporting period, Rompetrol Rafinare had no specific plans in development to supply lower-carbon and/or alternative energy. However, together with

our partner, Roland Berger, we are establishing our technology outlook on the transition to lower carbon and renewable energy, establishing future projects for implementation, in line with the guidelines set in the Group's Decarbonization Strategy.

Air emissions monitoring is carried out in accordance with the Integrated Environmental Permit and BAT Conclusion Decision No. 2014/738/EU, with calibrated and metrologically verified equipment, by qualified personnel. The pollutants for which emission limit values are regulated are SO₂, NO_x, CO, dust from flue gases from combustion units.

For the emissions at FCC, SRU, Hydrogen Plant, monitoring is done continuously with on-line analyzers, according to BAT Conclusion 2014/738/EU Decision. Monitoring of emissions from stationary sources is carried out by an accredited laboratory for all technological installations where combustion processes are involved.

In order to align facilities to European environmental requirements, i.e., to comply with the BAT/BREF (Best Available Techniques for Refineries) requirements, Rompetrol Rafinare has completed a number of environmental projects:

- replacement of existing furnace burners with low-NO_x burners (the project consisted in the installation of new, high-performance burners in the refinery's furnaces, with the aim of reducing NO_x emissions from values of 300 mg/Nm³ (ELV before compliance) to values below 150 mg/Nm³ (ELV after compliance);
- upgrade of the DGRS (Desulphurization Gas Recovery Sulphur) plant, a large-scale project, carried out over the course of 3 years, aimed at reducing SO₂ emissions into the atmosphere both at the refinery furnaces and the SRU plant (from SO₂ values of 10,000 mg/Nm³ to values below 1,000 mg/Nm³);
- upgrade of the Catalytic Cracking plant to reduce dust emissions to the atmosphere and installation of the ESP electrostatic filter;
- modernization of the coking plant (implementation of a closed quick-draining system for the coking plant) - in order to fully recover the effluents resulting from the coke chamber heating, stripping and coke cooling, as well as from the discharge of the safety valves on the chambers and the heating and reaction furnace, and to prevent air and soil pollution;
- installation of a new boiler at Vega's thermal power plant;

- modernization of floating membrane tanks on Vega premises;
- installment of VRU system at Loading ramps.

Rompetrol Rafinare also uses the Leak Detection and Repair (LDAR) technique (acquisition in 2022 of FLIR camera) to identify unintended or fugitive emissions (VOC) from leaking equipment (valves, pumps, flanges, connectors) so that emissions can be reduced through maintenance activities. The scope is to identify and im-

plement a technical solution (LDAR program) to reduce/eliminate impact from leaking equipment, such as valves, connectors, pumps, sampling connections, compressors, pressure-relief devices, and open-ended lines.

Air monitoring indicators are reported daily/monthly/annually to the environmental authorities, demonstrating compliance with the requirements of applicable legislation and the integrated environmental permit.

PETROMIDIA REFINERY

Scope 1: Petromidia GHG emissions		2022	2021	2020	2019	Obs.
Direct emissions from units (t & tCO₂e) Combustion of fuels in furnaces, flares, process: regeneration of coke in Fluid Catalytic Cracking unit, reformation of CH ₄ with steam in Hydrogen Plant	CO ₂	881,633	702,940	812,031	992,859	1)
	CH ₄	15.97	12.70	14.44	18.37	
	CO ₂ e	399.46	317.50	361.00	459.25	2)
	N ₂ O	2.28	1.82	2.1	2.65	
	CO ₂ e	681.13	542.36	620.14	789.70	
Mobile emissions (t & tCO₂e) Company vehicles	CO ₂	296.28	206	181	194	
	CH ₄	-	0.00858	0.0074	0.0078	3)
	N ₂ O	-	0.00172	0.0015	0.0016	
Total Scope 1 (tCO₂e)		883,003	704,007	813,194	994,303	

1) Direct emissions are calculated according to EU ETS regulations in force and verified / validated by an authorized verifier. Emissions factors are calculated for each flow, based on fuel gas composition analyzed by ISO 17025 laboratory. No Biogenic CO₂ emissions in PEM. No CO₂ fugitive emissions. CO₂ is not measured at stack, is calculated based on activity data (fuel consumption, unit throughput etc.).

2) Source of the CH₄, N₂O emission factors: IPCC 2006 Guideline, vol.2. Energy - chapter 2, Stationary Combustion GWP (for CH₄, N₂O conversion in CO₂e): IPCC Fifth Assessment Report, 2014 (AR5).

3) Source of the emission factors: IPCC 2006 Guideline, vol.2. Energy - chapter 3, Mobile Combustion. No HFCs, PFCs, SF₆, NF₃ emissions GWP (for CH₄, N₂O conversion in CO₂e): IPCC Fifth Assessment Report, 2014 (AR5).

Scope 1: Petromidia Direct GHG Emissions		2022	2021	2020	2019
Operational (tCO ₂ e)		883,003	704,007	813,194	994,303
Equity share (tCO ₂ e)		488,337 55.3041%	389,345 55.3041%	449,730 55.3041%	549,890 55.3041%

Scope 2: Petromidia GHG emissions		2022	2021	2020	2019	Obs.
Electricity* (t & tCO₂e)	CO ₂	0	62,377	74,100	116,002	1)
	CO ₂	0	102,751	105,204	100,614	
Steam imported** (t & tCO₂e)	CH ₄	0	0.00858	0.0074	0.0078	2)
	N ₂ O	0	0.00172	0.0015	0.0016	
Total Scope 2 (tCO₂e)		0	165,287	179,398	216,711	

* Electricity comes from renewable sources (hydro & PV)

** CO₂ related to steam production is accounted as Scope 1 by Rompetrol Energy

1) No conversion factors for CH₄ and N₂O emissions from electricity at EU/Romania level.

2) Source of the emission factors: IPCC 2006 Guideline vol.2. Energy - Chapter 2, Stationary Combustion GWP (for CH₄, N₂O conversion in CO₂e): IPCC Fifth Assessment Report, 2014 (AR5).

We used the 2021 energy label for Hidroelectrica, since the 2022 label was not available

Scope 2 emissions, which are related to the purchased steam, were calculated for the years 2019 through 2021. During this period, the steam producer, UT Midia, was not part of our group and was only acquired in November 2021. As of 2022, with Rompetrol Energy now part of the Group, we have established boundaries to prevent double reporting at the KMG level.

Scope 3: Petromidia GHG emissions

2022

Total emissions (tCO₂e)					4,362,862.49
Combustion of products placed on the market (gasoline, diesel, jet), other than those sold to company within the Group					

Petromidia GHG Emissions intensity	2022	2021	2020	2019
tCO₂/t of total feedstock processed	0.1571	0.1427	0.155	0.147
tCO₂/t of crude unit throughput	0.1715	0.1783	0.185	0.169

* CO₂ – Scope 1, direct emissions (stationery and process, related to EU ETS Directive)

Petromidia hydrocarbon gas flared	2022	2021	2020	2019
Total hydrocarbon gas flared (Nm³)				
Refinery units (3 flares) – only in emergency situation	12,413	7,805	62,977	29,500
Total hydrocarbon gas flared - ground flare (Nm³, ~50% N₂)				
Petrochemicals units (Pyrolysis, PP, LDPE, HDPE) Liquefied Gas Storage Park, Bottling Station, Liquefied Gas Loading / Unloading Ramp, Cryogenic Storage	600,268	2,521,351	2,284,102	2,594,706

Petromidia total GHG emissions:
5,245,865.37 tCO₂e

The primary source of CO₂ emissions falls under SCOPE 1, which includes emissions generated by both stationary and mobile equipment. As for SCOPE 3, the primary source of emissions is the combustion of products produced and sold by the refinery, such as gasoline, diesel, and jet fuel.

It is worth noting that the refinery has implemented measures to minimize CO₂ emissions. There is no venting process, and CO₂ fugitive emissions are absent. Rather than measuring CO₂ emissions at the stack, the refinery calculates the emissions based on activity data,

such as fuel consumption and unit throughput.

The contribution of flaring to total GHG emissions (direct) in 2022 was 0.21 % (1,817 to CO₂ from a total of 881,633 to CO₂ – direct emission of refinery and petrochemical units: combustion of fuels in furnaces, boilers and process emissions). For comparative purposes the same indicator had a value of 1.07% in 2021 (7,514 to CO₂ from a total of 702,940 to CO₂), and 0.97% (7,915 to CO₂ from a total of 812,031 to CO₂) in 2020, while in 2019 it was 0.7% (6,786 to CO₂ from a total of 992,859 to CO₂).

Petromidia air emissions (tons)		2022	2021	2020	2019
Sulfur oxides	Refinery units	248.790	191.810	213.050	282.100
	Petrochemical units	3.784	0.148	0.200	0.470
Nitrogen oxides	Refinery units	383.250	291.550	320.680	431.450
	Petrochemical units	60.596	54.030	67.600	70.910
Particulate matter	Refinery units	17.790	16.830	18.730	24.510
	Petrochemical units	2.032	1.720	2.330	2.430
Carbon monoxide	Refinery units	120.700	97.110	106.250	140.470
	Petrochemical units	27.902	23.760	33.300	31.900
Ozone-depleting substances	Not applicable	-	-	-	-
Volatile organic compounds*	Emissions related to gasoline storage, loading & unloading (mandatory to report according to Law no. 264/2017)	92.000	72.270	85.210	118.290
	Total diffuse emissions calculated for Petromidia refinery / crude oil input (no requirements for reporting)	965.270	734.240	815.000	1,103.000

* VOC emissions factors: EMEP/EEA air pollutant emission inventory guidebook (Corinaire) 2019 - 1.B.2.a.iv
Fugitive emissions oil – refining/storage

Routine flaring occurs through the use of a petrochemical flare, also known as a ground flare. On the other hand, non-routine flaring occurs through the use of refinery flares in emergency and abnormal situations such as incidents, turn-around activities, and interruptions in the national grid electricity. There is no vented gas, except for emergency pressure relief valves and fugitive gas emissions resulting from unintentional gas leaks, which are not included in the emissions.

The refinery has implemented a Flare Gas Recovery Facility (RGF) to capture gases lost in the flare network from the safety valves of the refinery units. These gases are recovered, desulphurized, and directed into the fuel gas network instead of being burned in the flares. The RGF plant is designed to take in gas exhaust continuously, and in emergencies, excess gas is directed to the emergency flares.

The refinery's new flare system, constructed in 2011, includes three flare towers with a height of 115 meters. These towers are guided by metal structures with a height-variable triangular section that corresponds to the low- and high-pressure units and the Catalytic Cracking Plant.

To collect toxic, flammable, and explosive gases that may escape through the safety valves mounted on the technological flows equipment, a network of pipes has been installed across the entire industrial platform. In the event of a total electricity supply interruption to the platform, the gases in the units are instantly evacuated through the existing safety valves. However, to prevent pollution or explosion situations, the captured gases must be neutralized through specialized equipment for high-level combustion.

The Flare Gas Recovery Facilities at the petrochemical site aim to collect all permanent or accidental discharges from the units on the platform (Pyrolysis, PP, LDPE, HDPE, Liquefied Gas Storage Park, Bottling Station, Liquefied Gas Loading/Unloading Ramp, Cryogenic Storage). These gases are then burned in a ground flare with five combustion stages and 465 burners. The ground flare has a high of 32.35 meters and a diameter of 7.3 meters. The collected gases are partially burned and sent to the platform's combustible gas system. The new process control system of flares is connected to the Distribution Control System of the refinery which provides the following functions:

- Monitoring of process variables
- Controlled operation of measurement loops
- Real-time recording and storage of data
- Operation of announced and displayed alarms

- Closed/open status of manual valves and motor drive buttons
- Monitoring of interlocks and operating sequences.

In terms of air quality assessment, Petromidia Refinery relies on the Aria soft provided by Aria Technologies to monitor and predict the dispersion of pollutants in the vicinity of the Petromidia platform, in compliance with Romanian and European Union regulations. The ARIA application models the dispersion of pollutants such as SO₂, NO_x, CO, PM, VOC, and H₂S during normal operations by gathering online data from the activities conducted on the Petromidia platform. To ensure accurate modelling of pollutant dispersion into atmosphere, meteorological data from the local weather station is also considered.

The Petrochemical Plant has implemented various techniques to enhance operational safety and reduce emissions. These facilities include safety valves installed on machinery operating under pressure, enabling the collection of discharged materials into a closed system of pipes that are discharged into the hot water system. Additionally, the plant has explosive gas analyzers, smoke dispersion chimneys with large heights (chimney for boilers C121A and C121B in the pyrolysis unit has H = 150 m and D = 7.56 m), and high polymer powder nitrogen drying systems at the HDPE and PP plants. Bag filters are also employed for polymer powder retention, and hoods are in place to suck up stabilizer dust that is filtered through a dust retention system before being discharged outside the granulating tower. Moreover, elastic elements have been installed to absorb overloads in case of pipe rupture, preventing the escape of flammable and toxic gases, vapors or liquids into the atmosphere.

VEGA REFINERY

The contribution of flaring to total GHG emissions (direct) during the reporting period was 1.13 % (473 to CO₂ from a total of 41612 to CO₂ – direct emission of refinery - combustion of fuels in furnaces, boilers and process emissions). In 2021, the same indicator was 0.79 % (338 to CO₂ from a total of 42695 to CO₂).

The flue gas exhaust system was constructed in 1979-1980, simultaneously with the N-Hexane installation, using the ICITPR 7354/50 project from 1979. The system consists of three main components:

1. The flue manifold which is connected to the safety valves of N-Hexane, Rectification, and Hydrogenation installations, as well as the flows from the pressure regulating loops in the reflux vessels of the N-Hexane and Rectification columns;

Scope 1: Vega GHG emissions	Pollutant	2022	2021	2020	2019	Obs.
Direct emissions from units (t)						
Combustion of fuels in furnaces, flares, process	CO ₂	41,588	42,695	46,070	50,646	1)
Mobile emissions (t)						
Company vehicles	CO ₂	18	11	8.3	14.5	-
Total Scope 1 (t)		41,606	42,689	46,078.3	50,660.5	

1) Source of the emission factors: IPCC 2006 Guideline. No CO₂ fugitive emissions. CO₂ is not measured at stack, is calculated based on activity data (fuel consumption, unit throughput, etc.). Direct emissions from units are calculated acc. to EU ETS regulations and are validated by an external accredited verifier

Scope 1: Vega direct GHG Emissions	*2022
Operational (t CO ₂ e)	41,606
Equity share (t CO ₂ e)	23,009.78 (55.3041%)

Scope 2: Vega GHG emissions	2022	2021	2020	2019
Electricity* (MWh)	0	8,973	9,826	10,940
Total Scope 2 (tCO₂e)	0	2,180	2,387	2,658

* Source of the emission factors: IPCC 2006 Guideline
We used the 2021 energy label for Hidroelectrica, since the 2022 label was unavailable

Scope 3: Vega GHG emissions	2022
Chemical products (t CO ₂ e)	99,170

For calculation of emissions related to scope 3, only the emissions from the sale of fuels were taken into account

Vega GHG Emissions intensity	2022
tCO₂/t of total feedstock processed	0.111

* CO₂ - Scope 1, direct emissions (stationery and process, related to EU ETS Directive)

Vega air emissions	2022	2021
Sulfur oxides (t)	24.850	22.780
Nitrogen oxides (t)	0.214	0.241
Particulate matter (t)	0.671	0.716

Vega hydrocarbon gas flared	2022	2021	2020	2019
Total (Nm³)	120,420	85,970	210,258	190,252

- The flawed household comprising of vessels and related pumps;
- The flame basket with supply connection, anchors, gas pipes, steam pipe, hydraulic heating.

The flue collector begins from the intermediate storage vessels of hexane V8, V11A, B located at the N-Hexane installation platform's edge, crosses the platform, and continues to the flare household fixed on the support poles. The collector connects the safety valves of various vessels, columns, and hydrogenation wires, including adjustment loops and pressure regulating loops on reflux vessels. The Rectification installation flange is also connected to this collector, added to the system in 2001 following project 42/2000 ob 147-A executed by IPIP S.A.

To monitor air quality indicators such as H₂S, VOC, BEN-ZEN, SO₂, PM 10, and meteorological conditions, two air quality monitoring stations have been installed in the Vega Refinery area in accordance with the requirements of Law no. 104/2011 (which transposing Directive 2008/50/EU on ambient air quality and cleaner air for Europe). The reports generated by these stations are sent daily to the competent authorities for environmen-

tal protection local authorities. The aim is to detect any potential breaches of atmospheric limit values.

WASTE

The company manages its waste in compliance with legal provisions for waste management, which are incorporated into internal procedures and instructions. The main principles are communicated to all service providers, subcontractors, and tenants operating on the platforms of both refineries and are reflected in the related contractual documents, such as the HSE Convention.

All types of waste generated are disposed or recovered by authorized companies to ensure environmental protection. A waste prevention and reduction program is documented to properly manage waste and considers several aspects, including identifying efficient waste management measures, designing products to optimize the consumption of raw materials and process chemicals, planning the purchase of raw materials and chemicals to prevent stockpiling and expiration, identifying alternative solutions to reduce waste generation, establishing measurable objectives, and using voluntary waste management tools. This document is pub-

lished on website of the organization and is provided to the competent authority for environmental protection.

All entities in the Refining Business Unit follow the hierarchy of waste management options, with prevention being the preferred option. This involves taking measures to reduce waste production before a substance, material, or product becomes waste. The program to prevent and reduce waste at Rompetrol Rafinare includes measures such as selective collection of recyclable waste, identifying all categories of recyclable waste and delivering them to authorized economic agents, evaluating purchased products based on their lifetime and environmental impact, purchasing chemical products in reusable or recyclable packaging, using renewable catalysts with long lifespans, and identifying alternative methods for waste valorization or elimination.

Measures related to waste management are regulated

by current legislation and incorporated into the internal procedures of Rompetrol Rafinare. These measures aim to ensure selective collection of each type of waste, temporary storage of waste in metal or plastic containers or bags labeled with the appropriate waste code, avoidance of waste stockpiling, temporary storage on concrete platforms in secure locations protected from the weather, temporary storage of hazardous waste in sealed packages on concrete platforms with natural or artificial ventilation, waste recovery or disposal through authorized economic agents, waste transportation by authorized transporters with appropriate transport documents, and waste traceability through specific records kept by the generator for at least three years from the point of generation to the final destination.

Waste is stored in a way that prevents contamination of the soil and sewage system and minimizes the re-

Petromidia waste by category (tons)	2022	2021	2020	2019
Dehydrated sludge from wastewater treatment plant	4,284.58	3,551.98	4,954.86	4,413.68
Sludge from Lagoon no 1 (historical)	-	9,358.89	7,475.86	12,800.44
Waste oil	22.66	14.87	35.46	18.28
Ceramic balls	26	3	358.9	7.25
Spent catalysts (metal-containing: Ni, Co, Mo)	18.93	365.55	1,207.96	304.5
Spent catalyst from cracking catalytic unit	592.3	567.16	536.08	713.4
Iron and steel scrap	427.37	110.02	778.4	377.3
Packaging with traces of hazardous substances	-	0.68	1.08	1.72
Aluminum scrap	0.26	0.98	3.26	0.4
Plastic packaging waste	8.66	7.56	-	16.98
Wood packaging waste	20.24	17.46	47.04	28.78
Paper- cardboard	19.24	2.42	11.52	9.66
Mixed municipal waste	120.9	116.12	130.84	136.34
Insulating materials (waste mineral wool)	-	-	-	114.82
Contaminated insulating materials (waste mineral wool)	219.7	33.78	705.1	106
Tank bottom sludges	3.88	12.96	-	106.14
Contaminated soil with hazardous substances	400.46	90.26	202.86	1,440.58
Waste fluorescent tubes	0.26	-	-	-
Cable waste	1.04	0.12	17.06	-
Absorbents, filter materials	-	3.72	3	0.38
Waste plastics from organic chemical processes	171.92	181.28	252.46	196.56
Spent catalysts contaminated with dangerous substances	-	21.04	-	-
Concrete mixes, bricks, tiles and ceramic materials	14.54	-	-	-
Plastic and rubber materials	33.66	-	-	-
Expired substances (laboratory, Hg)	-	-	12.28	0.095
Electrical and electronic equipment waste	-	-	0.172	1.44
Spent platinum catalysts	0.556	-	-	8.695

lease of fugitive emissions into the air. Both Petromidia and Vega platforms are equipped with euro containers, especially designed outdoor areas, concrete platforms, optimally located in relation to the points of waste generation, which have a temporary storage capacity corresponding to the quantities generated in the time between two collections. The containers are colored/ marked/inscribed according to the category/type of waste collected and the collection areas/platforms are appropriately marked. Additionally, the company is committed to reducing packaging waste by using reusable packaging for chemicals, purchasing bulk chemicals, and using long-lasting or renewable catalysts.

The company keeps records of waste management for each type of waste and prohibits the mixing of hazardous waste with non-hazardous waste. Hazardous waste generated from its activities is characterized, and waste is temporarily stored in designated areas under conditions that ensure the safety of human health and the environment. Waste stockpiles that could lead to environmental pollution or risks to public health are avoided. When waste is sent off-site for recovery or disposal, it is transported by a company authorized for such activities. Waste traceability is ensured through specific records from the place of generation to the final destination (including records regarding transport), which are kept by the generator for at least 3 years.

The fully managed waste through dedicated contracts for valorification/elimination minimizes negative impacts on the economy, environment, and people, while maximizing positive outcomes such as cost reduction, environmental preservation, and improved public health.

PETROMIDIA REFINERY

To effectively manage waste, a collection system is in place that separates household waste from production waste. The sources and streams of waste are identified and monitored from the point of generation to its ultimate disposal or recovery. Each department is responsible for identifying the categories of waste generated by their activities and documenting them accordingly.

Depending on the waste category, the waste is temporarily stored in designated locations until it can be disposed of or recovered.

The entire waste management process is documented in internal procedures and plans, such as the "Waste Management" procedure and the yearly waste management plan. These processes are verified during internal audits and inspections, both internal and external. Waste management follows the waste hierarchy, which includes prevention, preparation for reuse, recycling, other recovery operations (such as energy recovery), and disposal.

Petromidia waste generated	2022	2021	2020	2019
Hazardous waste (t) of which: historical waste-sludge from Lagoon no. 1	4,950.47	13,453.73	13,594.48	19,745.13
	-	9,358.89	7,475.86	12,800.44
Non-hazardous waste (t)	1,436.69	1,006.12	1,410.76	1,886.88
Total (t)	6,387.16	14,459.85	15,005.24	21,632.01

Hazardous waste categories generated in current activity: sludges (from WWTP, tanks cleaning) waste oils, contaminated soil, contaminated insulation, expired chemicals and catalysts

Non-hazardous waste categories generated in current activity: recyclable waste - metal, plastics, paper, not recyclable - domestic waste, insulation, wood etc.

Petromidia waste sent for recovery	2022	2021	2020	2019
Hazardous waste (t) of which: historical waste-sludge from Lagoon no. 1	4,613.3	14,164.37	12,674.25	18,198.44
	-	9,358.89	7,475.86	12,800.44
Non-hazardous waste* (t)	1,101.77	1,515.36	1,279.93	1,634.43

** Recovery methods applied were mainly: energy recovery (waste containing petroleum products, wood), recycling (plastics), metal recovery and regeneration (catalysts), etc.*

Petromidia waste sent for disposal	2022	2021	2020	2019
Hazardous waste (t)	320.96	124.04	920.24	1,546.69
Non-hazardous waste (t)	177.62	116.12	130.84	252.44

Disposal method applied was final storage in authorized warehouses.

Petromidia Refinery does not treat waste before disposing of or recycling it. Instead, waste is selectively collected based on its type and temporarily stored in designated locations, properly labeled before being disposed of or recycled. The recovery and disposal of waste, including waste from the decommissioning of disused facilities, are carried out in a planned and cost-effective manner.

Packaging for petrochemical products placed on the market is exclusively recyclable, consisting of plastic and wood. An external recovery service contract has been established, which requires the recovery of at least 60% of the total amount of packaging placed on the market.

The current activity generates various categories of hazardous waste, including sludges (from WWTP and tank cleaning), waste oils, contaminated soil, contaminated insulation, and expired chemicals and catalysts. Non-hazardous waste categories include recyclable waste such as metal, plastics, and paper, as well as non-recyclable waste such as domestic waste, insulation, and wood.

To ensure that the waste management process is carried out effectively, a procedure is documented. This procedure ensures that the Integrated Environmental Permit and other applicable legal requirements are met. It

also ensures that waste categories resulting from production and ancillary activities are correctly identified and that the waste management flow follows the waste hierarchy (prevention, preparation for reuse, recycling, other recovery operations such as energy recovery, and disposal).

The recovery and disposal of waste, including waste from decommissioning of disused facilities, is carried out in a planned and cost-reducing integrated manner. Staff are trained in legal and other applicable requirements to ensure the waste management process is kept under control.

92% of the total waste that left the platform in 2022 was sent for recovery (including (co)incineration with energy recovery). Only 8% of the total waste was sent for disposal (mainly household waste). For comparative purposes, during the previous reporting period, 98.5% of the total waste was sent for recovery and 1.5% for disposal. In 2020, 93% of the total waste that left the platform was sent for recovery and 7% sent to disposal, mainly household waste, contaminated soil, contaminated mineral wool. For 2019, the same metrics indicated 92% waste sent for recovery and 8% of total waste sent for disposal.

VEGA REFINERY

Vega waste by category	2022	2021
Iron waste (t)	83.28	1.4
Mineral wool (t)	19.06	-
Street-cleaning residues waste (t)	-	19.18
Tank bottom sludges (t)	-	1
Solid wastes from soil remediation containing hazardous substances (t)	-	105.44
Bitumen waste (t)	6	59.3
Sludges from on-site effluent treatment containing hazardous substances (t)	100	4.42
Mixed municipal waste (t)	16.28	-

Vega waste sent for recovery	2022	Vega waste generated	2022	2021	2020	2019
Hazardous waste (t)	0	Hazardous waste (t)	119.06	110.86	1,023.72	524.50
Non-hazardous waste (t)	83.28	Non-hazardous waste (t)	105.56	79.88	185.02	80.96

Vega waste sent for disposal	2022	2021	2020	2019
Hazardous waste (t)	19.06	109.86	1,023.72	524.50
Non-hazardous waste (t)	99.56	68.48	103.82	54.94
Waste from Vega lagoons (t)	*89,039.48	27,048.30	54,066.31	-

** The quantity refers to the amount of waste generated in 2022 from the treatment of acid tar waste and oil residue, which was ultimately landfilled in waterproof cells.*

Vega Refinery has a number of contracts with authorized companies for the collection, transport and recovery/disposal of waste generated by the activities carried out on the entire site.

Vega Refinery landfill (14 lagoons) is located on the northern side of the refinery platform and covers an area of approximately 82,450 m². The lagoons are waterproofed with layers of compacted soil and bentonite. There is an ongoing project to green the lagoons where the existing waste is treated and stored in waterproofed cells according to GED 757/2004. The estimated amount according to the environmental agreement is 275,540 tons of acid tar waste and oil residue, respectively 62,763 tons of contaminated soil.

Lagoons 7-12, which have a surface area of 15,475 m², have reached their maximum storage capacity. They are situated on the east side of the land and are limited by contour dams on the west and southwest side, where the land has lower elevations. These lagoons store acid tars, and rainwater collected on their surface is discharged into the chemical sewer system through pumping.

Lagoons 13-15, with a surface area of 12,250 m², are connected to each other and separated only by delimitation dams. In some places, the level of hazardous waste exceeds the dams. The outer limit of the lagoons is provided by contour dams, and acid tars are stored in them. Rainwater collected on their surface is discharged into the chemical sewer system through pumping.

Lagoons 16-19, which have a surface area of 43,350 m², are also connected to each other and separated only by delimitation dams. The dams are exceeded by the level of deposits in some places, and the outer limit of the lagoons is provided by contour dams. The meteoric water collected on their surface is evacuated by pumping into the chemical sewerage network.

Lagoon 20 is located south of lagoons 16-19 and covers an area of approximately 0.5775 ha. Acid tars are stored in this lagoon.

By the end of 2022, the lagoon 17 was greened, respectively prepared for the disposal of treated waste. The total quantity of treated waste from lagoon 17 is 138,265.15 tons (this quantity also includes additives).

SPILLS

Several procedures and plans are documented to prevent the accidental release of hydrocarbons or other materials into the environment, including a plan to prevent and combat accidental pollution, separate operational books for each unit outlining environmental procedures, and emergency response plans. Each unit has a dedicated operations manual, comprehensive emergency response plans and crisis management procedures.

Both Petromidia and Vega refineries are SEVESO sites and fall under the scope of Law 59/2016 (which transposes the SEVESO Directive into national legislation) on the control of major accident hazards involving dangerous substances. In compliance with the required regulations, Rompetrol Rafinare ensures the development, implementation and continuous improvement of a Safety Management System (SMS) in order to prevent the occurrence and to eliminate/minimize the effects of major accidents. Trainings and emergency response exercises are regularly provided to all operational staff.

While the companies within the KMG Group did not experience significant oil spills in 2022, it is crucial to acknowledge the potential negative impacts such incidents can have on underground water, public health, and natural resources. Oil spills have the potential to harm aquatic ecosystems, disrupt the food chain, and require costly remediation efforts. To prevent and manage oil product spills, stringent procedures and monitoring practices are implemented. Precautions are also taken to mitigate potential risks associated with fuel storage tanks, ensuring the protection of water resources and public health. Regular monitoring of water quality and the commitment to achieving zero petroleum product spills contribute to mitigating these risks.

Moreover, the following plans and documents are constantly updated and communicated to the responsible personnel:

- Notification of substances according to the Procedure for Notification of Activities with Major Accident Hazards Involving Hazardous Substances
- Safety Report
- Internal Emergency Plan
- Accidental pollution prevention and control plan
- Fire prevention and extinction intervention plan
- Evacuation plan
- Civil protection notification and alarm plan
- Earthquake defense plan
- Plan for the management of emergencies caused by floods and hazardous weather events
- Action plan to prevent and combat snowfall, frost, landslides, and other hazardous weather phenomena specific to the cold season
- "Emergency preparedness and response capacity" work procedure
- Training, skills development and emergency response exercises.

GRI

GRI 301-1
GRI 301-2
GRI 302-1 thru 302-5
GRI 303-1 thru 303-5
GRI 305-1 thru 305-7
GRI 306-1 thru 306-5
GRI 413-1
GRI 413-2
GRI 417-1
GRI 417-2
GRI 11.1.5 thru 11.1.8
GRI 11.2.3
GRI 11.3.2
GRI 11.5.3 thru 11.5.6
GRI 11.6.2 thru 11.6.6
GRI 11.8.2
GRI 11.15.2
GRI 11.15.3
GRI 11.15.4

SASB

EM-RM-110a.1
EM-RM-110a.2
EM-RM-120a.1
EM-RM-120a.2

IPIECA

CCE-1 C1, C3, C4, A1
CCE-2 C1, C2
CCE-3 C1, C2, A1, A4
CCE-4 C1, C2, C4, A1-A3
CCE-6 C1, A1, A3
ENV-1 C1, C2, A2, A8, A10
ENV-2 A1-A3, A6
ENV-5 C1, C2
ENV-6 C1, C2, A2
ENV-7 C2, C3

Rompetrol Downstream and Rompetrol Gas have programs in place to manage the environmental impact, including an Environmental Management program and an assessment of environmental aspects at each location, as well as an investment program and a Waste Prevention and Reduction Program. They include specific provisions addressing:

- Monitoring of environmental conditions: air, water, soil - periodically
- Waste management - selective collection, waste platform arrangement, waste coding, and waste management according to legal requirements
- Reporting VOC emissions
- Periodically updating significant environmental issues
- Compliance with legal requirements regarding regulatory documents.

Management receives information on environmental issues, including permitting and compliance requirements, reporting requirements, external / internal audit results, and projects with an environmental component.

At the level of Rompetrol Downstream & Rompetrol Gas, there is no risk assessment for climate change and no medium- and long-term strategy has been established to take this into account at this time. However, the Risk Management Department will implement a project in 2023 to assess environmental risks related to short/medium-term climate development. This will involve reviewing the concept of energy security and developing a comprehensive framework that can be utilized, along with a qualitative assessment of the relationship between climate policy and energy security. This assessment will be based on a risk analysis of climate change and the relevant legislation in effect.

According to development directions expressed in the Group's Decarbonization Strategy, a comprehensive analysis is underway to identify the feasibility of implementing alternative energy sources (such as solar and photovoltaic panels, wind turbines) in several locations, while taking into consideration the legal limitations imposed by authorities. This analysis is conducted with a focus on medium and long-term implementation. To reduce the retail entities' CO₂ emissions, our goal is to introduce and apply various CO₂ mitigating technologies that relate to operations (Scope 1), imported

Rompetrol Downstream SRL Rompetrol Gas SRL

electricity and steam (Scope 2) and consumer use of products (Scope 3):

Scope 1

We plan to invest in electric cars and alternative energy sources to power our operations. This helps to minimize our emissions directly from our own activities.

Scope 2

We want to focus on reducing our emissions from imported electricity and steam. We can achieve this by switching from GHG emitting fuels to renewable energy sources for transport and heating. Additionally, we also aim to improve the efficiency of our transmission and distribution networks.

Scope 3

We consider the emissions generated from the use of our products by consumers. While we may not have direct control over these emissions, we work to promote sustainable practices and encourage the use of our products in an environmentally friendly manner.

Part of the Rompetrol Retail Business Unit, Rompetrol Downstream and Rompetrol Gas operate according to their Integrated Management System, being certified for the ISO 22000 and 50001 (DWS) and ISO 9001, 14001, 45001 (DWS and Gas) standards.

With each new site opening for gas station environmental impact studies are prepared and, where required by the town planning certificate, noise studies are carried out.

For Rompetrol Downstream and Rompetrol Gas depots, are SEVESO objectives in respect with SEVESO classification Rompetrol Downstream depots they are SEVESO classification with lower-tier and the Rompetrol Gas depots are classification with upper-tier.

According to SEVESO requirements, Rompetrol Downstream and Rompetrol Gas have emergency plans and policies designed to prevent major accidents involving dangerous substances. These are periodically updated, verified and endorsed by the competent authorities.

The list of dangerous substances used in our operations, and registered with the local Inspectorate for Emergency Situations, the local Environmental Protection Agency and the Territorial Labor Inspectorate, is drawn up annually. The dangerous substances man-

agement procedure is detailed in internal regulations and notified through the available communication channels, including company websites, where relevant information notices are regularly updated.

Once a year, the local Inspectorate for Emergency Situations (ISU) carries out evacuation and firefighting exercises in depots, with company fire brigades, ISU intervention teams and representatives of the local communities in attendance.

The following elements are provided in the fuel and storage distribution stations for the protection against soil and groundwater pollution: concrete platforms, oil product-draining gutters, hydrocarbon separators. Products are temporarily stored in metrological controlled tanks (above-ground and/or underground). They are distributed via pumps and loading-unloading installations, equipped with vapor recovery systems. Both companies have monitoring systems implemented to track any product loss and use dedicated accidental leak monitoring equipment.

The generated waste is temporary stored, by type of waste, in designated containers, on the waste platform corresponding to each location. Each location has a contract with companies authorized in collecting, transporting, recovery/ disposing of hazardous and non-hazardous waste. The amount of waste generated monthly is recorded on the waste management record sheet, under the corresponding waste code. Annually, these waste management sheets are uploaded to the Integrated Environmental System (managed by NEPA) - PRODDDES questionnaire, according to the legal require-

ments in force, and reported to the local Environmental Protection Agencies.

Hazardous and non-hazardous waste (exception: household waste) are collected, transported and recovered by an authorized company, in accordance with the contractual and legislative obligations in force. Waste traceability is documented in hazardous and non-hazardous waste transport annexes and through their recovery.

All reservoir, pumps, tanks, warehouse and depot equipment and installations, as well as products, are labeled according to the applicable legislation. During the reporting period, there were no non-compliance incidents regarding product and service information and labeling.

In 2022, there was one grievance from the local community recorded by Rompetrol Downstream. More specifically, a complaint was filed with the National Environmental Guard regarding the noise generated by the Generator at Giurgiului station. After conducting an inspection, the National Environmental Guard provided us with a series of sound and emission measurements. As a result of the sonometric and emission measurements made, no exceedances were registered.

During the reporting period, there were no grievances recorded by Rompetrol Gas given that all warehouses are located outside the city, with no local communities nearby.

Rompetrol Downstream and Rompetrol Gas did not register any significant water, soil and groundwater spills (no hydrocarbon spill over 1bbl) during the reporting period.

MATERIALS

ROMPETROL DOWNSTREAM

Materials used	2022	2021	2020	2019
Gasoline sold (t)	275,015	303,567.54	286,121	317,110
Diesel sold (t)	1,598,139	1,644,756.23	1,691,140	1,761,052
Additives imported (t)	161.5	156	73.95	65.45
LPG sold (t)	7,405	6,095.43	21,162	26,864
Total plastic packaging* (t)	53.19	77.55	58.60	48.23
Total paper-cardboard packaging* (t)	41.73	73.32	55.79	54.63
Total wood packaging* (t)	0.29	-	-	-

* Reported to the Administration of the Environmental Fund

Note: The quantities sold from warehouses were reported for the following sales channels: CODO Stations, DODO Stations, DOEX Stations and other customers.

ROMPETROL GAS

Materials used	2022	2021	2020	2019
Propane (t)	34,081	34,000	34,252	29,621
Butane (t)	51,122	51,004	51,378	44,431
Total LPG (t)	85,203	85,004	85,630	74,052

Rompetrol Gas SRL sells LPG to Rompetrol Downstream SRL and Clients. 7,405 tons of LPG was sold by Rompetrol Downstream SRL to Clients.

ENERGY

ROMPETROL DOWNSTREAM

Energy consumption inside the organization	2022	2021	2020
Fleet fuel (liters)			
Gasoline (sponsorship)	50,350.66	38,435.42	35,749.17
Gasoline (Downstream fleet)	91,956.35	29,318.12	27,405.81
Diesel (sponsorship)	105,868.16	150,386.87	239,225.48
Diesel (Downstream fleet)	383,114.5	182,904.4	170,020.49
Total (liters)	631,289.67	301,044.81	472,401
Total (MWh)	5,618	2,679	4,204
Electricity (MWh)	29,678.86	29,951	27,430.75
Fuel for thermal power plant* (MWh)	581	879.57	766
Total (MWh)	35,878	33,510	32,401

* Including LPG (Craiova warehouse) and natural gases (3 stations and 2 warehouses)

1 liter gasoline/diesel = 8.9 kWh

1 kg gas CT = 13.6 kWh

Energy consumption outside the organization	2022	2021	2020
Trucks fuel consumption with transportation between depots and warehouses			
Diesel (liters)	3,840,064	3,858,881	3,204,983
Diesel (MWh)	34,176	34,344	28,524

1 liter gasoline/diesel = 8.9 kWh

Energy Intensity	2022	2021	2020
Energy Intensity ratio (tE/l)	0.01915	0.01714	0.01621

Energy Intensity = energy consumption / sales

Rompetrol Downstream registered an increase in energy consumption as a direct result of opening 12 new fuel distribution stations, expanding air conditioning facilities in gas station network, opening 5 new car washes, changing the refrigerated display cases in 20 stations, adding more CCTV consumers and refrigeration facilities.

Energy efficiency measures applied in 2022 (including repairs and modernization or retrofitting actions)	Commissioning date	ROI (yrs)	Cost of investment (th. RON)	Energy savings (MWh/yr)	Energy savings (toe/yr)	Cost savings (th. RON/yr)	Specific energy saving cost (RON/MWh)
Continuation of the program to replace lighting elements with more efficient ones in 19 stations	2022	1	197	205	17.63	205	960.97
Electricity consumption reduction by replacement of outdated equipment in kitchens with new, high-performance equipment	2022	4	1,200	300	25.8	300	4,000.00
Continuation of the program aimed at replacing open display refrigerators with closed ones in 7 stations	2022	3	120	35	3.01	35	3,428.57
Continuation of the program aimed at replacing old air-water equipment with new ones in 2 stations	2022	8	13	1.7	0.1462	1.7	7,647.05
Total			1,530	541.7	46.5862	541.7	4,009.2

ROMPETROL GAS

Energy consumption inside the organization	2022	2021	2020	2019
Electricity (MWh) - Scope 2	1,138	1,057	981	769
Fuel for the heating system - Scope 1	Propane (tons)	211	208	176
	Propane (MWh)	2,954	2,912	2,464
Fleet fuel (liters) - Scope 1	(liters)	14,000	13,000	9,700
	(MWh)	125	116	87
Total (MWh)	4,217	4,085	3,532	3,126

1 kg propane = 13.6 kWh

Energy consumption outside the organization	2022	2021	2020	2019
Auto tanker fuel	Diesel (liters)	972,583	962,997	74,467
	Diesel (MWh)	8,655	8,561	658

1 liter gasoline/diesel = 8.9 kWh

Energy Intensity	2022	2021	2020	2019
Energy Intensity ratio (tE/I)	0.0494929	0.04805	0.04124	0.04221

Energy Intensity = energy consumption / sales

WATER

ROMPETROL DOWNSTREAM

Fresh water supply for Rompetrol Downstream operations is based on the Water Management Permits issued for each working point. Fresh water is obtained from underground sources through drilling (21 stations and 4 warehouses) or from the city's drinking water network via a dedicated connection (146 stations + 2 warehouses).

The water is used for hygienic-sanitary purposes, fire-fighting, and food production. Wastewater generated includes domestic and technological waters, along with rainwater. The discharge of wastewater is managed through three methods: city sewerage network (125 stations + 1 warehouse), drainable pool (42 stations + 3 warehouses), or emissary (2 deposits).

Technological wastewater from the platforms is collected through gutters, directed to hydrocarbon separators, and then discharged into the sewage system, drainage tank, or emissary. Wastewater from three warehouses is directed to ORM cleaning stations and then discharged into the sewerage network or drainage tank.

Some work points require the inclusion of wastewater indicators in NTPA 001 / NTPA002, while other working points must monitor certain indicators such as pH, total suspended solids, temperature, chemical oxygen consumption, biochemical oxygen consumption, and detergents. For domestic water, NTPA 002 applies to 156 fuel distribution stations. For rainwater, NTPA 001 applies to 37 fuel distribution stations, and NTPA 002 applies to 74 fuel distribution stations. Wastewater from fuel depots falls under NTPA 001 and NTPA 002.

Regarding water treatment and reuse, we do not currently have any such projects in place. However, we are continually evaluating opportunities for water conservation and exploring innovative solutions for water management. If we identify any viable projects, we will implement them with the goal of reducing our water consumption and minimizing our environmental impact.

1. ARAD WAREHOUSE

Toilets' domestic wastewater is collected by a sewer network and directed to a mechanical-biological treatment plant. Before being discharged, the effluent is passed through a petroleum product separator, which also filters any rainwater that mixes with it during rainfall. Technological wastewater, resulting from the cleaning of the CF ramps and tank supply, is led to a petro-

leum product separator, and after pre-treatment, it's discharged into the stormwater sewerage of the plant platform. These discharges comply with the quality standards set in NTPA 001.

Rainwater is divided into two categories. Firstly, rainwater that may be polluted with petroleum products, which comes from the rail discharge ramp and from the area of the car fuel loading ramp. After being separated, the water is discharged into the rainwater drainage of the plant's platform. Secondly, "clean" rainwater falling on most of the surface of the station from the pavilion, road and concrete platforms is collected in separate sewers through PVC pipes and discharged into the rainwater sewer after passing through a petroleum product separator. The discharge of both categories of water complies with the provisions of NTPA 001.

2. CRAIOVA WAREHOUSE

The evacuation of domestic and technological wastewater that requires treatment is carried out in a collection pool of treated water and rainwater made of reinforced concrete. Household wastewater is collected through PVC pipes.

Rainfall is collected through gutters with rectangular section, covered with grills and tubes, and 2 hydrocarbon separators. Wastewater treatment plants include a domestic wastewater treatment plant, a collector basin for domestic and sewage wastewater (collection is done with the help of a pump, through a discharge pipe) and hydrocarbon separator with sludge decanter included, for the periodical draining of oil products.

3. MOGOȘOAI WAREHOUSE

Domestic wastewater is discharged into a watertight drain basin, made of reinforced concrete, located inside the warehouse. Condensate water from oil tankers, along with rainwater collected from concrete platforms inside the tank fleet and in the car ramp area, is passed through a hydrocarbon separator, after which it is discharged into the two retention basins and into the three concrete retention tanks. From there, it is emptied upon request. Quality indicators of wastewater and evacuated condensed water must fall within the limits imposed by NTPA 002.

4. ȘIMLEU SILVANIEI WAREHOUSE

Potentially polluted domestic, technological and rainwater wastewater is discharged into the Crasna River. A mechanical-biological treatment plant is available for domestic wastewater treatment, with discharge into the storm sewer.

5. VATRA DORNEI WAREHOUSE

Domestic wastewater from the landfill's sanitary group is collected by a concrete pipe sewerage network and transported to the drainable basin. From there, it's drained and transported to the Vatra Dornei urban treatment plant. Rainwater, along with water resulting from washing the platforms and collected by drains and rectangular section gutters, are collected into the rainwater drainage network, passed through a separator of petroleum products, then discharged into the Bistrita emissary.

Water withdrawal	2022	2021	2020
Gas stations & depots (million liters)	208.32	220.70	188.07
La Fântâna (million liters)	0.013	-	-

Water consumption	2022	2021	2020
Gas stations & depots (million liters)	0	0	0
ISU exercises & La Fântâna (million liters)	0.133	0.133	0.133

Water withdrawal and water discharge quantities correspond. Water consumption represents the difference between water withdrawal and water discharge. In the warehouses, water was consumed from the reservoir for ISU exercises. The exercises were performed quarterly with a consumption of 5 m³⁰ per exercise.

4 exercises * 5 m³ = 20 m³ * 6 depots = 120 m³/an

La Fântâna = 13 m³

Exceeded escape limits	2022	2021	2020
Gas stations	19	26	23
Warehouses	2	-	-

6. ZĂRNEȘTI WAREHOUSE

Wastewater is discharged into the Barsa stream, after being passed through a treatment plant. Domestic wastewater from offices in the old building and toilets in the Administrative Pavilion is collected through sewers and passed through a sewage treatment plant. Collected water from the area of the tanks, the area of the CP1 and CP2 fuel pump houses, and the area of the technological platform is passed through a Hauraton-type oil product separator. All water is then discharged into the Barsa stream through a PVC pipe sewerage network.

For Rompetrol Downstream, the escape limits were exceeded in 19 stations and 2 warehouses. Recognizing the importance of addressing this issue promptly, Rompetrol Downstream took immediate measures to clean the hydrocarbon separators, septic tanks, and gutters. Furthermore, rigorous re-analysis was carried out to verify compliance with the required standards and regulations, ensuring the proper management of hydrocarbon-related issues.

ROMPETROL GAS

1. BACĂU LPG BOTTLING STATION

The drinking water supply is commercially provided in bottled-dose containers. The hygienic-sanitary water supply is ensured from the underground, from Bistrita river (3 drilled wells, H = 100 m, DN = 22mm, Q = 4.8l / s each).

Each drilling rig is equipped with a PHED-built cabin, in which capture installations are mounted: the pump head, the GRUNDFOS submersible pump and the electrical equipment. The adduction network is shared (for hygienic-sanitary, technological and PSI water) and consists of PE pipes, DN 65-80, which supply the semi-buried two-compartment reinforced concrete tank with a volume of 2x600 m³. Attached to the tank is the pump house which is equipped with a pumping plant (V = 100 l) for the hygienic-sanitary water network.

Domestic wastewater from the Administrative Technical Group is collected and transported in a 54m³ watertight, drainable basin. Wastewater discharge from the tank (water considered to be conventionally clean) is done through a metal pipe in the rainwater gutter. Rainwater from the tank area, from buildings, from concrete platforms and water used for cooling LPG storage tanks, is collected through concrete gutters covered with road grills and discharged into the outer gutter of the DE729 paved road. The emptying of the pool is done by an authorized company.

2. PANTELIMON LPG BOTTLING STATION

Raw water is supplied from the underground, through the F1 drilling rig, equipped with a TRICONSERV type pump, with Q = 1.01l / s. The water distribution network includes HDPE pipes with DN = 25 mm and L = 5 m.



Water for watering green spaces and washing concrete platforms is also supplied from the underground, through drilling. The water necessary to extinguish potential fires is provided from Drilling 1 and is stored in a buried tank with a volume of 285 m³.

Domestic wastewater is discharged into a 10 m³ drainage basin, located inside the depot. The sewerage network consists of PVC pipes with DN = 110 mm. Drainage is provided by an authorized company. Rainwater is discharged into the ground.

3. ARAD LPG BOTTLING STATION

The drinking water supply is provided commercially, in bottled-dose containers. Hygienic-sanitary water supply is ensured from the local water network of Vladimirescu

locality. The water distribution network consists of HDPE pipes with DN = 100.

Water for watering green spaces and washing concrete platforms is also supplied from the local network, along with the fire extinguishing water, the latter being stored in a semi-buried tank with two compartments of 600m³ each. Wastewater is collected in a drainable concrete basin, with a volume of 75 m³, which is emptied by an authorized company, upon request.

The limits set for discharged wastewater quality indicators are covered by GD188/ 2002 - NTPA 002/2002, amended and supplemented by GD 352/2005. Rainwater discharged into the street is covered by the NTPA 001/2005 standard, according to GD 352/2005.

Water withdrawal	2022	2021	2020	2019
Surface water (rainfall)	n/a	n/a	n/a	n/a
Groundwater (million liters), of which:	4.083	7.412	1.859	1.467
Bacău	2.622	4.792	0.637	0.590
Pantelimon	1.461	2.620	1.222	0.877
Sea water	n/a	n/a	n/a	n/a
Water produced	n/a	n/a	n/a	n/a
Third-party water - Arad only (million liters)	2.930	1.755	1.602	1.112
La Fântâna (million liters)	0.014839	-	-	-
Total (million liters)	7.013	9.167	3.461	2.579

Water withdrawal and water discharge quantities correspond.

Water consumption	2022	2021	2020	2019
La Fântâna (million liters)	0.014839	-	-	-

The reservoirs were sprayed for the hot season (between June and September) to cool them according to the specifications and instructions for SU and SSM. The necessary water for the upkeep of the green area in the proximity of the warehouse was ensured.

EMISSIONS

All GHG and air emissions generated by Rompetrol Downstream and Rompetrol Gas meet the requirements of the applicable legislation.

ROMPETROL DOWNSTREAM

To reduce GHG emissions, Rompetrol Downstream invests in alternative energy sources, like photovoltaic panels, installed in its fuel distribution stations, electric car charging facilities, switching from GHG emitting fuels to renewable energy sources for transport and heating, efficiency improvement of transmission and distribution.

To calculate GHG intensity, the Ministry of Energy has developed specific metrics. These include fuels sold to end customers, agriculture fuels and tankers such as Gasoline and Diesel with biocomponent, diesel without biocomponent, and LPG, as well as additives in biocomponents and their origin (e.g., corn, used cooking oil, rapeseed, palm oil, soybeans), and the low calorific value of each fuel type. Furthermore, the company submits greenhouse gas reports annually to the Ministry of Energy.

In 2022, 20% of the energy produced in Mogosoaia gas station and 22% of the energy produced in Vistea gas stations was generated by photovoltaic panels. In 2021, the total electricity consumption from renewable resources was 30 MWh (energy produced in Mogosoaia station by photovoltaic panels), the same as in 2020.

The VRU warehouse system, a continuous monitoring system for depots, records the recovery of vapors from the car loading ramp. Based on the recordings from this installation a monthly VOC emissions calculation sheet is prepared for each depot. The vapor recovery system in gas stations is a discontinuous measurement system which covers vapor recovery from the unloading tanks and gas guns (car loading vapor recovery).

In accordance with the total amount of VOC emission reports for each work point (gas stations - one per year and depot - one per month), the total amount of VOC emissions for 2022 was 71034.34 kg per year. In 2021 there were 70,467.01 kg/year registered by the company, in conformity with the total amount of VOC emissions reports for each work point (1 annual report for gas stations and monthly reports for depots). The quantity recorded in 2020 was 70,425.48 kg/year, while in 2019 the company recorded 37.251,78kg/year of VOC emissions.

There are no emissions of ozone-depleting substances (ODS) generated within Rompetrol Downstream operations.

Air emissions' impact is low and no determination of SO₂, CO₂ or NO_x atmospheric air concentrations was requested by any competent authorities.

Scope 1: Rompetrol Downstream GHG emissions		2022	2021	2020
Total consumption of fuel	Gasoline (liters)	142,306		
	Gasoline (tCO ₂ e)	327.3		
Company vehicles	Diesel (liters)	488,982	1,015.17	1,195.97
	Diesel (tCO ₂ e)	1,320.2		
Total Scope 1 (t)		1,647.5 (+62% yoy)	1,015.17 (-15% yoy)	1,195.97 (+21.9% yoy)

Note: In the previous years (2020 and 2021) due to the Covid-19 Pandemic, the company's employees carried out their activity mainly from home. Thus, business trips were limited.

CO₂ emission factors for gas/diesel oil = 74100 kg/TJ; 1 liter gasoline = 0.0342GJ; 1GJ = 0.001 TJ

Scope 2: Rompetrol Downstream GHG emissions		2022	2021	2020
Electricity* (MWh)		29,678	29,951	27,430.75
Conversion factor (tCO ₂ e/MWh)		0.213	0.243	0.251
Total Scope 2 (tCO₂e)		6,321.53 (-13% yoy)	7,278 (+6% yoy)	6,885 (-11.42% yoy)

Rompetrol Downstream emissions intensity		2022	2021	2020
Emissions Intensity ratio (tE/l)		3.24	0.009	0.008

Emissions Intensity = total emissions (Scope 1+2+3) / sales

Scope 3: Rompetrol Downstream GHG emissions		2022	2021	2020
Total fuel sales	Gasoline (liters)	366,380,863		
	Gasoline (tCO ₂ e)	842,675.99		
	Diesel (liters)	1,924,005,382		
	Diesel (tCO ₂ e)	5,194,814.53	3,858,881	3,204,983
	LPG (liters)	13,463,636	9,779.25	8,122.13
	LPG (tCO ₂ e)	21,541.82		
Autotanker (liters)		3,840,064		
Autotanker (tCO ₂ e)		10,368.17		
Total Scope 3 (tCO₂e)		6,069,400.51 (+61699% yoy)	9,779.25 (+20% yoy)	8,122.13 (+9.54% yoy)

*CO₂ emission factors for gas/diesel oil = 74100 kg/TJ; 1 liter gasoline = 0,0342GJ; 1GJ = 0,001TJ
Sales were also added to Scope 3, from which the entities' fleets were subtracted*

ROMPETROL GAS

Direct air emissions are measured and reported regularly to the competent authorities. Gases emitted by the thermal power plants at Arad and Bacau LPG bottling stations are measured every year, respectively every 2 years, when the technical overhaul is carried out. The

heating system at the Pantelimon LPG bottling station is electrically powered so there are no air emissions to monitor or report. The emission factors utilized were sourced from CORINAIR. The analysis methodology employed adhered to currently established standards, methodologies, assumptions, and/or calculation tools.

Scope 1: Rompetrol Gas GHG emissions		2022	2021	2020	2019
Total consumption of fuel	Gasoline & Diesel (liters)	14,000	13,000	9,700	10,000
	Company vehicles Gasoline & Diesel (tCO ₂ e)	34	10.4	7.7	8
Propane (t)		211	208	176	162
Propane (tCO ₂ e)		636	643.11	544.17	500.88
Total Scope 1 (t)		671	676.05	568.75	526.22

Emissions factors: 1 liter of gasoline = 2.3 kg CO₂; 1 liter of diesel = 2.7 kg of CO₂; 1 ton of propane = 3,01 t CO₂

Scope 2: Rompetrol Gas GHG emissions		2022	2021	2020	2019
Electricity* (MWh)		1,136	4,085	3,532	3,126
Conversion factor (tCO ₂ e/MWh)		0.213	0.243	0.251	0.289
Total Scope 2 (tCO₂e)		242	992.65	886.53	903.41

** This value represents the energy consumption, which means Electricity + Energy consumption by car fleet + Energy consumption by heating system*

Scope 3: Rompetrol Gas GHG emissions		2022	2021	2020	2019
Autotanker (liters)		*972,582	32.93	30.561	32.316
Total Scope 3 (tCO₂e)		2,625	2,440	2,265	2,394

*Emissions factors: consumption (TJ) * 74100 (IPCC 2006); 1 liter = 2,7 kg CO₂*

Rompetrol Gas emissions intensity		2022	2021	2020	2019
Emissions Intensity ratio - without rail (tE/l)		0.0415	0.0483	0.0434	0.0516

Emissions Intensity = total emissions (Scope 1+2+3) / sales

Rompetrol Gas air emissions	Legal limit	2022	2021	2020
Arad	SO ₂ (mg/Nm ³)	max. 35	<1	<1
	NO _x (mg/Nm ³)	max. 350	217	192
	CO (mg/Nm ³)	max. 100	<1	<1
Bacău	SO ₂ (mg/Nm ³)	max. 35	<1	<1
	NO _x (mg/Nm ³)	max. 350	185	229
	CO (mg/Nm ³)	max. 100	<1	<1

WASTE

Both Rompetrol Downstream and Rompetrol Gas have Waste Management Programs implemented, which contain measures for minimizing the amount of waste generated. Our aim is to reduce the negative impact of our waste disposal practices on the environment while limiting the loss of valuable raw materials. We accomplish this by developing new production processes or optimizing existing ones to prevent the generation of waste wherever possible.

In situations where waste cannot be avoided, we strive to recover materials or energy from it. The waste generated is initially temporary stored by waste type in designated containers on the corresponding waste platform at each site. Contracts have been concluded between each site and authorized companies capable of collecting, transporting, and appropriately disposing of hazardous and non-hazardous waste.

Monthly, waste amounts are recorded on the waste management record sheet with the corresponding waste codes. Annually, these waste management sheets are uploaded to the Integrated Environmental System (managed by NEPA) - PRODDDES questionnaire in accordance with legal requirements and reported to the local Environmental Protection Agencies as per current legislation.

ROMPETROL DOWNSTREAM

In adherence to both the environmental permits and the nature of the activity conducted at the work sites, the following types of waste are produced:

- 20 01 25 Edible oils and fats resulting from fast food activity
- 19 08 02 Waste from car washes
- 19 08 09 Separator fats resulting from fast food activity
- 15 02 02 * Absorbents, filter materials (including

filters not otherwise specified), polishes, protective clothing contaminated with hazardous substances

- 13 05 06 * Waste oily water from oil / water separator
- 13 05 02 * Sludge from separator resulting from cleaning of hydrocarbon separators
- 15 02 03 Absorbents, filter materials, polishes, protective clothing, other than those specified in 15 02 02
- 05 01 03 * Slam from tank cleaning resulting from tank cleaning activity
- 19 02 11 * other waste containing dangerous substances
- 15 01 01 wastepaper and paperboard packaging
- 15 01 02 plastic packaging
- 13 05 07 * oily water from oil/water separators
- 20 01 34 batteries and accumulators other than those mentioned in 20 01 33
- 15 01 04 metallic packaging
- 15 01 07 glass packaging
- 20 01 21* fluorescent tubes and other mercury-containing waste
- 20 01 35* discarded electrical and electronic equipment other than those mentioned in 20 01 21 and 20 01 23 containing hazardous components
- 15 01 10* - packaging containing residues of or contaminated by hazardous substances
- 19 08 05 - sludges from treatment of urban waste water
- 20 03 01 mixed municipal waste.

There are specific measures implemented at company level aimed at reducing waste-related impacts, including reducing packaging use in the food area (products are served in porcelain dishes; "to go" packaging is made of biodegradable materials). The company uses packaging management suppliers, along with suppliers specialized the selective collection of packaging

waste. Their activity is regularly monitored for compliance with the required regulations.

According to the Single Use Plastic Directive transposed into national legislation by OG 6/2021, we will implement reusable and sustainable alternatives that do not contain plastic. We will have to progressively reduce the quantities introduced on the market, the reduction will be related to the quantities declared in 2022: 5% for 2023, 10% for 2024, 15% for 2025 and 20% for 2026.

According to art. 16, paragraph 1 and paragraph (5) letter b) of Law no. 249/2015, we are responsible for ensuring the management of packaging that has become waste on the national territory, in order to recycle/

utilize this waste, by transferring this responsibility to an extended producer responsibility implementation organization, as the operator economically authorized to take over the management of packaging waste to achieve the goals of recycling packaging waste.

During the reporting period, Rompetrol Downstream generated a total amount of 7,875.155 tons of waste, of which 22.941 tons of hazardous waste and 7,852.214 tons non-hazardous waste. For comparison, in 2021, the company generated 7,090.8532 tons of waste (18.591 tons hazardous & 7,071.409 tons non-hazardous waste) and in 2020, the same indicator showed 6,232.61 tons of total waste (19.121 tons hazardous & 6,213.489 tons non-hazardous).

Rompetrol Downstream waste diverted from disposal

Code	2022	2021	2020
05 01 03*	0.015	1,638	-
13 02 05*	-	0.118	0.07
13 02 06*	-	0.085	0.15
13 02 08*	-	-	0.04
13 05 02*	3,175	2.74	8.870
13 05 06*	4,597	7.361	-
13 05 07*	5.5	-	2.4
15 01 10*	0.689	-	-
15 02 02*	5.048	3.809	4.011
19 02 11*	2.938	2.84	2.985
20 01 21*	0.007	-	-
15 01 01	753.929	492.965	370.835
15 01 02	172.193	157.611	144.601
15 01 04	0.575	-	-
15 01 07	3.438	-	-
15 02 03	0.005	0.3572	0.108
19 08 02	11.824	7.205	17.722
19 08 05	1.05	-	-
19 08 09	4.187	4.735	4.615
20 01 25	1.704	4.458	4.688
Total waste recovered (t)	970.875	685.9222	561.69

R 12 - exchange of waste for exposure to any of the operations numbered R 1 to R 11. If there is no other relevant R code, this includes preliminary operations prior to recovery, including pre-processing, such as, but not limited to, disassembly, sorting, crushing, compaction, granulation, dry-crushing, conditioning, repacking, separation and mixing before any of the operations numbered R 1 to R 11.

* Rompetrol Downstream recorded an increase in waste generated in stations and warehouses compared to 2021, as a direct result of the opening of 12 new fuel distribution stations, and during the pandemic the flow of customers and sales were lower.

Rompotrol Downstream waste sent for disposal

	Code	2022	2021	2020
	13 05 02*	0.3		
	15 01 10*	0.06		
	15 02 02*	0.472		
Waste (t)	15 02 03	0.003		
Incineration with energy recovery	19 02 11	0.14		
	19 08 02	0.755		
	19 08 09	0.320		
	20 01 25	0.107		
Non-hazardous waste subject to disposal (t)	20 03 01	6,902.124	6,404.931	5,670.92

Disposal code D5 - specially constructed landfills, for example, deposit in separate watertight compartments, which are covered and insulated from each other and from the environment and others
20 03 01 - household waste

ROMPETROL GAS

As a company that generates waste, we are accountable for the ultimate recovery/disposal of our waste products. We choose our service providers with great care, contractually stipulating disposal requirements to ensure responsible waste management practices. The waste reduction plan is signed at the beginning of each year at each depot, and the progress of this plan is monitored through internal audits and inspections.

Authorized contractors collect the waste generated at Rompotrol Gas depots with a monthly frequency.

During the reporting period, Rompotrol Gas generated 64.54 tons of waste, more than in 2021 (27.35 tons), but considerably less than in 2020, when total waste generated amounted to 167.92 tons. Of the total waste generated by Rompotrol Gas, 48.46 t of mixed municipal waste (20 03 01) were directed to disposal in 2022, compared to 21.337 tons in 2021 and 48.33 tons in 2020.

Rompotrol Gas waste generated (t)

Code	2022	2021	2020
13 02 08	0.28	0.3	0.31
15 01 01	-	0.529	0.9
15 01 02	1.04	0.58	0.876
15 01 04	10.28	2.482	108.06
15 01 10*	0.049	0.035	-
15 02 02	0.044	0.135	0.0275
16 01 07*	0.0255	0.031	0.028
20 01 01	0.538	0.3385	0.517
20 01 04	-	1.581	8.856
20 01 36	-	-	0
20 01 40	3.813	-	-
20 03 01	48.46	21.337	48.33
Total (t)	64.54	27.35	167.92

Rompotrol Gas waste diverted from disposal (t)

Code	2022	2021	2020
13 02 08	0.28	0.3	0.31
15 01 01	0.285	0.529	0.9
15 01 02	0.769	0.58	0.876
15 01 04	10.28	2.482	108.06
15 01 10*	0.049	0.035	0.025
15 02 02	0.044	0.135	0.0275
16 01 07*	0.0255	0.031	0.028
20 01 01	0.538	0.3385	0.517
20 01 04	-	1.581	8.856
20 01 36	-	-	0
20 01 40	3.813	-	-
20 03 01	-	-	-
Total (t)	64.54	27.35	167.92

GRI

GRI 302-1 thru 302-4
GRI 303-1 thru 303-5
GRI 305-1 thru 305-5
GRI 306-1 thru 306-5
GRI 413-1
GRI 413-2
GRI 417-1
GRI 417-2
GRI 11.1.2 thru 11.1.8
GRI 11.2.3
GRI 11.3.2
GRI 11.5.3 thru 11.5.6
GRI 11.6.2 thru 11.6.6
GRI 11.8.2
GRI 11.15.2
GRI 11.15.3
GRI 11.15.4

IPIECA

CCE-1 C1-C4
CCE-2 C1, C2, A2
CCE-3 C1
CCE-4 C1, C2
ENV-1 C1-C4, A7-A10
ENV-2 A1-A3
ENV-5 C1
ENV-6 C1
ENV-7 C1-C3, A1, A2, A4

Rompotrol Bulgaria is committed to complying with all legal requirements related to climate change legislation and obligations that are applicable to the organization's activities. Bulgaria has implemented the "Climate Change Mitigation Law," which requires suppliers of liquid fuels and energy for transport to gradually reduce life-cycle greenhouse gas emissions per unit of energy supplied. The reduction target is intensity-based, with a specific goal of reducing emissions by at least 6% by December 31, 2020, compared to the fuel baseline standard in 2010.

To calculate GHG intensity, the Ministry of Environment & Water has developed specific metrics. These include fuels sold to end customers, agriculture fuels and tankers such as Gasoline A95, Gasoline A100, Diesel with biocomponent, diesel without biocomponent, and LPG, as well as additives in biocomponents and their origin (e.g., corn, used cooking oil, rapeseed, palm oil, soybeans), and the low caloric value of each fuel type. Moreover, although there is no target for water usage or energy consumption, any usage above 3000 MW/h requires Rompotrol Bulgaria to conduct energy efficiency surveys at all of its locations. Furthermore, the company submits greenhouse gas reports annually to the Ministry of Environment and Water in Bulgaria.

Rompotrol Bulgaria has formulated a strategy in response to the IPCC's recommendation that emissions of CO2 and other GHGs be halved by 2050 to limit global warming to below 2°C.

The company plans to invest in emission-reduction projects and increase the use of renewable energy sources such as wind, solar, and biomass, as well as implementing combined heat and power installations at its premises. Furthermore, Rompotrol Bulgaria aims to improve energy efficiency to reduce overall energy consumption. To further reduce carbon emissions, the organization also plans to promote the use of low-emission individual vehicles.

The company communicates and discusses climate-related topics based on the results of the products sold on the market. Climate-related risks are included in the register of risks and opportunities, and the QHSE

Rompotrol Bulgaria EAD

Coordinator defines targets related to climate issues for the technical department, in coherence with the management.

The management regularly addresses climate-related issues in their meetings, and they can track the implementation of objectives and targets in the register, which sets yearly targets for all departments and is revised twice a year.

The organization faces climate-related risks linked to selling fuels to agricultural clients without biocomponents and using air conditioning units that emit over 5 tCO2e through freon usage on network premises. Annual reports on GHG Intensity, which detail the yearly fuels sold, also highlight the potential financial risk of fines for the company.

Rompotrol Bulgaria utilizes the online platform APIS to establish legal requirements and actively participates in meetings held by the Bulgarian Petrol & Gas Association and the Ministry of Environment & Water. During these meetings, the organization engages with other oil and energy companies to discuss climate-related targets, adopting a collaborative approach towards future implementation of requirements. The Petrol & Gas Association disseminates the critical decisions that are ultimately adopted by all stakeholders.

Rompotrol Bulgaria introduces and applies various technologies to reduce CO2 emissions across all three scopes. For Scope 1, the company invests in new air conditioning equipment and electrical equipment at all sites each year, which meet the latest energy efficiency standards. The new air conditioning equipment uses new freons such as R410A, which have lower global warming potential than previous freons.

In Scope 2, the company is working to reduce emissions by changing its company car fleet every three years to vehicles with lower fuel consumption engines. This will help reduce the CO2 emissions associated with imported electricity and steam.

For Scope 3, Rompotrol Bulgaria promotes the use of fuels with additional additives that improve car engine efficiency and reduce emissions, such as diesel and gasoline with biocomponent. In addition, the company also encourages the use of LPG, which is a low CO2 emission fuel. By promoting these products, the company aims to reduce the carbon footprint associated with the consumer use of its products.

Rompetrol Bulgaria is committed to monitoring its impact on the environment, including fresh water usage, waste generation, energy consumption, and emissions. In 2022, the organization used 16,220 m3 of water, generated 143.64 tons of municipal and hazardous waste, and consumed 2,494 Mw/h of energy. The discharges of pollutants with sewage were limited to 0.810 tons.

Comparatively, in 2021, Rompetrol Bulgaria used 13,960 m3 of water, generated 102.94 tons of municipal and hazardous waste, and consumed 2,925 Mw/h of energy (compared to 3,145 Mw/h in 2014). The discharges of pollutants with sewage amounted to 1.395 tons.

Despite an increase in site locations in Bulgaria, Rompetrol Bulgaria has managed to decrease its energy consumption in recent years. Additionally, the organization has expanded its gas station offerings, with four large gas stations on highways during the reporting period, compared to only one in 2018.

ENERGY

Rompetrol Bulgaria energy

2022

Energy consumption inside the organization (GJ)	2,490 MW/h + 39,166 l (32,899 t) Diesel = 8,964 GJ + 1,391,189 GJ	1,400,153
Energy consumption outside the organization (GJ)	78,000 l (65,520 t) Diesel	2,770,623
Energy Intensity index	1,400,153 GJ + 2,770,623 GJ = 4,170,776 GJ EII = 4,170,776 GJ / 269,762,050 l	0.0154

Energy consumption reduction

The organization performs regular changes of equipment at all sites with such having low energy demand. Thus, the energy reduction of 220 MW/h is achieved annually since year 2014 from 3,145 MW/h to 2,925 MW/h as the location network increases with bigger size of gas station areas, and 4 gas stations located on highway compared to 1 gas station on highway in 2018.

WATER

As part of our operations, Rompetrol Bulgaria manages various types of water, including produced water, process wastewater, stormwater, and desalinated water. We ensure that our water management practices comply with relevant regulations and standards.

Rompetrol Bulgaria utilizes different sources of fresh-water for its sites, including general municipal water, surface ground water, and underground water. The use of underground fresh water is strictly prohibited for drinking purposes.

Two of the sites have permits to discharge wastewater into surface water (pounds), and both of them discharge only domestic waste water. The discharge into surface water is regulated by environmental permits, while the

discharge into the city sewer system is monitored internally. We submit reports with the results of our analysis to relevant government control institutions. In 2022, we discharged 2,017 m3 of wastewater.

One of the sites withdraws surface water solely for technical needs, specifically for fire safety purposes. Meanwhile, one site has a wastewater treatment plant installed before the discharge of water into surface water, ensuring that it meets the Permit limits. Additionally, one site is permitted to discharge only domestic water, and both sites undergo yearly environmental monitoring of their discharge water, which is analyzed by an accredited laboratory.

In 2022, Rompetrol Bulgaria withdrew 684 m3 of fresh-water while its water consumption amounted to 16,220 m3. As part of our efforts to minimize our impact on wa-

ter resources, we use additional water vessels as an intermediate buffer for locations with water stress. These vessels hold non-potable water, which is not suitable for drinking, while potable water is supplied for drinking purposes. We are committed to ensuring that our operations do not negatively impact water-stressed or water-scarce areas.

In terms of our percentage of freshwater consumption or withdrawal in water-stressed or water-scarce areas, we have determined that 5% of our operations fall within these categories. We arrived at this percentage by analyzing our operations and projects in relation to the locations of water stress or scarcity and taking appropriate measures to manage water responsibly.

As for water returned to the environment, we return a total of 2,440 m3 of freshwater to the freshwater environment in 2022. This water is released through our wastewater treatment plant and complies with relevant discharge limits. Rompetrol Bulgaria also monitors other constituents to ensure compliance with regulations. For 2022, our COD measurement was 111.7 mg O2/l, BOD was 13.4 mg O2/l, and suspended solids were 28 mg/l. We take all necessary measures to ensure that our operations do not have any negative impact on the environment.

Regarding water treatment and reuse, we do not currently have any such projects in place. However, we are continually evaluating opportunities for water conservation and exploring innovative solutions for water management. If we identify any viable projects, we will implement them with the goal of reducing our water consumption and minimizing our environmental impact.

EMISSIONS

Rompetrol Bulgaria GHG emissions

2022

Scope 1 (tCO ₂ e)	116.20
Scope 2 (tCO ₂ e)	2,042.76
Scope 3 (tCO ₂ e)	652,325.04

Rompetrol Bulgaria GHG emissions intensity

2022

Emissions Intensity ratio (tE/l)	0.0024
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116.2 tCO₂e (Scope 1) + 2,042.76 tCO₂e (Scope 2) + 652,430.79 tCO₂e (Scope 2) / 269,762,050 units of product = 0.0024

Rompetrol Bulgaria GHG emissions reduction

We have successfully reduced our GHG emissions in Scope 1 by 16.13 tons CO₂e each year since 2019

WASTE

Our approach to materials management at Rompetrol Bulgaria involves complying with legal requirements and optimizing waste generated from our activities. We have policies in place to minimize the amount of materials we use, promote efficient use, and ensure sustainable recovery and regeneration for further beneficial use. For instance, we do not offer single-use plastic materials in our stores and services in compliance with the Directive 2019/904/EU.

To minimize the generation and disposal of waste, we have better planning for hazardous waste collection at all site locations. We dispose of hazardous waste by licensed companies with permits that include the waste codes we use. In 2022, we generated 109.64 tons of hazardous waste (16 07 08*) and 34 tons of non-hazardous waste (20 03 01), with all hazardous waste being disposed of and a percentage of non-hazardous waste being recycled through non-government collection systems for packaging waste.

We do not have any waste excluded from routine reporting, such as remediation activities at active and/or inactive sites, unusual activities, or large-volume wastes.

We have collaborative projects aimed at establishing new or improved facilities to enhance local materials and waste management infrastructure. For example, we change old fuel reservoirs with new ones as a preventive measure towards soil contamination, better fuel quality, and fire safety protection.

During the reporting period there were no significant spills identified. There were no grievances received from the local community, except for 1 minor customer complaint which was handled promptly and resolved 100%.

Rompetrol Georgia LTD

In 2022, Rompetrol Georgia had no registered negative impacts, although the potential for impacts always exists during fuel-related operations. We focused on creating positive impacts through our activities, such as actively participating in meetings and conferences related to new environmental regulations on waste management and emissions. Our environmental management efforts included controlling and reporting emissions from the previous year to the Ministry of Environmental Protection and Agriculture of Georgia in compliance with the law.

To ensure the effectiveness of our environmental operations, we actively engaged our stakeholders, including employees and sub-contractors, in the process of environmental protection. Our actions included training employees, conducting toolbox talks with subcontractors, inspecting subcontractors before agreeing to work with them, and monitoring their activities.

The management of Rompetrol Georgia allocated separate financial budget to invest in environmental issues. Improving environmental standards is one of the main priorities for the company. In the next years, there'll be new laws about environmental protection (vapor recovery system, air pollution reduction, waste management restrictions) and the company will meet these requirements prepared.

In 2022, Rompetrol Georgia was also recertified on health, safety, and environmental protection standards - ISO 14001 for environmental management, ISO 18001 for health and safety management systems, ISO 45001 for occupational health and safety systems.

During the period of 2025-2029, the Georgian government has mandated all oil terminals to install specialized equipment that can accurately measure the amount of emissions. Additionally, the government plans to introduce a new law within the same period that will require the implementation of a vapor recovery system throughout the country.

Rompetrol Georgia GHG emissions	2022
Scope 1 (tCO ₂ e)	74.19
Scope 2 (tCO ₂ e)	402.76
Scope 3 (tCO ₂ e)	490,450.26

A total of 21.61 tons of additives were used by Rompetrol Georgia in 2022.

No spills were recorded during the reporting period, and there were no grievances from local communities related to environmental protection. Also, no terrestrial acreage was disturbed/damaged during 2022 by RPG stations.

Rompetrol Georgia energy		2022
Energy consumption inside the organization	Gasoline (liters)	29,516
	Gasoline (GJ)	1,009.44
	Diesel (liters)	5,393
	Diesel (GJ)	184.44
Energy consumption outside the organization	Electricity (MWh)	2,983
		0
Energy consumption reduction	No initiatives performed in 2022 in order to reduce energy consumption.	

GRI

GRI 301-1
GRI 302-1 thru 302-4
GRI 303-5
GRI 305-1 thru 305-3

SASB

EM-MD-110a.1
EM-MD-160a.3
EM-MD-160a.4

IPIECA

CCE-3 C1
CCE-4 C1
CCE-6 C1
ENV-1 C1, C2

GRI

GRI 302-1 thru 302-3
GRI 303-1 thru 303-5
GRI 305-1 thru 305-5
GRI 306-1 thru 306-3

GRI 413-1
GRI 413-2

SASB

EM-MD-110a.1
EM-MD-120a.1
EM-MD-160a.1

IPIECA

CCE-4 C1, C2, C4, A1-A3
ENV-1 C1, C2, A2, A8, A10
ENV-2 A1-A3
ENV-5 C1
ENV-6 C1
ENV-7 C2, C3

Rompetrol Moldova SA

Rompetrol Moldova operates in accordance with the requirements of ISO 9001, 14001, and 45001 standards.

The company has implemented several environmental management initiatives, including the development of an Environmental Strategy, Environmental Policy, and Environmental Management Program. The Environmental Management Program was created based on an assessment of the environmental impacts of the company's activities, which identified significant and environmental aspects for each location. It is updated annually or on a need-to basis, pending regulatory developments.

Furthermore, Rompetrol Moldova has an investment program that focuses on reducing the environmental impact of its operations, with projects implemented mainly within the operational activity.

Scope 1: GHG emissions	2022
Gasoline (liters)	105,986
Gasoline (tCO ₂ e)	243.77
Diesel (liters)	3,600
Diesel (tCO ₂ e)	97.20
LPG (liters)	1,800
LPG (tCO ₂ e)	2.88
Total Scope 1 (tCO₂e)	343.85

Scope 2: GHG emissions	2022
Electricity (MWh)	6,014
Total Scope 2 (tCO₂e)	2,399.59

Scope 3: GHG emissions	2022
Gasoline (liters)	114,843,337
Gasoline (tCO ₂ e)	264,139.68
Diesel (liters)	339,094,320
Diesel (tCO ₂ e)	915,554.66
LPG (liters)	15,913,384
LPG (tCO ₂ e)	25,461.41
Fuel oil (liters)	8,012.37
Fuel oil (tCO ₂ e)	23,235.88
Autotanker (liters)	3,155,034
Autotanker (tCO ₂ e)	8,518.59
Barges (liters)	276,000
Barges (tCO ₂ e)	745.20
Total Scope 3 (tCO₂e)	1,237,311.57

Management is regularly informed about all environmental matters, including obtaining necessary permits, maintaining positive relationships with local authorities, and implementing measures resulting from legal compliance checks. This information includes requirements for permits and compliance, as well as reporting obligations in accordance with applicable laws. Additionally, the results of external audits and ongoing projects that have environmental components are also reported to Management.

A dedicated connection consisting of 78 stations and 1 storage facility is used to provide fresh water supply from the drinking water network of cities or villages. In addition, water is also sourced from underground wells, with a total of 18 stations and 1 storage facility for this purpose.

Rompetrol Moldova uses water for various purposes including hygiene, sanitation, fire extinguishing, and food production. Wastewater, which includes domestic and technological water, as well as rainwater, is discharged either into the city's sewer network or into the reservoir. Stormwater from the platforms is directed through a system of gutters to the hydrocarbon separators and then into the sewer system or drainage tank. As per the requirements of the Ecological Inspection, water and wastewater are monitored periodically at the stations and warehouses.

In 2022, all gas stations and depots consumed 29 ML of water (total withdrawn), which was discharged into the environment. 100% of the total water withdrawn represented freshwater. The technological wastewater collected from the platforms is directed through a system of gutters to the hydrocarbon separators and then discharged into the sewage system, drainage tank, or emissary.

Environmental impact studies are conducted for each new work point such as offices, gas stations, and warehouses. Inventories of pollutant emission sources into the atmosphere are developed for each station and warehouse. In addition, every station and warehouse possesses an Authorization for the emission of pollutants into the atmosphere from fixed sources. A List of hazardous substances used in operations is created and the management procedure for these substances is outlined in internal regulations and communicated through available channels.

Annually, the company conducts evacuation and fire-extinguishing exercises in the oil warehouse, with the participation of the Department of Exceptional Situations (DSE) and the company's volunteer fire brigade. Monthly industrial security and emergency situation training sessions are organized for all work points (stations and warehouses) based on an approved annual schedule.

In accordance with the reports on the total amount of VOC emissions from each work point, the VOC emissions for the year 2022 were recorded at 503 t/year.

The RPM-HSE-IL-16-03-02 Working Instruction outlines the waste management process, including instructions on how to complete waste management records. The waste generated is temporarily stored in designated containers on the waste platform corresponding to each location. Each location has a contract with a company authorized to collect, transport, and dispose of non-hazardous waste.

Monthly, the amount of waste generated is documented in the waste management record sheet. Authorized companies are responsible for the collection, transportation, and recovery of both hazardous and non-hazardous waste, in accordance with contractual and legislative obligations. In 2022, Rompetrol Moldova generated 2679 tons of non-hazardous waste.

No significant spills or grievances from the local community were recorded by Rompetrol Moldova during the reporting period.

Rompetrol Moldova Energy Intensity	2022
Energy Intensity (tE/I)	3.18
<i>Total emissions (Scope 1+2+3) = 1,217,163 tCO₂e</i>	
<i>Sales: 382,217 t</i>	



Rompetrol Energy SA

GRI

- GRI 301-1
- GRI 301-2
- GRI 302-1
- GRI 302-3
- GRI 302-4
- GRI 303-1 thru 303-5
- GRI 304-1 thru 304-3
- GRI 305-1 thru 305-4
- GRI 305-6
- GRI 305-7
- GRI 306-3
- GRI 413-1
- GRI 11.1.2
- GRI 11.1.4 thru 11.1.8
- GRI 11.2.3
- GRI 11.3.2
- GRI 11.4.2 thru 11.4.4
- GRI 11.5.3 thru 11.5.6
- GRI 11.6.2 thru 11.6.6
- GRI 11.8.2
- GRI 11.15.2
- GRI 11.15.4

SASB

- EM-MD-110a.1
- EM-MD-110a.2
- EM-MD-120a.1
- EM-MD-120a.2
- EM-MD-160a.1
- EM-MD-160a.2
- EM-MD-160a.3

IPIECA

- CCE-1 C1, C3, C4, A1, A2, A4
- CCE-2 C1, C2, C4
- CCE-3 C1, C2, A1, A3, A5
- CCE-4 C1, C2, C4, A1, A3
- CCE-6 C1, C2, A2
- ENV-1 C1, C2, C5, A1, A4, A8-A11
- ENV-2 C2, A1, A3, A6
- ENV-3 C1, A1
- ENV-5 C1, C2, A1, A3
- ENV-6 C1-C4
- ENV-7 C2, C3, A1-A4
- ENV-8 C1, C2, A1-A4

TCFD

- Governance a, b
- Strategy c
- Risk management a, b, c
- Metrics and targets a, b, c

Rompetrol Energy operates in compliance with relevant environmental laws and regulations and an Integrated Management System which contains specific environmental protection measures aimed at minimizing its impact by managing water and waste, mitigating GHG and air emissions, and safeguarding biodiversity.

Rompetrol Energy uses a comprehensive metric system for managing environmental changes within the organization, which includes water, fuel (gas, fuel oil), power, steam compressed air, emissions and waste management. This data is regularly uploaded into the Integrated Management System and reported to all relevant actors within the organization, as well as to the competent authorities. The organization's environmental objectives and targets are shared with each plant and each unit manager, who must also meet individually set KPIs.

Rompetrol Energy is a low-tier SEVESO III site and falls under the scope of Law 59/2016 (transposing the SEVESO III Directive into national legislation) on the control of major accident hazards involving dangerous substances. Thus, it has a Safety Management System (SMS) developed and implemented across its operations, which is constantly revised and updated in order to prevent the occurrence and to eliminate/minimize the effects of major accidents.

RPE conducts quarterly assessments to identify climate-related risks and opportunities. External factors considered in the risk and opportunities analysis include climate change, water and air quality, available resources, contamination of existing sites, biodiversity and ecosystems, renewable energy. Specific environmental aspects were identified for every company process: production of demi-water and wastewater disposal, thermal energy production, administrative, supply chain, maintenance and transport of vehicles, electrical distribution, maintenance of electrical equipment, maintenance of transformers, firefighting unit, activity of contractors and subcontractors.

The organization's impact on climate change is primarily related to the steam production process, which involves burning fuels such as combustion gas or fuel oil in steam boilers. Risks include the operation of boilers

that do not meet emission limit values, major accidents that could affect operability, and non-compliance with Romanian laws and regulations related to energy, environment, occupational health and safety, emergency situations, finance, construction authorities, and metrology. To address these risks and opportunities, RPE has established specific environmental objectives.

As per HS-ES-E Conventions, contractors guarantee to respect the legislation and to provide equipment that will be in parameters for following emissions: GHG (NOx, CO2). The EPC contractor in charge of implementation the Cogen Project has the obligation to comply with legislation in force.

RPE has also developed a GHG emissions monitoring plan, which includes a risk assessment for GHG emissions, a flow chart outlining the GHG emission process, technical documentation for thermal energy processes, deviation equations for heavy fuel oil/gas, fuel monitoring systems, and a sampling plan for heavy fuel oil/gas.

To contribute to a low carbon economy consistent with a 2°C target, the company plans to implement several measures, including reducing energy consumption and waste gases temperature, eliminating fuel oil consumption, and reducing the refinery gas consumption. They also plan to monitor steam boiler efficiency, install proper insulation, use state-of-the-art equipment, and integrate fully with the refinery to maximize steam production in the NPP and minimize production from inefficient sources.

The company will also have an LTSA contract for the gas turbine in place and monitor daily energy consumption through a daily energy report. These efforts will help to reduce the company's GHG emissions and move towards a more sustainable future.

Climate-related risks are continuously monitored using a SCADA system, and the findings are reported daily to management via the dispatcher shift report. An energy report is issued daily to monitor energy consumption and efficiency, with an impact on CO2 emissions. Management sets objectives for climate change, which are monitored during management review meetings held every six months. Additionally, climate-related risks and opportunities are assessed on a quarterly basis.

Risks

Exceed emissions values as per EU and local legislation.
New power plant could not be commissioned if RPE did not comply with legal environment requirements by not obtaining the revised Integrated Environmental Permit from competent authority.
Non-compliance with Romanian laws and legislation regarding energy, environment, occupational health and safety, emergency situation, finance, construction authorities, metrology.
Major accidents that can affect the operability.

Impact

Suspension of the environmental permit and non-compliance with the KMG agreement can lead to financial losses, legal conflicts, project delays, and reputation damage.
Failure to comply with the Romanian-Kazakh Investment Fund's Cogen Project may result in missed opportunities.

Opportunities

Reduce the emission value on SOx applying combustion air chemical treatment.

Lower energy consumption and decrease GHG emissions by:

- Adopting state-of-the-art equipment that is highly efficient and reliable
- Lowering the company's utility costs by eliminating electric power regulated tariffs such as those related to introduction, distribution, extraction, cogeneration and transportation
- Decreasing steam processing costs
- Improving power supply stability for the Petromidia Platform
- Enhancing reliability in terms of power, steam, and demi-water supply for the Petromidia Platform
- Improving control over Petromidia Platform power supply
- Increasing the company's EBITDA by selling excess electrical power to the national grid
- Securing an alternative natural gas source from Transgaz

Impact

Reduction of NOx, emissions can help reduce the company's climate impact.
Utilizing state-of-the-art equipment can increase efficiency, reduce energy consumption, and lower GHG emissions, resulting in improved financial indicators.
Eliminating regulated tariffs, reducing steam processing costs, and improving power supply stability, reliability, and control can reduce utility costs and increase the company's EBITDA.
Diversifying the natural gas supply by having an alternative gas source from Transgaz can release the company from captivity to OMV Petrom.

To match current and future demand and energy supply with the Group's overall sustainability outlook, Rompetrol Energy has approved a power supply strategy that includes the following projects:

- A new power plant (NPP) with a planned startup in Q3 2023, producing approximately 70 Mwe - the CoGeneration project. The NPP will have two Large Combustion Plant with a nominal power of more than 50 MW each.
- Photovoltaic panels generating approximately 3 MW, to be provided by Midia Green Energy and starting up in July 2022.

The NPP has been designed to utilize a maximum of 15% hydrogen from the total fuel consumption. The transition to lower-carbon energy is expected to have a positive impact on the company's utilities cost.

The implementation of the CoGeneration Project has a specific scope for Rompetrol Energy (RPE), which

includes several objectives. First, the project aims to reduce the discharge waste gases temperature from 175°C to 95°C during normal operations. Second, RPE plans to reduce CO2 emissions by improving the efficiency of the New Power Plant (NPP). This is expected to increase the production rating from 69% to 85% per production unit, leading to a reduction in CO2 emissions with an impact on Scope 1 and Scope 2.

In addition, RPE has set a target to reduce its CO2 emissions by 10% for internal consumption by 2023. To achieve this goal, RPE will put the NPP into operation in 2023, which is expected to reduce scope 2 GHG emissions entirely by 2024. The New Power Plant (NPP) will operate using natural gas and combustion gas.

The company main objective is to keep reliability of the plant at more than 99.9 % assuming a low frequency rate of unplanned shut down of steam boilers with impact on energy consumption and GHG emissions.

The company regularly monitors and controls its emission-mitigation activities through a continuous on-line monitoring system (CEMS) and operational KPIs. The operational department takes measures to control and reduce CO2 production, while the implementation of the Cogen Power Plant offers significant environmental benefits by reducing CO2 emissions. The Cogeneration Power Plant enables a more efficient use of fuel or heat by utilizing otherwise-wasted heat from the electricity generator for thermal energy production.

In 2022, Rompetrol Energy implemented several initiatives to lower the impact of thermal energy and power on GHG emissions. These included an online air combustion treatment for boilers 3 and 5, resulting in a reduction of sulphur emissions. Additionally, the company reduced energy consumption by replacing the lighting system with LED technology, replacing 100 bulbs with energy intensities ranging from 160 W to 30 W (50 pcs) and 20 W (50 pcs).

Rompetrol Energy also took steps to eliminate steam leaks by changing the heat insulation on different steam pipelines and replacing/repairing steam traps. Through the implementation of these initiatives, the company aimed to lower its GHG emissions by utilizing new technologies and replacing old ones. Furthermore, to promote the development and application of lower-carbon technology, in 2022, Rompetrol Energy

conducted a feasibility study for the construction of a photovoltaic park for power production with a capacity of approximately 50 MW. This initiative is aimed at promoting the use of renewable energy sources and reducing the carbon footprint of RPE's operations.

No spills and no grievances from local communities were identified during the reporting period.

In 2022, RPE has undertaken several processes that could impact the environment, including the Cogen Project, which involved construction and underground works as well as the construction of a natural gas pipeline.

The modernization of boilers no. 3 and 5 (2 Large Combustion Plants) was done with the objective of reducing NOx emissions to below 300mg/m³ and minimizing process risks to As Low As Reasonably Practicable (ALARP) levels. The waste gases exhaust installation has two main components - the gas suction route from the existing pipeline that discharges the waste gases to the boiler stack and the discharge path of the fin fan that directs the waste gases flow to the boiler burner mixing chambers.

These processes have been designed to minimize environmental impact and comply with regulations, while ensuring the safety and reliability of the equipment.

MATERIALS

Materials used	2022	2021	
Combustion gas (t)	26,378	36,595.432	
Heavy fuel oil (t)	22,435	11,236	
Chemicals (t), of which:	2,443.312076	1,903.309982	
Aluminium sulfate	Al ₂ (SO ₄) ₃	0.0002	-
Ammonia 25%	NH ₃	17.890	15.816
Ammonium	NH ₄	-	0.003
Ammonium chloride	NH ₄ Cl	0.003	0.001
Ammonium molybdate	(NH ₄) ₂ MoO ₄	0.002	-
Glycerol	C ₃ H ₈ O ₃	0.001	-
Azotic acid	HNO ₃	0.001	-
Barium chloride	BaCl ₂	0.00025	-
Buffer solution Ph 4	C ₈ H ₅ KO ₄	0.0005	-
Buffer solution Ph 7	H ₂ KO ₄ P	0.0005	-
Buffer solution Ph 10		0.00025	-
Cadmium acetate dihydrate	C ₄ H ₁₀ CdO ₆	0.0005	0.00025
Camphor	C ₁₀ H ₁₆ O	0.0001	-
Edetic acid	C ₁₀ H ₁₆ N ₂ O ₈	0.0005	0.0005

Materials used		2022	2021
Eriochrome black T	C ₂₀ H ₁₂ N ₃ O ₇ SNa	0.00003	0.0001
Ethanol	C ₂ H ₄ O	0.00473	0.007
Ferric chloride	FeCl ₃	0.00025	-
Hydrochloric acid 32%	HCl	1,982.433	1,573.359
Lunar caustic	AgNO ₃	0.000016	0.000032
Methyl orange	C ₁₄ H ₁₄ N ₃ NaO ₃ S	0.000025	-
Metol	C ₁₄ H ₂₀ N ₂ O ₆ S	-	0.00075
Murexide	C ₈ H ₈ N ₆ O ₆	0.000025	0.00005
Nessler's reagent	K ₂ HgI ₄	0.003	0.002
Oxalic acid	C ₂ H ₂ O ₄	0.002	0.003
Peroxide	H ₂ O ₂	0.0011	0.001
Petroleum ether	C ₆ H ₁₄	0.0008	-
Phenolphthalein	C ₂₀ H ₁₄ O ₄	0.0005	-
Potassium chloride	KCl	-	0.005
Potassium hydroxide	KOH	0.001	0.001
Potassium permanganate	KMnO ₄	0.00632	-
Soda-lye		0.001	0.0005
Sodium carbonate	Na ₂ CO ₃	0.0005	-
Sodium chloride	NaCl	0.003	0.002
Sodium hydroxide	NaOH	442.918	0.003
Sodium metabisulfite (pyrosulfite)	Na ₂ S ₂ O ₅	0.008	0.008
Sodium-potassium tartrate	KNaC ₄ H ₄ O ₆ ·4H ₂ O	0.001	-
Sodium silicate	Na ₂ SiO ₃	-	0.001
Sodium sulfide	Na ₂ S	0.0005	-
Sodium tetraborate	Na ₂ B ₄ O ₇	0.0005	-
Sodium thiosulfate	Na ₂ S ₂ O ₃	0.002	-
Starch	C ₆ H ₁₀ OS	-	0.001
Sulfuric acid	H ₂ SO ₄	0.0128	0.003
Toluene	C ₆ H ₅ CH ₃	0.00693	0.005
Universal indicator Ph 4-10		0.0019	0.0012
Universal indicator Ph 9-13		0.0011	0.0001
Zinc sulfate	ZnSO ₄	0.0005	-

ENERGY

Rompetrol Energy's total energy consumption represents the sum of the non-renewable and renewable fuel used within the organization, the electricity, heating, cooling and steam purchased for consumption and sold, along with the self-generated electricity, heating, cooling and steam not used and the fuel consumption from company cars. Total energy consumption of Rom-

petrol Energy during the reporting period was 929,483 GJ, compared to 954,537.9 GJ in 2021.

Energy intensity was revised as per GRI 302-3 and the recalculation was done by dividing the 'absolute energy consumption' by the 'production volume'. As a result, we have a ratio of 1.292 GJ per unit produced in 2022 and 1.294 GJ per unit produced in 2021. The company's energy intensity in the past was calculated

per number of employees, during the reporting period being 6035.61 GJ / number of employees, while in 2021 the same indicator recorded a value of 6198.29 GJ / number of employees.

In 2022, Rompetrol Energy implemented a program to reduce energy consumption by switching the lighting system from gas to led technology. One hundred 160W-light sources were replaced with 30 W(50pcs) and 20 W(50pcs).

WATER

RPE relies on two sources for its water supply: the Water State Company (RAJA Constanta) for fresh water and Rompetrol Rafinare SA for raw water used to produce demi-water. Water from RAJA comes from a single certified source and is measured on a daily basis internally and monthly by RAJA. Raw water from Rompetrol Rafinare is also measured daily after passing through a debit-meter. This raw water is chemically transformed into demi-water and used for three purposes: steam production at Rompetrol Rafinare, RPE Boilers, and Năvodari City district heating system (for approximately 1,500 residential buildings – until November 1st, 2022). The water is measured at all destinations via debit-meters. In case of failure, the two sources can be bypassed, and there is a six-hour emergency stock for normal operation.

Fire-fighting water is sourced from three places: RAJA water supply system, raw/surface water from Rompetrol Rafinare, or old cooling tower storage.

Domestic wastewater is sent by two pumps into the Rompetrol Rafinare sewage system and the Wastewater Treatment Plant. Technological wastewater includes water from the water recirculating system, condensed water from boilers' system bleed, washing of technological equipment surface, washing of boilers and equipment, regeneration of filters, demi-water plant, and laboratory. It goes into a reservoir as neutral water (to control the pH = 6.5/8.5) and then into two pits where water parameters are monitored and controlled by a accredited laboratory (Rompetrol Quality Control - RQC) before being discharged into the Midia Harbor basin. The stan-

dard used is NTPA 001 / 2002, in compliance with the Integrated Environment Permit of Rompetrol Energy (renewed during the reporting period).

Pluvial water from demi-water plants is collected in two 400 m³ pits for treatment before discharge into Black Sea Midia Harbor basin. Pluvial water from external areas is collected and discharged into the in-house water treatment system via oil-water separators. Pluvial water from other areas is collected in the ground and then drained via a drainage system.

Groundwater monitoring is performed annually by an accredited laboratory, according to the organization's environment monitoring plan. The samples are taken from 9 sample wells. We monitor several indicators in the discharged water at varying frequencies, including pH, total suspended solids, chemical oxygen consumption, NH₄, Phenols, and SEEP (extractable substances with petroleum ether). We report these emissions regularly and can confirm that none of the values have exceeded the limits set during the reporting period, as the water is collected in neutralization basins beforehand.

During the reporting period, we have successfully implemented several water reduction measures, resulting in a significant reduction in freshwater withdrawn or consumed within our reporting boundaries. Our efforts include a maintenance plan that monitors and addresses any leakage in our fresh water supply system, as well as a daily energy report that closely monitors our water consumption. Additionally, we have set a KPI for water consumption to ensure we continue to make progress in reducing our water usage. We have also implemented water recycling and reuse measures, which have further contributed to our reduction in freshwater consumption.

In 2022, Rompetrol Energy didn't record any incidents of non-compliance with water discharge limits.

Water discharge	2022	2021
Domestic waste water	56	55.448
Technological waste water	1,049	847.519

In 2022, Rompetrol Energy's total water consumption was 1426 ML, compared to 1369.302 ML in 2021. In 2021, our freshwater withdrawal accounted for 50.1% of our total water withdrawal. This freshwater was sourced from the Danube river through the Galeșu water station. In 2022, we were able to maintain our freshwater withdrawal at 50%, with the same source through the Galeșu water station.

Water withdrawal	2022	2021
Technological freshwater from Rompetrol Rafinare, coming from natural source Danube by Saligny and Carasu water station, or Lake Tașaul (million liters)	2,503	2,266.675
Household freshwater from the Danube via Galeșu water station (million liters)	28	5,594
Demi-water production (million liters)	2,522.72	2,260.389

BIODIVERSITY

Romp petrol Energy recognizes the global significance of biodiversity resources and the impact we have on them, as well as our direct and indirect dependencies on these resources. Rompetrol Energy is not located in a natural protected area which includes biodiversity sites. However, it is situated in the vicinity of several Natura 2000 Sites:

- approx. 300 m from the Special Protection Area RO-SPA 0060 Tasaul-Corbu Lakes
- 1.35 km to ROSPA0076 Black Sea
- 5 km to Danube Delta.

Given the nature of its activity (steam distribution/ water treatment & water distribution), its ground footprint (182,690 sqm), as well as its proximity to the biodiversity sites above, Rompetrol Energy takes all the necessary precautions in its operations to minimize its impact on protected areas and areas of high biodiversity value outside protected areas.

At present, the site's biodiversity mainly consists of green spaces arranged for protection curtain and ruderal flora associated with anthropogenic habitats, along with several species of synanthropic fauna like *Corvus corone cornix*, *Corvus frugilehus*, *Pica pica*, *Columba livia domestica*, *Passer domesticus*, among others.

EMISSIONS

For 2022, the emissions of boilers in RPE by equity share are 90,542.523 CO₂e, while the mobile cars emission in RPE by equity share is 31.68 CO₂e. The source of CH₄ is from mobile company cars, with a total of 0.000904 CH₄.

For 2021, the emissions of boilers in RPE by equity share are 79,196.82 CO₂e, while the mobile cars emission in RPE by equity share is 3.8775 CO₂e. The source of CH₄ is from mobile company cars, with a total of 0.000248 CH₄.

SCOPE 2 emissions of Rompetrol Energy in 2022 represented 1,872.35 to CO₂e, with 3112811 kw/h delivered from green energy suppliers (Hidroelectrica – 1774264 kw/h and Midia Green Energy- 1338547 kw/h). In 2021, SCOPE 2 emissions represented 2,226.994 to CO₂e, while emissions intensity for the same period was 828.832 To CO₂e. We used the 2021 energy label for Hidroelectrica because the 2022 label was not available.

The GHG emissions intensity in 2022 was 945.720 CO₂ per employee, while in 2021 it was 828.832 CO₂e per

employee. There were no emissions of ozone-depleting substances (ODS) generated by Rompetrol Energy operations during the reporting period.

To monitor gas emissions, we utilize the Emitter software. The heavy fuel oil readings are done monthly following accredited laboratory analysis, while the gas chromatogram readings are taken daily. Air quality readings are performed on a monthly basis by an accredited laboratory and are reported to the Environmental Authority. No deviations have been observed during the reporting period. Air monitoring is reported monthly/ annually to the environmental authorities, demonstrating compliance with the requirements of applicable legislation and the integrated environmental permit.

Scope 1: GHG emissions	2022	2021
Direct emissions from units		
Combustion of fuels in furnaces, boilers. No biogenic CO ₂ release (tCO ₂ e)	143,718.29	125,407
Mobile emissions		
Company vehicles (tCO ₂ e)	50.28	6.16
Total Scope 1 (tCO₂e)	143,768.57	125,413.16

Air emissions	2022	2021
SO ₂ (t)	222.61	132.46
NO _x (t)	187.08	125.55
CO (t)	26.93	24.06
PM (t)	20.14	4.21

Source of emission factors: CORINAIR 2019

WASTE

Romp petrol Energy ensures the management of all waste generated within the organization in accordance with a Prevention and reduction of generated waste program, designed to establish clear roles and procedures, while providing full compliance with the applicable legal provisions.

The waste management plan has been designed to ensure that each party involved in the works takes responsibility for the waste they generate and manages it in accordance with legal provisions and internal procedures to protect health and the environment. The producer/ generator of the waste, which is the Beneficiary for waste resulting from its own activity and the Contractor and its

Waste reduction plan	Target
Wood waste	10%
Toner waste	10%
Plastic waste	2%
Plastic packaging waste	2%
Paper and cardboard packaging waste	10%
Metal packaging waste	5%
Wood packaging waste	5%
Rubber waste	2%
Electrical and electronic waste	2%
Steel and iron waste	2%
Glass waste	2%
Oil waste	5%
Filters waste	5%
Impregnated packaging waste	2%
Mixed municipal waste	50%
Chemical reagents waste	5%

Subcontractors for waste resulting strictly from the works executed, are responsible for waste management.

The waste reduction plan sets objectives for reducing the amount of waste generated by specific categories by 2025:

Domestic waste and the waste generated by the execution of the organization's works follow a set of specific rules including:

- the collection of own municipal waste and assimilable waste is made in containers, labeled by waste category, and is handed over to authorized operators;
- inert and / or non-hazardous industrial waste resulting from activities is temporarily stored in the places indicated by RPE for collection, transport and recovery / disposal is done by an authorized operator;
- recyclable waste generated by RPE (like sheet metal, scrap iron, electrical and AMC cables, wood etc.) is transported by RPE and is temporarily stored in the places indicated for collection, transport and recovery by authorized operators;
- hazardous waste generated from works performed is separately collected, packaged and labeled appropriately and is temporarily stored on the concrete platform. Its collection, transport and disposal

/ recovery operations is performed by RPE, through authorized operators, in compliance with the applicable legislation.

All waste and scraps that can be reused and repurposed (such as iron, other metals, etc.) resulting from the activities that are performed by a Contractor and its Sub-contractor(s) is to remain in the property of Rompetrol Energy and handed over to its representative.

The Rompetrol Energy platform is equipped with euro containers, especially designed outdoor areas, concrete platforms optimally located in relation to the points of waste generation, which have a temporary storage capacity corresponding to the quantities generated in the time between two collections.

According to Rompetrol Energy's internal policy and procedures regarding waste management, temporary storage / abandonment of waste resulting from activities carried out on the RPE site, in unprovided areas or directly on the ground is prohibited. Moreover, any contractor and / or its subcontractors must comply with the applicable legislation regarding the management of the waste generated from their activities. They must ensure by any means that their personnel are provided with biodegradable materials and means of intervention in order to take immediate action in case of accidental pollution. In the event of accidental pollution, RPE will stop the work, and take immediate action to decontaminate the affected area.

Waste generated	2022	2021
Hazardous waste	121.298	1,619
Non-hazardous waste	230.116	3,970.352
Total generated	351.414	3,971.971

Waste treated	2022	2021
Diverted (R12)	127.803	3,886.466
Sent for disposal (D5)	223.61	113.19
Total recovered	127.803	3,999.656

Precautions are taken to avoid accidental pollution, and the Contractor ensures that they and their Subcontractors are equipped with biodegradable material and means of intervention to take immediate action in case of accidental pollution. If there is accidental pollution, RPE stops the work and takes immediate action to decontaminate the affected area.

Decommissioning activities were carried out following an impact study conducted by authorized third-party entities based on the demolition projects. All waste materials generated from the demolition works were fully recovered.

The demolition works were undertaken for the construction of a New Power Plant (NPP) and involved the demolition of the old chimney and turbine hall of the existing installation. The demolition of the chimney served as a case study for the Bucharest Military Technic University and was also monitored by the Romanian ATEX authority (INSEMEX).

RPE regularly measures the impact of its decommissioning activities on the environment.

Rompetrol Energy waste	Code	Generated (t)	Status
Tank bottom sludges	05 01 03*	120.2	Recovered
Toner	08 03 17*	0.001	Recovered
Ferrous metal fillings and turnings	12 01 01	0.35	Recovered
Packages, paper and cardboard	15 01 01	0.113	Recovered
Plastic packages	15 01 02	0.035	Recovered
Packaging containing residues of or contaminated by hazardous substances	15 01 10*	0.032	Recovered
Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	15 02 02*	0.96	Recovered
Waste containing oil	16 07 08*	0.105	Recovered
Mixed metals	17 04 07	3.6	Recovered
Mineral wool	17 06 04	0.664	Recovered
Plastic and rubber	19 12 04	0.201	Recovered
Paper and cardboard	20 01 01	0.043	Recovered
Mixed municipal waste	20 03 01	223.61	Disposed
	20 01 25	0.107	Recovered

- GRI**
GRI 301-1
GRI 302-1
GRI 302-3
GRI 302-4
GRI 303-1 thru 303-5
GRI 305-1
GRI 305-2
GRI 305-4
GRI 306-2 thru 306-5
GRI 11.1.2
GRI 11.1.4 thru 11.1.6
GRI 11.1.8
GRI 11.5.3 thru 11.5.6
GRI 11.6.2 thru 11.6.6
GRI 11.8.2
GRI 11.15.4
- SASB**
EM-SV-110a.1
EM-SV-110a.2
EM-MD-110a.1
EM-MD-110a.2
EM-MD-120a.1
EM-MD-120a.2
EM-MD-160a.1
- IPIECA**
CCE-4 C1, C2, A3
CCE-6 C1, C2, A2, A5
ENV-1 C1, A10
ENV-3 C1, C2
ENV-4 C1, C2, A1
ENV-6 C1-C4
ENV-7 C1-C3, A1, A2, A4
ENV-8 A1-A3

Rominserv SRL

Rominserv's compliance with the ISO14001 environmental management standard is regularly renewed, and whenever the company's activities undergo changes, its environmental impact assessment is reviewed and updated as necessary.

Rominserv has set various objectives in its Environmental Management Plan:

- "Zero" incidents with an impact on the environment in the activities carried out by Rominserv and its subcontractors
- Continuing the implementation of the Waste Reduction Action Plan (WRAP)
- Continuous assessment and improvement of the company's environmental performance, communication to interested organizations
- Management of expired / scrapped stocks in Deposits
- Selective waste collection according to the type and nature of the waste, in order to facilitate its specific treatment.

The company also aims to comply with reference standards and continuously assess and improve its environmental performance, while promoting employee awareness of waste reduction and selective waste collection. Moreover, Rominserv requires its subcontractors to comply with all environmental protection requirements specified in the contract and the HSE Convention.

Rominserv performs maintenance works and industrial projects on the Rompetrol Rafinare Petromidia Platform, a SEVESO site subject to Law 59/2016, which controls major accident risks involving hazardous substances. To prevent accidental releases of hydrocarbons, dangerous substances, or other materials into the environment, Rominserv has implemented a comprehensive set of internal policies and procedures. These include a list of dangerous substances, a risk assessment of hazardous substances used, an emergency response plan (Procedure RIV-QHS-PR-C08-0018-R5), an accidental pollution prevention plan, and an annual exercise plan. Rominserv staff also participate in exercises performed by Rompetrol Rafinare in the technological installations.

Rominserv conducts energy analysis in accordance with ISO 50001 to identify significant energy consumption

areas and potential reduction opportunities in electricity, gas, and diesel usage. The company aims to reduce its energy intensity index by at least 0.5% compared to the reference established between 2015-2019. In addition, Rominserv considers energy performance in the design of new facilities, equipment, systems, and processes, taking into account the energy class of equipment purchased and emissions established by law.

To promote efficient energy use by customers, Rominserv maintains 100% monitoring of energy consumption within its work points. The company has successfully reduced energy consumption, achieving a reduction of 29.38% in the energy intensity index compared to the previous reporting period, while in 2021, the value of the same indicator reached 4.74%.

The water used by Rominserv is supplied based on utility supply contracts concluded between Rompetrol Rafinare and Rominserv for the Petromidia and Vega work points:

- Water management authorization no. 135/19.10.2020 on Water supply and wastewater disposal at Rompetrol Rafinare (utility supply contract PEM-RIS no.505/2003)
- Water management authorization no. 42/26.02.2021 on Water supply and wastewater disposal at Rompetrol Vega (utility supply contract Vega-RIS no. 06/2011)
- Utility supply contract PEM -RIS no.505/2003
- Utility supply contract Vega - RIS no. 06/2011

Rominserv does not hold Water Management Permits. Regarding water discharge management, operations are performed by Petromidia and Vega platforms. Rominserv wastewater is discharged into the Rompetrol Rafinare sewerage system. Drinking water is provided by the companies La Fantana (flat water) and Dacris (mineral water).

The waste generated by the company is managed in accordance with the legal provisions on waste management. Rominserv has a waste prevention plan in place, along with waste management plans for each work points, which set clear objectives and targets whose implementation stage is updated on a regular basis. Most waste comes from scrapped stocks. All waste is stored selectively by waste category in properly labeled containers.



The waste management flow is observed according to the Waste Management Plan prepared for the works performed within Rompetrol Rafinare. Subcontractors are responsible for managing their own generated waste. The company has an external recovery service contract, with the condition of recovering at least 60% of the total amount of packaging placed on the market (from our own imports and products). Also, the packaging purchased for the products put on the market is exclusively recyclable (plastic and wood).

In 2022, projects and operations carried out by Rominserv in or near protected areas and priority sites for biodiversity conservation targeted the Rehabilitation of tank 120-338 B6 in the CoGen project, following the demolition of the turbogenerator hall its own sale lime bunker during the previous reporting period. The process was carried out with the observance of all legal requirements, procedures, work instructions, and regulated acts. In order to prioritize the elimination of any risk to nearby buildings and staff involved in the work, the company adhered to the principles of preventive action and the exclusive use of safe processes and methods.

Soil protection measures were taken to prevent pollutants, any pollution on the ground was eliminated, and biodegradable materials were used. Measures were taken to prevent liquid leakage, and at the end of the

Materials used	2022	2021	2020
Acetylene (t)	0.595	0.321	0.754
Oxygen (t)	0.420	0.561	0.270

S1 emissions	2022	2021	2020
Mobile (tCO ₂ e)	279.24	310	238
Gas (tCO ₂ e)	0.14	0.6	0.1
Steam (tCO ₂ e)	0	192	172
Total (tCO₂e)	279.38	582	427

Source of the emission factors: IPCC 2006 Guideline

Scope 2 emissions	2022	2021
Total (tCO₂e)	143	149

Source of the emission factors: IPCC 2006 Guideline

Emissions Intensity	2022	2021	2019
Scope 1+2 (tCO ₂ e / fiscal value)	0.001509	0.001509	0.000945



works, the land was restored to its original state. Air protection measures were taken, including working with equipment instead of staff on-site, wetting work surfaces during dust-generating activities, and observing waste management principles in accordance with legal provisions.

The waste generated during the project was managed in compliance with the principles of waste collection, temporary storage, and recycling/recovery by authorized operators. The metal scrap (11.682 tons) resulting from the dismantling of the tank was taken to the Refinery's storage, while the excavated soil (10m³) was stored in a warehouse of the beneficiary for use as filling for other works. The rehabilitation of Tank 120-338 B6 ensured compliance with the requirements imposed by firefighting and emergency services, as well as the applicable environmental protection legislation.

No spills and no grievances from the local communities were recorded during the reporting period

Energy consumption inside the organization	2022	2021	2020
Electricity (MWh)	639	833.498	866.880
Steam (MWh)	1,014.62	30.550	31.575
Nat. gas (MWh)	0.2519	0.200	0.183

Energy	2022	2021	2020
Energy intensity	0.000678081	0.000926017	0.000425663

Water management	2022	2021
Water consumption (million liters)		
Plain water and sparkling water	1.133	0.823
Water discharge (million liters)	0.9875	1.0545

Rominserv waste in 2022	Code	Generated (t)	Recycled (t)	Eliminated (t)
Steel	12 01 01	3.48	3.48	0
Paper and cardboard	15 01 01	3.82	5.42	0
Plastic (PET)	15 01 02	0.1	0.1	0
Wood, damaged pallets	15 01 03	19.26	19.26	0
Absorbents, polishing materials	15 02 02*	0.92	0.92	0
Insulation, cable jacket	19 12 04	0.46	0.46	0
Paper and cardboard	20 01 01	2.46	2.46	0
Mixed municipal waste	20 03 01	100.24	0	100.24
Total (t)		130.4	32.1	99.9

Rominserv waste in 2021	Code	Generated (t)	Recycled (t)	Eliminated (t)	Stockpiled (t)
Adhesives	08 04 09*	0.8	0.8	0	0
Lime calcination waste	10 13 04	0.4	0.4	0	0
Steel	12 01 01	4.34	3.34	0	1
Paper and cardboard	15 01 01	1.58	0	0	1.58
Plastic (PET)	15 01 02	0.1	0.1	0	0.1
Wood, damaged pallets	15 01 03	17.88	9.52	0	8.36
Absorbents, polishing materials	15 02 02*	0.46	0.46	0	0
Stainless steel	16 01 18	3.26	3.26	0	0
Copper	17 04 01	0.2	0.2	0	0
Scrap metal	17 04 05	102.76	102.76	0	0
Construction and demolition waste	17 09 04	4.38	4.38	0	0
Heating nets	17 09 04	2.93	2.93	0	0
Rubber	19 12 04	0.16	0.16	0	0
WEEE	20 01 36	3.1	3.1	0	0
Plastic	20 01 39	0.68	0.68	0	0
Mixed municipal waste	20 03 01	87.99	0	87.99	0
Total (t)		231.030	132.100	87.990	11.040

Rompetrol Well Services SA

Currently, the incorporation of a climate change-based risk assessment procedure has not been executed, and consequently, no risks or opportunities regarding energy transition have been identified. However, Rompetrol Well Services and Group Management are currently examining the feasibility of incorporating alternative energy sources (specifically solar and photovoltaic panels) in locations that permit the installation of such equipment. Legal obligations enforced by governing bodies are being considered in the analysis of the medium to long-term implementation prospects.

Rompetrol Well Services is committed to managing the impact of climate-related risks through the implementation of our QHSE policy and adherence to the company's objectives. We closely monitor environmental factors that have an impact on climate change to ensure that we are mitigating any negative effects.

We require all our contractors to comply with HS-ES-E conventions, respecting legislation and providing equipment that meets the required emissions parameters for GHG (NOx, CO, SOx, PM, noise). We also ensure that our transport contracts comply with the legislation in force, as we understand the importance of reducing our carbon footprint and minimizing our impact on the environment.

To prevent accidental releases of hydrocarbons or other materials to the environment, we employ a risk-based approach that includes the following strategies:

- We respect working procedures when operating our well services equipment.
- We conduct periodic spill prevention exercises to train our employees and prepare them for any potential spill incidents. These exercises help to identify and address any weaknesses in our spill response procedures and improve our overall preparedness.
- We keep spill neutralization substances available on-site, ensuring that we can respond quickly in the event of a spill or release. This helps to mitigate the potential impact on the environment and protect our employees and surrounding communities.
- We ensure that our employees wear personal protective equipment appropriate to the risks of injury and/or occupational disease. This helps to prevent

accidental releases and minimize the risks to our employees' health and safety.

- We also ensure the attachment of technical equipment to the earthing belt. This grounding process helps to prevent static electricity buildup and reduce the risk of sparks that could ignite flammable materials. By implementing these strategies, we can minimize the risks of accidental releases and protect the environment, our employees, and surrounding communities.

To manage our waste effectively, we have implemented a comprehensive system that includes designated containers for each waste type on the waste platform corresponding to each RWS location. We keep records of the monthly amount of waste generated and store them on the waste management record sheet, which is classified according to the waste code. We adhere to legal requirements and regulations by uploading the annual waste management sheets to the SIM (managed by NEPA) - PRODDDES questionnaire and reporting them to the local EPAs.

To ensure our waste is managed responsibly, we have contracted authorized companies to collect the waste from each location on a monthly basis. RWS comes equipped with specially designed outdoor areas featuring Euro containers, concrete platforms, and optimal proximity to waste generation points. These containers are marked and colored according to the waste category they collect, and the collection areas/platforms are clearly identified. They also have a temporary storage capacity that corresponds to the amount of waste generated between two collections.

We have a drinking water supply contract with Apa Nova Ploiești for our base in Ploiești, which includes household water-discharge and meteoric water. The used water is disposed of in the city's sewers. At our Câmpina base, we have a contract with Hidro Prahova for drinking water supply, as well as household water-evacuation and meteoric water. The used water is also disposed of in the city's sewers. For our Videle base, we have a contract with Apa-Serv Videle for meteoric water. The water used is sourced from our own unmetered drilled well. At the Timișoara base, we have a contract with Aqua Tim for sewerage. The meter at the well is read and invoiced accordingly. We have a drilled well that is metered. Our Moinești base has a contract

GRI

GRI 301-1
GRI 302-1
GRI 302-3
GRI 303-1 thru 303-5
GRI 305-1
GRI 305-2
GRI 305-4
GRI 306-3
GRI 11.1.2
GRI 11.1.4
GRI 11.1.5
GRI 11.1.6
GRI 11.1.8
GRI 11.5.3 thru 11.5.6
GRI 11.6.2 thru 11.6.6
GRI 11.8.2
GRI 11.15.4

IPIECA

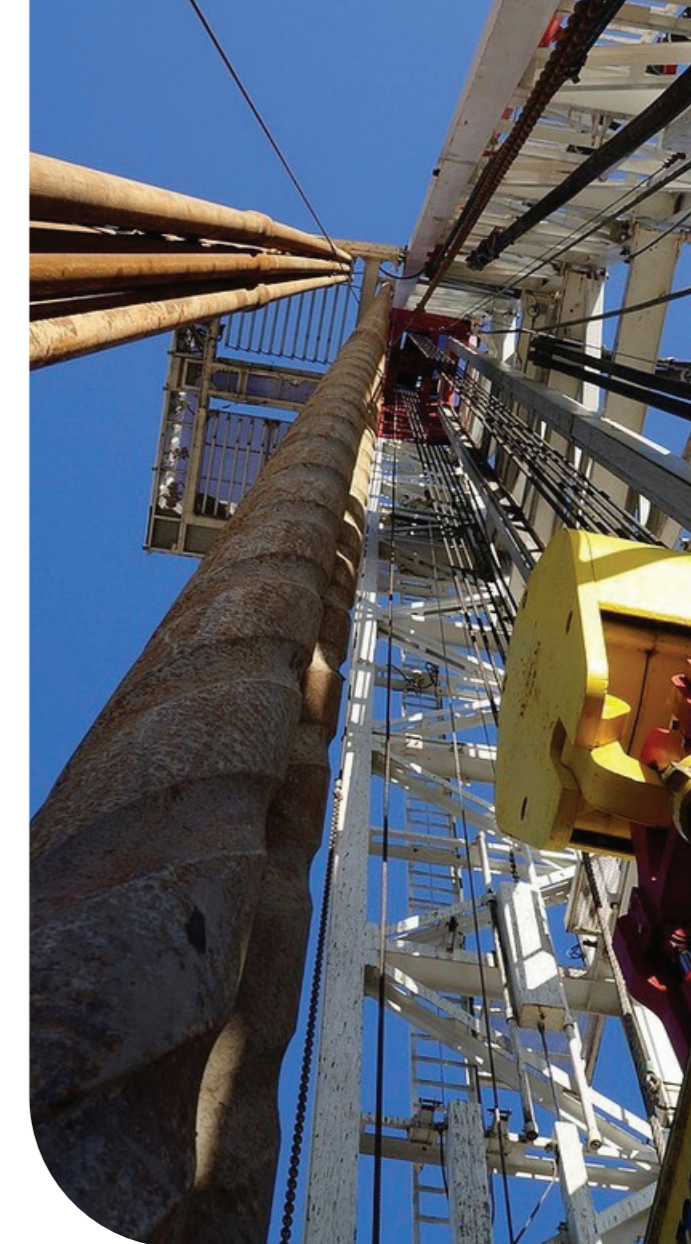
CCE-1 C4
CCE-2 C1
CCE-3 C1
CCE-4 C1-C4, A3
CCE-6 C1, A2
ENV-1 C1, C2
ENV-6 C1-C4
ENV-7 C2, C3

Energy consumption inside the organization		2022	2021	2020
Electricity	MWh tCO ₂ e	286 62.10	274 59.44	268 58.28
Fuels of which:	liters MWh	678,855 6,811.184	615,675 6,177.277	624,451 6,265.33
Diesel for heat production (liters)		11,205	8,119	4,046
Diesel for mobility (liters)		666,039	605,686	616,960
Gasoline for mobility (liters)		1,611	1,870	3,444
Natural gas for combustion	MWh m ³ tCO ₂ e	1,468 137,746 286.12	1,818 171,770 326.36	1,621 150,592 286.12
Water (m ³)		2,986	2,659	3,555

Energy consumption outside the organization		2022	2021	2020
Electricity	MWh tCO ₂ e	286 62.10	274 59.44	268 58.28
Fuels of which:	liters MWh	678,855 6,811.184	615,675 6,177.277	624,451 6,265.33
Diesel for heat production (liters)		11,205	8,119	4,046
Diesel for mobility (liters)		666,039	605,686	616,960
Gasoline for mobility (liters)		1,611	1,870	3,444
Natural gas for combustion	MWh m ³ tCO ₂ e	1,468 137,746 286.12	1,818 171,770 326.36	1,621 150,592 286.12
Water (m ³)		2,986	2,659	3,555

Cement consumption	2022	2021	2020
Cement (t)	3,285	3,208	2,386
Emission factor (tCO ₂ /km)	880	880	880
Emissions (kgCO ₂ e)	2,890,800	2,823,040	2,099,680
Total (tCO₂e)	2,890.8	2,823.04	2,099.68

Cement transportation	2022	2021	2020
Cement transport (liters)	100,640	102,656	76,352
Emission factor (tCO ₂ /km)	2.7	2.7	2.7
Emissions (kgCO ₂ e)	271,728.00	277,171.20	206,150.40
Total (tCO₂e)	271.73	277.17	206.15



with CRAB Bacău for both water and sewerage, but without meteoric water. In Mediaș, we have a contract with Apa Târnavei for drinking water, household water, and meteoric water. Lastly, our Govora base has a contract with Apavil Vâlcea. We have a drainable concrete mixer for sewerage. To supply drinking water, we have a group contract with "La Fântana" that is distributed to each operational base as needed.

During the reporting period, there were no significant spills or grievances from the local community recorded.

Energy consumption reduction	2022 vs. 2021	2021 vs. 2020
Electricity (MWh)	+4.29%	+6.5%
Natural gas (MWh)	-21.3%	-9.91%
Fuel transport (MWh)	+9.76%	+8.35%

Energy intensity	2022	2021	2020
Electricity (MWh)	286	274	268
Electricity intensity	0.0000054219	0.0000061439	0.0000056222
Natural gas (MWh)	1,468	1,818	1,621
Natural gas intensity	0.000027830	0.000040765	0.000034006
Fuel transport (MWh)	6,811.184	6,177.277	6,265.33
Transport intensity	0.00012912	0.00013851	0.00013144

Water withdrawal	2022	2021	2020
Surface water (million liters)	18.03	19.68	18.30
Third-party water (million liters)	3.01	2.68	3.57
Total (million liters)	21.04	22.36	21.87

Water consumption	2022	2021	2020
Withdrawal - discharge (million liters)	0.04	0.02	0.02

GHG emissions	2022	2021	2020
Scope 1 (tCO ₂ e)	2,069.49	1,987.94	1,970.76
Scope 2 (tCO ₂ e)	62.10	59.32	58.28
Scope 3 (tCO ₂ e)	3,491.40	3,386.92	2,597.98

Emissions Intensity	2022	2021	2019
Scope 1+2+3 / Net sales	0.00010703	0.00012185	0.00009707

Emission reduction	2022 vs 2021	2021 vs 2020
GHG emissions	-13.85%	+9.31%

Rompetro Well Services waste in 2022	Code	Generated (t)	Recycled (t)	Eliminated (t)
Other unspecified waste (such as rubber)	07 02 99	1.4	1.4	0
Printer toner	08 03 17*	0.03	0.03	0
Fiberglass	10 11 03	2.5	2.5	0
Non-chlorinated mineral oil	13 02 05*	0.85	0.85	0
Plastic (PET)	15 01 02	0.196	0.196	0
Metal packaging waste	15 01 11*	0.54	0.54	0
Used tires	16 01 03	0.002	0	0.002
Oil filters	16 01 07	0.26	0.26	0
Organic waste containing hazardous substances	16 03 05*	0.84	0.84	0
Iron and steel	17 04 05	12.4	12.4	0
Paper and cardboard	20 01 01	0.36	0.36	0
Fluorescent tubes	20 01 21*	0.015	0.015	0
Mixed municipal waste	20 03 01	31.46	0	31.46
Total (t)		61.251	29.789	31.462

Rompetro Well Services waste in 2021	Code	Generated (t)	Recycled (t)	Eliminated (t)
Iron and steel filings and shavings	12 01 01	0.4	0.4	0
Paper and cardboard packaging	15 01 01	0.16	0.16	0
Plastic (PET)	15 01 02	0.14	0.14	0
Plastic packaging	15 01 02	8.02	8.02	0
Used tires	16 01 03	3.46	3.46	0
Iron and steel	17 04 05	33.23	33.23	0
Paper and cardboard	20 01 01	0.63	0.63	0
WEEE	20 01 36	1.3	1.3	0
Mixed municipal waste	20 03 01	25.31	0	25.31
Total (t)		72.652	47.339	25.31

Rompetro Well Services waste in 2020	Code	Generated (t)	Recycled (t)	Eliminated (t)
Paper and cardboard packaging	15 01 01	0.159	0.159	0
Plastic packaging	15 01 02	9.4	9.4	0
Oil filters	16 01 07*	0.4	0.4	0
Ferrous metals	16 01 17	1.48	1.48	0
Non-ferrous metals	16 01 18	2.58	2.58	0
Iron and steel	17 04 05	118.23	118.23	0
Paper and cardboard	20 01 01	0.525	0.525	0
Mixed municipal waste	20 03 01	21.828	0	21.828
Total (t)		154.823	132.995	21.828



Romp petrol Quality Control SRL

RQC adheres to all the relevant legal requirements in its field of operation. The register of risks and opportunities includes risks associated with climate change. Climate related risk and opportunities are assessed on a quarterly basis.

RQC complies with all the relevant emergency requirements by documenting, approving, implementing, and consistently updating the following plans and documents:

- List of hazardous substances
- Accident pollution prevention and response plan
- Fire prevention and intervention plan
- Internal emergency response plan
- Earthquake preparedness plan
- Evacuation plan
- Civil protection notification and alarm plan
- Emergency preparedness and response procedure.

RQC sources its water supply through utility supply contracts established between Rompetrol Rafinare and RQC for the Petromidia and Vega refineries operational locations. This water is utilized in RQC's internal processes and subsequently discharged into the sewer system managed by Rompetrol Rafinare. Drinking water is obtained from vendors that supply plain and sparkling water.

Our organization has implemented several strategies and a risk-based approach to prevent accidental releases of hydrocarbons and other materials to the environment. Firstly, we have developed a plan specifically designed to prevent and combat accidental pollution. Additionally, we have an emergency response plan in place to respond quickly and efficiently in the event of an accidental release.

To further mitigate risks, we conduct accidental pollution exercises twice a year to ensure that all personnel are adequately trained and prepared to respond to an accidental release scenario. These exercises also serve

to identify any potential areas of improvement in our existing strategies and plans. During the reporting period, there were no spills or grievances from local communities identified.

As part of our Environmental Factors/Chemical and Physical Noxes Testing Program, we continually monitor indoor pollutants emitted in the laboratory. Additionally, we conduct regular internal audits and environmental inspections to ensure our operations remain compliant and environmentally responsible.

The following indicators are monitored in discharged water on a semi-annual basis:

- pH levels
- Suspended solids
- SEEP (substances extractable with petroleum ether)
- Chemical oxygen demand
- Biochemical oxygen demand
- Anionic surfactants.

The organization manages its waste in compliance with the legal regulations governing waste management. All generated waste is temporarily stored according to its type in designated, marked, and enclosed areas, ensuring the prevention of soil contamination. The waste is then dispatched for recovery or disposal by an authorized waste management company. Monthly records of the waste code and the amount of waste generated are maintained in the waste management record sheet. On an annual basis, these waste management sheets are uploaded to the SIM (managed by NEPA) - PRODDDES questionnaire in accordance with legal requirements and reported to local EPAs as per the prevailing legislation.

From the initial production of waste to its final disposal or recovery, waste management is undertaken by two companies: 'Polaris Mediu SRL' for general waste and 'Greentech Servicii Ecologice SRL' for specialized waste. RQC's objective is to decrease the waste generation by 1% in comparison to the previous reporting period.

GRI

GRI 301-1
GRI 302-1
GRI 302-3
GRI 303-1
GRI 303-3
GRI 303-4
GRI 303-5
GRI 305-1
GRI 305-2
GRI 306-3

SASB

EM-MD-110a.1
EM-MD-160a.1

IPIECA

CCE-1 C1, C3
CCE-4 C1, C2
CCE-6 C1, A2
ENV-1 C1, C2
ENV-2 A1
ENV-6 C1-C4
ENV-7 C2, C3

Materials used (t)		2022
Phenylhydrazine hydrochloride	C ₆ H ₈ N ₂ ClH	0.00002
Acetone	C ₃ H ₆ O	0.028
Amino acid F reagent	C ₄₅ H ₄₅ F ₃ IrN ₃	0.002
Ammonia 25%	NH ₃	0.022
Ammonium acetate	C ₂ H ₇ NO ₂	0.000433
Ammonium chloride	NH ₄ Cl	0.0014
Ammonium ferric alum	NH ₄ Fe(SO ₄) ₂	0.0008
Ammonium heptamolybdate	(NH ₄) ₆ Mo ₇ O ₂₄	0.002
Benzyl alcohol	C ₇ H ₈ O	0.0475
Biokit LZK555 set		0.001
Bismuth nitrate	Bi(NO ₃) ₃	0.0001
Boric acid	H ₃ BO ₃	0.00045
Bromocresol green	C ₂₁ H ₁₄ Br ₄ O ₅ S	0.000005
Cadmium acetate	C ₄ H ₁₀ CdO ₆	0.00275
Calcium chloride	CaCl ₂	0.001
Chlorobenzene	C ₆ H ₅ Cl	0.001
Coulometric Karl Fischer reagent		0.021
Cyclohexane	C ₆ H ₁₂	0.035
DEHA 1 (glycine)	(C ₂ H ₅) ₂ NOH	0.01005
DEHA 2	(C ₂ H ₅) ₂ NOH	0.0042
Dichloromethane	CH ₂ Cl ₂	0.0375
Dissolved oxygen reagent		0.00243
Dithizone	C ₁₃ H ₁₂ N ₄ S	0.0000005
Edetic acid	C ₁₀ H ₁₆ N ₂ O ₈	0.000029
Eriochrome black T	C ₂₀ H ₁₂ N ₃ O ₇ SNa	0.0000305
Ethanol	C ₂ H ₄ O	0.186
Ethanolamine	C ₂ H ₇ NO	0.0001
Ether	(C ₂ H ₅) ₂ O	0.00025
Flow injection analysis (FIA)		0.253
Flow injection analysis (FIA)		0.001
Formaldehyde	CH ₂ O	0.00025
Glacial acetic acid	CH ₃ COOH	0.036
Hexane	C ₆ H ₁₄	0.0035
Hydranal-composite 5		0.007
Hydrocarbons, C9-16, hydrotreated, dearomatized		0.3076
Hydrochloric acid	HCl	0.03783
Isooctane	C ₈ H ₁₈	0.43575
Isopropyl alcohol	C ₃ H ₈ O	0.419
LCK345 phenol cuvette test		0.00244

Materials used (t)		2022
Mercury (II) sulfate	HgSO ₄	0.00004
Mercury thiocyanate	Hg(SCN) ₂	0.002001
Methanol	CH ₃ OH	0.049
Methyl red	C ₁₅ H ₁₅ N ₃ O ₂	0.000006
Monopotassium phosphate	KH ₂ PO ₄	0.001
N-heptane	C ₇ H ₁₆	0.208
N-hydrocarbons, c9-16, hydrotreated, dearomatized		0.001
Nessler's reagent	K ₂ Hgl ₄	0.00275
NitraVer 5 Nitrare reagent PP		0.00025
Nitric acid	HNO ₃	0.0175
Nitrogen-ammonia reagent, TNT		0.0005
Ortho-xylene	C ₈ H ₁₀	0.201
Oxalate of N, n-dimethyl-p-phenylenediamine		0.00003
Oxalic acid dihydrate	H ₂ C ₂ O ₄ ·2H ₂ O	0.0014
Perchloric acid	HClO ₄	0.00002
Phenolphthalein	C ₂₀ H ₁₄ O ₄	0.000023
Potassium bromide	KBr	0.003
Potassium dichromate	K ₂ Cr ₂ O ₇	0.0001935
Potassium hydroxide	KOH	0.021
Potassium iodide	KI	0.004666
Potassium permanganate	KMnO ₄	0.0000186
Silver nitrate	AgNO ₃	0.1001185
Sodium acetate	C ₂ H ₃ NaO ₂	0.00001
Sodium biphenyl	C ₁₂ H ₉ Na	0.003
Sodium borohydride	NaBH ₄	0.00005
Sodium hydroxide	NaOH	0.022
Sodium metabisulfite	Na ₂ S ₂ O ₅	0.005
Sodium nitroprusside	C ₅ H ₄ FeN ₆ Na ₂ O ₃	0.000306
Sodium oxalate	Na ₂ C ₂ O ₄	0.000019
Sodium-potassium tartrate	KNaC ₄ H ₄ O ₆ ·4H ₂ O	0.00152
Sodium sulfate anhydrous	Na ₂ SO ₄	0.00132
Sodium thiosulfate	Na ₂ S ₂ O ₃	0.00224
Sulfide 1	Cu ₂ S	0.001
Sulfuric acid	H ₂ SO ₄	0.24
Tetrahydrofuran	C ₄ H ₈ O	0.005
Xylene	C ₈ H ₁₀	0.222
Zinc	Zn	0.000008
Zinc acetate	ZnC ₄ H ₆ O ₄	0.000126
Zinc oxide	ZnO	0.001

Water withdrawal **2022**

Fresh water from network (million liters)	11.951
La Fântâna drinking water (million liters)	0.046484
Total (million liters)	11.99784

Water discharge **2022**

Total (million liters)	11.951
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Water consumption **2022**

Total (million liters)	0.046484
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Energy consumption inside the organization **2022**

Fleet fuel	Gasoline (liters)	23,524
	Diesel (liters)	10,051
Electricity (MWh)		267
Natural gas (MWh)		636

Energy Intensity **2022** **Emissions** **2022**

tE (GJ) / headcount	4.81	Scope 1 (tCO ₂ e)	83.1
		Scope 2 (tCO ₂ e)	0
		Scope 3 (tCO ₂ e)	0

Romp petrol Quality Control waste in 2022

	Code	Generated (t)	Recycled (t)	Eliminated (t)
Hazardous waste, of which:		0.851	0.851	0
Used oil		0.2	0	0
Packaging containing residues or contaminated with hazardous substances		0.375	0	0
Absorbents, filters, protective clothing contaminated with dangerous substances		0.0522	0	0
Inorganic lab chemicals constantly expired from dangerous substances		0.127	0	0
Organic lab chemicals constantly expired from dangerous substances		0.097	0	0
Non-hazardous waste, of which:		40.94	5.76	35.18
Plastic packaging	15 01 02	2.6	0	0
Paper and cardboard		2.58	0	0
Paper and cardboard packaging	15 01 01	0.58	0	0
Glass	15 01 07	0.03	0	0
Mixed municipal waste	20 03 01	35.18	0	35.18
Total (t)		41.791	6.639	35.18

GRI

- GRI 302-1
- GRI 302-3
- GRI 303-1
- GRI 303-3
- GRI 303-4
- GRI 305-1
- GRI 305-2
- GRI 306-2 thru 306-5

SASB

- EM-MD-110a.1
- EM-MD-160a.1

IPECA

- CCE-4 C1, C2
- CCE-6 C1, C2, A2
- ENV-1 C1, C2
- ENV-2 A1, A2
- ENV-3 C1, C3
- ENV-6 C1, C4
- ENV-7 C2, C3

Petromidia Refinery is classified as a SEVESO upper-tier site, and therefore is subject to Law 59/2016 which implements the SEVESO Directive, a regulation governing the control of major accident hazards involving dangerous substances. As the operator of the offshore Midia marine terminal, as well as the entire supply and storage chain of oil for Rompetrol Midia Marine Terminal (MMT) must comply with this legislation.

The Midia Marine Terminal, remotely operated and situated in the middle of the Black Sea, is pivotal in supplying petrol to our refinery. The positive environmental aspects of the terminal's operations are its use only renewable energy sources which reduce carbon emissions. Moreover, the terminal's unique design, including double-casing hoses and regular equipment replacement, reduces the risk of leaks and subsequent marine pollution. The terminal also supports indirect job creation in the refinery and logistics sectors due to its role in the energy supply chain.

However, potential negative impacts cannot be dismissed. The process of petrol transfer presents the risk of oil spills, a significant hazard to marine ecosystems. Also, the continuous production and replacement of equipment may generate waste, and the terminal's mere presence could disrupt local marine life. Mitigation strategies in place include stringent safety and maintenance protocols to prevent oil spills, proper waste management for discarded equipment, and on-going monitoring to limit disruptions to marine life.

Thus, the company has developed and continually updates a range of plans and documents to manage and mitigate potential risks. These include a list of dangerous substances, a safety report, an internal emergency plan, an accidental pollution prevention and control plan, a fire prevention and extinction intervention plan, an evacuation plan, a civil protection notification and alarm plan, an earthquake defense plan, a plan for managing emergencies caused by floods and hazardous weather events, an action plan for preventing and combatting snowfall, frost, landslides, and other cold season weather phenomena, a work procedure for emergency preparedness and response capacity, and a program for training and developing skills related to emergency response.

To identify and manage activities in sensitive operating areas, including those covered by Biodiversity Actions Plans, we have established a process called "The environmental aspects and risk factors". This procedure outlines how we identify and assess environmental aspects associated with our activities, to determine which ones

Midia Marine Terminal SRL

are considered significant. By analyzing these factors, we are able to determine areas that require particular attention and sensitivity in order to minimize any potential negative impacts. This process includes criteria to assess the sensitivity of certain areas, as well as relevant metrics that help us measure and monitor our environmental impact.

To prevent accidental releases of hydrocarbons and other materials into the environment, we have implemented a range of procedures and plans. These include a plan specifically designed to prevent and combat accidental pollution, as well as emergency response plans. Additionally, we have taken steps to prepare for potential emergency situations and have established response capacities to ensure that we are equipped to quickly and effectively manage any incidents that may occur. During the reporting period, there were no significant spills identified, nor were there any grievances from the local community.

Midia Marine Terminal complies with the regulations set out in Water Management Permit no. 40/2021, which has a validity of three years. The water supply for the administrative building comes from the drinking water distribution network of the port premises, owned by RAJA SA. This water is used for drinking, sanitation, and domestic purposes. The terminal does not use water in its technological flow and does not discharge wastewater in a sewer system. Wastewater is collected in a septic tank and then transported to the Waste Water Treatment Plant of Rompetrol Rafinare - Petromidia Refinery for for treatment and evacuation in the Black Sea.

In 2022, MMT didn't record any incidents of non-compliance with water discharge limits.

As per our water management permit, we monitor specific pollutants at each emptying of our discharge water, including CCOCr, total suspended matter, substances extractable in petroleum ether, pH, CBO5, and anionic surface agents. Rainwater and products resulting from emptying hoses and arms are collected and pumped to the refinery, while domestic wastewater is discharged into the ecological pit (septic tank). Our loading and unloading procedures for ships involve surrounding them with anti-pollution floating dams provided by the authorized company CNAPMC, which helps limit the spreading of oil products accidentally discharged into the sea.

Our management of treated wastewater discharge follows certain principles, including keeping emissions to water below the emission limit values specified in



our water management permit and taking all necessary measures to prevent or minimize the emissions of pollutants into water. Unauthorized and accidental discharges of pollutants to soil, surface, or groundwater are strictly prohibited. We regularly check and maintain our wastewater disposal facilities, and our accidental pollution prevention and control plan outlines measures for managing possible incidents and establishing immediate intervention and control measures to limit the impact. In addition, we keep sufficient neutralization/treatment substances within reach and in sufficient quantities in the vicinity of any facilities handling substances of water hazard.

The different departments at MMT are responsible for identifying the types of waste produced by their activities and recording them in a list of specific environmental aspects. Depending on the waste category, it is temporarily stored in dedicated locations for either disposal or recovery. The entire process, from waste generation to its valorization or elimination, is documented in internal procedures and plans such as the "Waste Management" procedure and waste management yearly plan. This process is verified through internal audits and inspections by both internal and external parties.

MMT has entered into contracts with authorized companies for the collection and recovery/disposal of waste generated by activities carried out on site.

MMT's Environmental Management Plan outlines a series of objectives and actions to guide our environmental management efforts, which include:

- Maintaining our ISO 14001 environmental management certification
- Ensuring zero incidents that could impact the environment in all our activities
- Conducting environmental impact assessments whenever there are changes to our operations
- Continuing to implement the Program for the prevention and reduction of the quantities of waste generated from the activity
- Regularly evaluating and improving our environmental performance, and communicating this to relevant stakeholders
- Complying with the requirements of our environmental permit
- Promoting awareness among our employees about waste prevention and reduction measures and ensuring proper waste separation and collection.

There was no recorded energy consumption outside of the organization.

For 2022, the energy consumption was 670,133 MWh, and the total tons handled/unloaded at SPM/berth 9 was 6,237,076 tons.

Water withdrawal		2022
Fresh water from network (million liters)		2.074
La Fântâna drinking water (million liters)		0.038
Total (million liters)		2,112

Water discharge		2022
Total (million liters)		0.076

Water consumption		2022
Total (million liters)		2.036

Energy consumption inside the organization		2022
Fleet fuel	Gasoline (liters)	13,589
	Diesel (liters)	513,890
Electricity (MWh)		670.133
Fuel for heating	Propane (liters)	12,372

Energy intensity		2022
tE/t of products handled at the SPM buoy and Berth 9		0.000138225

Reduction in energy consumption		2022 vs 2021
Energy consumption		-8.5%

GHG emissions		2022
Heating and cooling system (tCO ₂ e)		316.12
Car fleet (tCO ₂ e)		314.63
Total (tCO₂e)		630.75

Emissions Intensity		2022
Scope 1+2/t products handled at the SPM buoy and Berth 9		0.000254276
<i>1,585.94 tCO₂e / 6,237,076 t of products</i>		

MMT waste in 2022		Generated (t)
Non-hazardous waste, of which:		5.358
Plastic packaging waste		0.058
Paper and cardboard		0.3
Mixed municipal waste		5
Hazardous waste, of which:		4.4808
Used oil		1.3
Bilge water		2.85
Slam		0.33
Clothes soaked with oil products		0.0008
Total		9.8388

Waste directed to offsite disposal operations can be classified into two categories: non-hazardous waste and hazardous waste. In the case of non-hazardous waste, 0.3 tons are recycled, 5 tons are sent to landfill, and 0.058 tons are sent to other disposal operations. For hazardous waste, 4.4808 tons are directed to other disposal operations.

KMG Rompetrol Services Center SRL KMG Rompetrol Development SRL

GRI
GRI 302-1
GRI 303-3 thru 303-5
GRI 305-1
GRI 305-2
GRI 305-6
GRI 305-7
GRI 306-1 thru 306-5

KMG Rompetrol Services Center and KMG Rompetrol Development operate in the Rompetrol HQ building, which holds LEED GOLD certification and has recently benefited from both interior and exterior improvements focused on sustainability. The design, quality of materials, furniture, lighting, and energy-efficient solutions were all given careful consideration to ensure functionality and energy efficiency.

In 2022, a total of 3.331 million liters (ML) of used water was discharged into the public network at the HQ. Additionally, the total water consumption at the HQ in 2022, was 0.05441 ML.

Energy consumption inside the organization		2022
Fleet fuel	Gasoline (liters)	30,625
	Gasoline (MWh)	290.9375
	Diesel (liters)	90,433
	Diesel (MWh)	4,420.2443
Electricity (MWh)		1,194
Fuel for heating and cooling	Natural gas (MWh)	0.05441
	Diesel (liters)	3,076
	Diesel (MWh)	150.3507

Scope 1: GHG emissions		2022
Heating and cooling system (tCO ₂ e)		316.12
Car fleet (tCO ₂ e)		314.63
Total (tCO₂e)		630.75

Scope 2: GHG emissions		2022
Energy consumption (tCO₂e)		259.34

Rompetrol HQ waste in 2022	Code	Generated (t)	Recycled (t)	Eliminated (t)
Non-hazardous waste, of which:		309.79	0	0
Paper and cardboard	15 01 01			
Plastics	15 01 02	16.35	16.35	0
WEEE	20 01 36	5.44	5.44	0
Mixed municipal waste	20 03 01	288	0	288
Hazardous waste		0	0	0
Total		309.79	21.79	288

At the HQ, a selective waste collection system is implemented with containers placed on each floor at suitable distances from workstations for the disposal of plastic, paper, and municipal waste. The building Administrator has concluded contracts with authorized companies to collect and transport the waste for valorization or final disposal. A specific protocol has also been established with a company responsible for the valorization of electrical and electronic equipment waste. Waste records are kept at the HQ, including the waste type (hazardous or non-hazardous), classification code, waste collection and transportation company, and final destination (recovery or disposal) to ensure traceability.

Furthermore, an organizational Plan for the prevention and reduction of waste generation has been developed and updated as needed. All legal provisions governing waste management are strictly adhered to.

Water withdrawal		2022
Network supply (million liters)		3.331
La Fântâna (million liters)		0.05441
Total (million liters)		3.38541

Air emissions		2022
SO _x (t)		0.001
NO _x (t)		187.08
Ozone-depleting substances (t)		0
PM (t)		0.001028

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PEOPLE

- Introduction
- Social targets
- Workforce structure
- Remuneration, compensation, benefits
- Collective bargaining and labor practices
- Training and skill development
- People's health and well-being
- Workforce engagement

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES
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Introduction

The KMG International Group is a community of more than 5,000 employees, working across the Group's entities in different countries. With 5 generations of specialists working together in over 200 different types of jobs, the Group's dynamic workforce reflects not only the common knowledge of multiple generations, but also the values and principles shared across different nationalities and cultures.

While the COVID-19 pandemic transformed the way of working within the Group, increasing our agility and accelerating the integration of digitalization within our processes and operations, 2022 was a year of great trials in the global and domestic energy market. Our Human Resources Strategy in 2022 was focused on the Together We Grow People platform, through which we want to grow tomorrow's leaders, cultivate a culture of conscious choices and decisions, and take care of our people. The strategy includes four main pillars that create an optimum framework for employees to form

communities around their interests, work together and enjoy the results of their work:

- **Education & Growth** - growth of the professionals within the company, as well as today's generations who will become tomorrow's professionals and leaders, through dedicated programs like Internship, vocational education, mentoring, knowledge transfer and learning opportunities;
- **People of Rompetrol Community** - strengthening relations between employees, through charitable actions such as "Easter Bunny", "Secret Santa", "Back to School", and other;
- **Working Environment & Culture** - organizing actions and activities that bring beneficial changes in the organizational culture, so that we contribute to a healthy working environment for us and for those around us;
- **Employees Health & Wellbeing** - promoting sports activities & friendly competition, such as squash, rollerblading or cycling, encouraging and promoting a healthy lifestyle through the Financial Education program, wellbeing activities and balanced eating habits.



"In 2022, our main challenge was to redefine how we relate to people's needs. Nevertheless, we continued to consolidate the transformational role we have taken on, encouraging conscious decision-making and thought leadership, embracing change culture and supporting process automation and streamlining. Going further, we are focused on building communities inside and outside the Group, that work together for a more sustainable future."

Gina Cruceru
HR Director, KMG International Group

Social targets

Our commitment to sustainability goes beyond responding to environmental challenges, with a strong focus on a culture incorporating inclusion and diversity, transparency and equal treatment, employee health and wellbeing and workforce engagement.

To continue improving our performance, we have set short-, medium- and long-term Social targets, in an effort to achieve sustainable growth and generate social value.

Our detailed objectives' matrix includes baseline sustainability metrics for the current reporting period, along with interim targets and 2050 commitments, reflecting social performance throughout the entire value chain, including in refining, retail and services operations.

INDUSTRIAL SERVICES

Rompetrol Well Services SA	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	9.13	10	15	20	20	20	20	20
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	23%	24%	30%	33%	33%	33%	33%	33%
Ratios of standard level wage compared to local minimum wage	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Percentage of employees receiving regular performance and career development reviews	> 98%	> 98%	> 98%	> 98%	> 98%	> 98%	100%	100%

* 2022 is the base year for the measurements

Rominserv SRL	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	9.01	10	15	20	20	20	20	20
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	15%	20%	30%	33%	33%	33%	33%	33%
Ratios of standard level wage compared to local minimum wage	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Percentage of employees receiving regular performance and career development reviews	>98%	>98%	>98%	>98%	>98%	>98%	100%	100%

REFINING

Rompetrol Rafinare SA	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	39.85	45	50	50	50	55	55	55
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of women at management level (mid & top management positions)	27%	27%	30%	33%	33%	33%	33%	33%
Ratios of standard level wage compared to local minimum wage	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Percentage of employees receiving regular performance and career development reviews	>98%	>98%	>98%	>98%	>98%	>98%	100%	100%

RETAIL ROMANIA

Rompetrol Downstream SRL Rompetrol Gas SRL	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	6.28	7	9	10	11	12	13	14
Number of employees that received one or multiple training sessions	43%	45%	60%	65%	70%	75%	80%	85%
Percentage of total employees covered by collective bargaining agreements	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	32%	32%	32%	33%	33%	34%	35%	36%
Ratios of standard level wage compared to local minimum wage	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of employees receiving annual performance and career development reviews	>96%	>96%	>97%	>97%	>98%	>99%	100%	100%

* 2022 is the base year for the measurements

RETAIL NEAR-ABROAD

Rompetrol Bulgaria EAD	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	5.8	6	6.5	7	7.5	8	9	10
Number of employees that received one or multiple training sessions	65%	65%	70%	75%	80%	85%	90%	95%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	25%	25%	25%	33%	33%	33%	33%	33%
Ratios of standard level wage compared to local minimum wage	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of employees receiving annual performance and career development reviews	86.15	>97%	>98%	>99%	100%	100%	100%	100%

Rompetrol Georgia LTD	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	2.29	3	3.5	4	4.5	5	6	7
Number of employees that received one or multiple training sessions	17%	20%	25%	30%	35%	40%	45%	50%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	45%	45%	45%	45%	45%	45%	45%	45%
Ratios of standard level wage compared to local minimum wage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Percentage of employees receiving annual performance and career development reviews	97%	>97%	>98%	>99%	100%	100%	100%	100%

Rompetrol Moldova SA	2022*	2023	2025	2030	2035	2040	2045	2050
Average training hours per year per employee	6.95	7	7.5	8	8.5	9	10	11
Number of employees that received one or multiple training sessions	77%	80%	85%	85%	90%	95%	95%	95%
Percentage of total employees with labor contract	100%	100%	100%	100%	100%	100%	100%	100%
Share of women at management level (mid & top management positions)	50%	52%	52%	52%	52%	52%	52%	52%
Ratios of standard level wage compared to local minimum wage	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of employees receiving annual performance and career development reviews	99.66	>98%	>98%	>99%	100%	100%	100%	100%

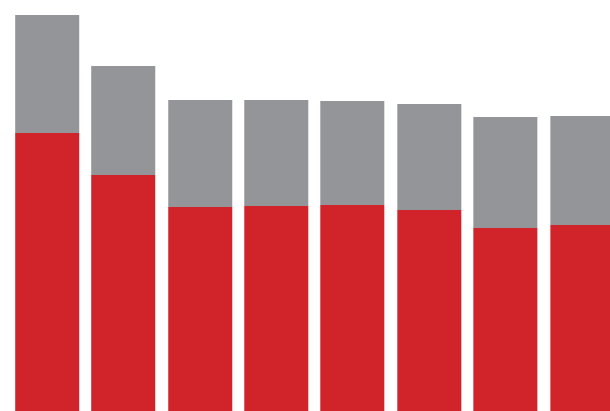
* 2022 is the base year for the measurements



Workforce structure

HEADCOUNT STATUS AND EVOLUTION

Our average headcount in 2022 was 5,335, of which 63.51% being located in Romania, the Group's largest operations base. Compared to the previous year, the figures show a slight increase across Group operations. In 2022, the fuel distribution network in Romania expanded with 8 new CODO stations (Company Owned Dealer Operated), which generated approximately 184 jobs. Near abroad, in Moldova, Bulgaria and Georgia, the Group's headcount either saw a stable trend or a slight increase.



Year	2015	2016	2017	2018	2019	2020	2021	2022	Headcount*
2015	5,035	4,293	3,724	3,727	3,752	3,676	3,351	3,391	Romania
2016	2,105	1,931	1,904	1,893	1,842	1,881	1,970	1,944	Rest of Group

GRI
GRI 2-7
GRI 2-8
GRI 202-2
GRI 401-1
GRI 401-3
GRI 405-1
GRI 406-1
GRI 11.10.2
GRI 11.10.4
GRI 11.11.2
GRI 11.11.3
GRI 11.11.7
GRI 11.14.3

IPIECA
SOC-5 A4, C1, C2
SOC-6 A1
SOC-15 C3, A1, A2, A4

Headcount*	2015	2016	2017	2018	2019	2020	2021	2022
Romania	5,035	4,293	3,724	3,727	3,752	3,676	3,351	3,391
Georgia	706	774	792	787	762	776	802	774
Moldova	604	708	790	941	931	967	1,043	1,047
France	367	-	-	-	-	-	-	-
Kazakhstan	200	328	196	33	27	20	15	15
Bulgaria	65	66	74	79	76	78	79	78
Libya	52	10	10	7	3	3	2	2
Spain	44	-	-	-	-	-	-	-
Switzerland	28	26	26	29	29	28	21	21
Ukraine	21	3	-	-	-	-	-	-
Singapore	8	6	6	5	5	-	-	-
Netherlands	6	6	6	6	5	4	4	3
Turkey	4	4	5	5	5	5	5	4
Total	7,139	6,224	5,628	5,619	5,595	5,557	5,322	5,335

Gender	F	M	2022
Bulgaria	23	55	78
Georgia	45	729	774
Kazakhstan	6	9	15
Libya	-	2	2
Moldova	348	699	1,047
Netherlands	1	2	3
Romania	1,086	2,305	3,391
Switzerland	10	11	21
Turkey	-	4	4
Total	1,518	3,817	5,335

* Average number for the year

Total labor contracts	F	M	2022	Total labor contracts	F	M	2022
Byron Shipping Ltd	4	6	10	Rompetrol Petrochemicals SRL	2	-	2
KMG Rompetrol SRL	101	91	191	Rompetrol Quality Control SRL	164	42	206
KMG Rompetrol Services Center SRL	172	53	225	Rompetrol Rafinare SA	266	842	1,108
Midia Marine Terminal SRL	53	185	238	Oilfield Exploration Business Solutions SA	3	7	10
Rominserv SRL	100	443	543	Rompetrol Well Services SA	22	115	137
Rompetrol Downstream SRL & Rom Oil SA	142	306	448	Rompetrol Development SRL	3	2	5
Rompetrol Gas SRL	12	83	95	Rompetrol Energy SA	35	122	157
Rompetrol Logistics SRL	3	1	4	Fondul de investitii în energie KZ-RO SA	5	7	12
<i>continues</i> →				Romania total	1,086	2,305	3,391

Permanent employees	Full Time			Part Time		
	F	M	2022	F	M	2022
Bulgaria	23	55	77	-	1	1
Georgia	45	720	764	-	-	-
Kazakhstan	6	3	9	0	-	0
Libya	-	2	2	-	-	-
Moldova	333	694	1,027	1	0	1
Netherlands	1	2	3	-	-	-
Romania	972	2,139	3,111	35	42	77
Switzerland	9	11	20	-	-	-
Turkey	-	4	4	-	-	-
Total	1,388	3,631	5,018	36	43	79

The figures are reported as average Headcount throughout the year. The result might seem inexact due to the average calculation which involves decimals

Full time labor contracts	F	M	2022
Byron Shipping Ltd	3	6	9
KMG Rompetrol SRL	95	88	183
KMG Rompetrol Services Center SRL	167	51	217
Midia Marine Terminal SRL	49	184	233
Rominserv SRL	95	423	517
Rompetrol Downstream SRL & Rom Oil SA	132	292	424
Rompetrol Gas SRL	11	80	91
Rompetrol Logistics SRL	2	-	2

continues →

Part time labor contracts	F	M	2022
Byron Shipping Ltd	1	-	1
KMG Rompetrol SRL	3	-	3
KMG Rompetrol Services Center SRL	0	-	0
Midia Marine Terminal SRL	2	-	2
Rominserv SRL	2	1	3
Rompetrol Downstream SRL & Rom Oil SA	4	8	12
Rompetrol Gas SRL	1	3	4
Rompetrol Logistics SRL	1	1	2

continues →

Full time labor contracts	F	M	2022
Rompetrol Petrochemicals SRL	-	-	-
Rompetrol Quality Control SRL	134	24	158
Rompetrol Rafinare SA	239	780	1,019
Oilfield Exploration Business Solutions SA	1	-	1
Rompetrol Well Services SA	20	113	132
Rompetrol Development SRL	2	1	3
Rompetrol Energy SA	24	98	122
Fondul de investitii în energie KZ-RO SA	-	1	1
Romania total	972	2,139	3,111

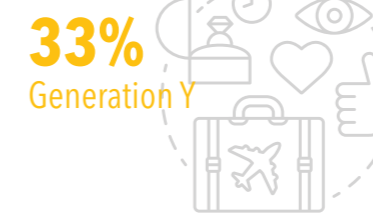
Part time labor contracts	F	M	2022
Rompetrol Petrochemicals SRL	2	-	2
Rompetrol Quality Control SRL	5	13	18
Rompetrol Rafinare SA	6	6	13
Oilfield Exploration Business Solutions SA	2	7	9
Rompetrol Well Services SA	1	1	2
Rompetrol Development SRL	1	1	2
Rompetrol Energy SA	2	1	3
Fondul de investitii în energie KZ-RO SA	1	1	2
Romania total	35	42	77

Permanent employees	F	M	2022
Romania	1,007	2,182	3,188
Moldova	334	695	1,028
Georgia	45	720	764
Bulgaria	23	55	78
Switzerland	9	11	20
Kazakhstan	6	3	9
Netherlands	1	2	3
Libya	-	2	2
Turkey	-	4	4
Total	1,423	3,674	5,097

Temporary employees	F	M	2022
Romania	79	124	203
Moldova	14	5	19
Georgia	1	10	10
Bulgaria	-	-	-
Switzerland	0	-	0
Kazakhstan	-	5	5
Netherlands	-	-	-
Libya	-	-	-
Turkey	-	-	-
Total	94	143	237

The Group does not have supervised workers, neither non-guaranteed hours employees, hence all workforce is represented by employees with labor contracts (full time/part-time, permanent/temporary). All our employees have a labor contract, of which 98.18% have full time contracts, minor increase compared to the previous reporting period. Of the 79 part-time employees within the Group, 77 are active in the Romanian operations. Nevertheless, the Group offers the same benefits to its employees, regardless of their contract type, be it part-time or full-time, as part of KMG International's internal policy. Of the total number of part-time employees, 43 are male and 36 are female.

Generational makeup of Rompetrol



DIVERSITY AND INCLUSION

We are committed to providing a respectful, inclusive workplace, free from discrimination, violence, and intimidation. We do not discriminate based on gender, race, color, age, national origin, religion, disability, sexual orientation, marital status, or any other characteristic protected by applicable laws. Moreover, we embrace diversity and equal opportunity as means to access a broader talent pool and foster innovation.

Anti-discrimination provisions are included in the Group's collective bargaining agreements and also in the internal regulations in force. As such, no discrimination incidents were reported in 2022.

AGE DIVERSITY

At Rompetrol, we offer career opportunities for candidates of all working-age groups. The energy field has been facing a decrease in the number of professionals for many years, and the complex nature of our activities, which range from procurement of raw materials to transportation, production, and industrial services, has made us recognize the value of experience.

Thus, not only do we support the engagement of our experienced colleagues in all our activities, but we also seek to attract other experienced professionals in our operations. The Group is part of the Restart 45+

initiative, a national program focused on ending age discrimination and biases in the labor market, encouraging mentorship and knowledge transfer within different generations within the Group operations.

At the same time, we constantly focus on bringing young talents to our internal community. In this endeavor we are in permanent contact with high schools and universities in order to identify their needs and build together better prepared generations of students. For more than 10 years now, we have been organizing workshops and business talks in order to develop their hard and soft skills. Also, we open our doors to university and high-school students through our annual Internship program that is now a 22-year tradition for us. At the end of this program each year we hire many of the interns based on the results of the final evaluations. This way we offer a chance to fresh graduates with no previous work experience, and they continue their learning process closely guided by a mentor.

Also, we always promote our vacancies in gas stations, which are open to candidates regardless of their work experience, age or gender, as the Group provides them with the necessary trainings for the job.

We encourage communication, openness to learning and knowledge transfer from one generation to another. We work together, we support and value the specific qualities of each age category. In our activities in Romania, we have representatives from all active generations.

Age of employees (#)	<30	30-50	>50
Romania	475	1,531	1,385
Moldova	269	563	215
Georgia	255	337	183
Bulgaria	7	52	18
Switzerland	-	16	5
Kazakhstan	2	11	1
Netherlands	-	3	0
Libya	-	2	1
Turkey	0	4	-
Total	1,007	2,519	1,808

Age of employees (%)	<30	30-50	>50
Romania	14%	45%	41%
Moldova	26%	54%	21%
Georgia	33%	44%	24%
Bulgaria	9%	67%	24%
Switzerland	0%	76%	24%
Kazakhstan	15%	76%	9%
Netherlands	0%	95%	5%
Libya	0%	75%	25%
Turkey	0%	100%	0%
Total	19%	47%	34%

Age of employees in Romania	<30	30-50	>50
Byron Shipping Ltd	0	4	6
KMG Rompetrol SRL	25	142	24
KMG Rompetrol Services Center SRL	19	154	52
Midia Marine Terminal SRL	49	91	97
Rominserv SRL	62	248	234
Rompetrol Downstream SRL & Rom Oil SA	62	286	99
Rompetrol Gas SRL	12	45	38
Rompetrol Logistics SRL	0	1	3
Rompetrol Petrochemicals SRL	0	2	0
Rompetrol Quality Control SRL	41	72	94
Rompetrol Rafinare SA	183	349	576
Oilfield Exploration Business Solutions SA	0	3	7
Rompetrol Well Services SA	12	58	67
Rompetrol Development SRL	0	4	1
Rompetrol Energy SA	10	59	88
Fondul de investiții în energie KZ-RO	0	12	0
Romania total	475	1,531	1,385

Age of employees in Romania	<30	30-50	>50
Byron Shipping LTD	0%	40%	60%
KMG Rompetrol SRL	13%	74%	13%
KMG Rompetrol Services Center SRL	9%	68%	23%
Midia Marine Terminal SRL	21%	38%	41%
Rominserv SRL	11%	46%	43%
Rompetrol Downstream SRL & Rom Oil SA	14%	64%	22%
Rompetrol Gas SRL	13%	47%	40%
Rompetrol Logistics SRL	0%	35%	45%
Rompetrol Petrochemicals SRL	0%	100%	0%
Rompetrol Quality Control SRL	20%	35%	45%
Rompetrol Rafinare SA	17%	32%	52%
Oilfield Exploration Business Solutions SA	0%	30%	70%
Rompetrol Well Services SA	9%	42%	49%
Rompetrol Development SRL	9%	79%	13%
Rompetrol Energy SA	6%	38%	56%
Fondul de investiții în energie KZ-RO	0%	97%	3%
Romania total	14%	45%	41%

GENDER DIVERSITY

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. The oil & gas industry has historically been male dominated at all levels, from leadership roles in major corporations to operational roles. However, we are committed to reduce gender inequality and promote equity in terms of hires and payment across Group operations.

Our efforts towards fostering gender diversity and equal opportunity within the Group are constant. However, although that there are still improvements to make, we strive to make the gap smaller every day. As proof, the percentage of female employees has increased by 0.5% from the previous reporting period, reaching an overall 28% at Group level.

It is clear to us that this is a lengthy process, especially considering our field of operations. Nevertheless, we

are making every effort to attract qualified female employees across all areas and functions of our business. This can be noticed from the evolution of our women-to-men employee ratio over the years, as well as from the women new hires each year.

Equal opportunities also refer to equal pay. In this regard, the evolution of the ratio of the base salary and remuneration of women to men has recorded an optimistic evolution in various of our regional operations, considering the absolute values of this indicator.

The percentage was calculated as ratio between average gross salary for women and average gross salary for men (negative values means average gross salary for women are below men's average gross salary with % calculated). The calculation was made at country level and, for Romania, at entity level.

The figures are reported considering only full-time employees during the period under review. They should be

Base salary and remuneration of women to men

Evolution	2017	2018	2019	2020	2021	2022
Romania	-6%	2%	5%	4%	0%	-1%
Georgia	249%	280%	285%	245%	236%	212%
Moldova	13%	-67%	0%	8%	6%	11%
Kazakhstan	36%	6%	8%	1%	-14%	-51%
Bulgaria	-22%	-27%	-22%	-21%	-20%	-17%
Libya	-41%	n/a	n/a	n/a	n/a	n/a
Switzerland	-33%	-42%	-35%	-21%	-16%	-20%
Singapore	-36%	n/a	-78%	n/a	n/a	n/a
Netherlands	-76%	-74%	-76%	-86%	-87%	-95%
Turkey	-100%	n/a	n/a	n/a	n/a	n/a

correlated with the number and percentage of employees, as well as with the types of jobs available in each country. For example, in Georgia and Moldova, average gross salaries for women are higher due to the fact that most employees are men hired in the gas station network, with minimum wage.

DIVERSITY ACROSS NATIONALITIES

While our employees are mainly located in Romania, at Group level, we are 17 different nationalities, including Georgian, Moldovan, Kazakh, Bulgarian, among others, a reflection of our commitment to fostering diversity and inclusion.

Nationality	#	%	Origin	Locals	Expats
Romanian	3,330	62%	Romania	3,328	63
Moldovan	1,045	20%	Moldova	1,043	4
Georgian	768	14%	Georgia	768	7
Bulgarian	77	1%	Bulgaria	76	2
Russian	5	0%	Switzerland	1	20
Turkish	4	0%	Kazakhstan	15	-
German	3	0%	Turkey	4	-
Italian	3	0%	Netherlands	0	3
Ukrainian	3	0%	Libya	2	-
Libyan	2	0%			
Dutch	1	0%			
Swiss	1	0%			
Latvian	1	0%			
Estonian	1	0%			
Greek	1	0%			
Serbian	1	0%			

Base salary and remuneration of women to men

Evolution in Romania	2022
Byron Shipping LTD	-40%
KMG Rompetrol SRL	-47%
KMG Rompetrol Services Center SRL	-18%
Midia Marine Terminal SRL	-18%
Rominserv SRL	-11%
Rompetrol Downstream SRL & Rom Oil SA	12%
Rompetrol Gas SRL	36%
Rompetrol Logistics SRL	n/a
Rompetrol Petrochemicals SRL	n/a
Rompetrol Quality Control SRL	5%
Rompetrol Rafinare SA	8%
Oilfield Exploration Business Solutions SA	n/a
Rompetrol Well Services SA	23%
Rompetrol Development SRL	-28%
Rompetrol Energy SA	-28%
Fondul de investiții în energie KZ-RO	n/a

Origin of employees in Romania	Locals	Expats
Byron Shipping LTD	10	-
KMG Rompetrol SRL	151	40
KMG Rompetrol Services Center SRL	221	4
Midia Marine Terminal SRL	238	-
Rominserv SRL	529	14
Rompetrol Downstream SRL & Rom Oil SA	447	0
Rompetrol Gas SRL	95	-
Rompetrol Logistics SRL	4	-
Rompetrol Petrochemicals SRL	2	-
Rompetrol Quality Control SRL	205	1
Rompetrol Rafinare SA	1,107	1
Oilfield Exploration Business Solutions SA	10	-
Rompetrol Well Services SA	137	-
Rompetrol Development SRL	5	-
Rompetrol Energy SA	157	-
Fondul de investiții în energie KZ-RO	9	3

All the Group CEOs, Chief Officers and Advisors to the Group CEOs in the Romania region are employees of KMG Rompetrol SRL.

DIVERSITY OF GOVERNANCE BODIES

In Romania, over the course of the reporting period, 28,16% of the senior management team members were hired from the local community and 71,84% were expatriates. There was only a slight variation from the previous year, when the ratio was 27-73%, considering the specific of the Group's structure and operations in the region.

The analysis was made at country level. Senior Management includes Group Chief Executive Officer, Chief Officers and Advisors to Group Chief Executive Officer.

When referring to the Governance Body, we are specifically addressing the board members.

Nationality of board members in the Netherlands

Russian	58.33%
Kazakh	41.67%

Nationality of board members in Romania

Kazakh	66.02%
Romanian	28.16%
Russian	5.83%

Senior board members hired from the local community

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Romania total	11	9	9	9	9	8	9	9	8	8	7	7
Kazakh	8	6	6	6	6	6	6	6	5	5	4	4
Romanian	3	3	3	3	3	2	2	2	2	2	2	2
Russian	-	-	-	-	-	-	1	1	1	1	1	1
Netherlands total	1	1	1	1	1	1	1	1	1	1	1	1
Kazakh	1	1	1	1	1	-	-	-	-	-	-	-
Russian	-	-	-	-	-	1	1	1	1	1	1	1

Board members (#)	F	M	<30	30-50	>50	AUS	BUL	GEO	KAZ	MDA	ROU	RUS
Bulgaria	3	-	3	-	2	1	-	1	-	1	-	-
Georgia	3	-	3	-	2	1	-	-	-	2	-	1
Moldova	3	-	3	-	2	1	-	-	-	1	-	2
Romania	47	3	45	-	35	12	-	-	-	19	-	28
Switzerland	5	-	5	-	4	1	1	-	-	3	-	1
Turkey	3	-	3	-	2	1	-	-	-	2	-	1
Total	*65	3	*61	-	47	17	1	1	-	28	-	34

* Some discrepancies may appear between row values and column total. Since figures are calculated as yearly average, the totals are correct.

Board members (%)	F	M	<30	30-50	>50	AUS	BUL	GEO	KAZ	MDA	ROU	RUS
Bulgaria	100%	0%	100%	0%	67%	33%	0%	33%	0%	33%	0%	0%
Georgia	100%	0%	100%	0%	67%	33%	0%	0%	0%	67%	0%	33%
Moldova	100%	0%	100%	0%	67%	33%	0%	0%	0%	33%	0%	67%
Romania	100%	7%	93%	0%	74%	26%	0%	0%	0%	41%	0%	58%
Switzerland	100%	0%	100%	0%	80%	20%	20%	0%	0%	60%	0%	20%
Turkey	100%	0%	100%	0%	67%	33%	0%	0%	0%	67%	0%	33%
Total	100%	5%	95%	0%	73%	27%	2%	2%	0%	44%	0%	52%

Board members (#) - ROU	F	M	<30	30-50	>50	AUS	BUL	GEO	KAZ	MDA	ROU	RUS	
Byron Shipping	-	-	-	-	-	-	-	-	-	-	-	-	
KMG Rompetrol	1	-	1	-	1	-	-	-	0	-	-	1	
KMG RSC	3	-	3	-	2	1	-	-	3	-	0	-	
MMT	3	-	3	-	2	1	-	-	-	-	3	-	
Rominserv	4	-	4	-	4	0	-	-	2	-	2	-	
DWS & RML	8	-	8	-	6	2	-	-	2	-	5	-	
Rompetrol Gas	4	-	4	-	2	2	-	-	1	-	3	-	
Rompetrol Logistics	1	-	1	-	1	-	-	-	-	-	1	-	
Rompetrol Petrochem.	1	0	1	-	1	-	-	-	1	-	0	-	
RQC	1	1	-	-	1	-	-	-	-	-	1	-	
Rompetrol Rafinare	5	-	5	-	4	1	-	-	2	-	3	-	
OEBS	1	-	1	-	1	-	-	-	1	-	-	-	
RWS	5	1	4	-	5	-	-	-	1	-	4	-	
Rompetrol Dev.	1	-	1	-	1	-	-	-	-	-	1	-	
Rompetrol Energy	5	-	5	-	3	2	-	-	3	-	2	-	
FIE KZ-RO	5	1	4	-	3	2	-	-	3	-	2	-	
Total	48	3	44	-	35	12	-	-	-	19	-	28	1

Board members (%) - ROU	F	M	<30	30-50	>50	AUS	BUL	GEO	KAZ	MDA	ROU	RUS
Byron Shipping	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
KMG Rompetrol	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
KMG RSC	100%	0%	100%	0%	65%	35%	0%	0%	97%	0%	3%	0%
MMT	100%	0%	100%	0%	67%	33%	0%	0%	0%	0%	100%	0%
Rominserv	100%	0%	100%	0%	90%	10%	0%	0%	52%	0%	48%	0%
DWS & RML	100%	0%	100%	0%	74%	26%	0%	0%	31%	0%	69%	0%
Rompetrol Gas	100%	0%	100%	0%	48%	52%	0%	0%	22%	0%	78%	0%
Rompetrol Logistics	100%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%	0%
Rompetrol Petrochem.	100%	17%	83%	0%	100%	0%	0%	0%	83%	0%	17%	0%
RQC	100%	100%	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%
Rompetrol Rafinare	100%	0%	100%	0%	80%	20%	0%	0%	40%	0%	60%	0%
OEBS	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
RWS	100%	20%	80%	0%	100%	0%	0%	0%	20%	0%	80%	0%
Rompetrol Dev.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Rompetrol Energy	100%	0%	100%	0%	60%	40%	0%	0%	60%	0%	40%	0%
FIE KZ-RO	100%	20%	80%	0%	62%	38%	0%	0%	60%	0%	40%	0%
Total	100%	7%	93%	0%	74%	26%	0%	0%	41%	0%	58%	1%

PROMOTIONS AND NEW HIRES

Internal promotions are encouraged whenever there is a vacant position. In 2022, there were 113 employees promoted at Group level – a comparable figure to the previous year (117 promotions in 2021), of which 81 employees in the Romanian entities, followed in descending order by Georgia, with 17 promotions, Moldova with 10, Bulgaria with 3 and 1 in Switzerland.

Of the overall 113 promotions, 48 were among female employees and 65 among male employees. In Romania, there were 35 female employees and 46 male employees promoted. In Romania, of a total of 81 promotions, 26 were within Rompetrol Rafinare, 22 within KMG Rompetrol, and 10 within Rominserv, with the rest of 23 split across other entities. Most of the promoted employees were local. In Romania, 97.5% of the promoted employees were Romanian, while in other countries 100% of the promoted employees were local.

Promotions (#)	2022	F	M	<30	30-50	>50	BUL	GEO	DEU	KAZ	MDA	ROU	RUS
Bulgaria	3	1	2	-	3	-	3	-	-	-	-	-	-
Georgia	17	4	13	10	7	-	-	16	-	1	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-	-	-
Libya	-	-	-	-	-	-	-	-	-	-	-	-	-
Moldova	10	8	2	1	8	1	-	-	-	-	10	-	-
Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-
Romania	81	35	46	29	45	7	-	-	-	2	-	79	-
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-
Switzerland	2	-	2	-	2	-	-	-	1	-	-	1	-
Turkey	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	113	48	65	40	65	8	3	16	1	3	10	80	1

Promotions (#) - ROU	2022	F	M	<30	30-50	>50	BUL	GEO	DEU	KAZ	MDA	ROU	RUS
Byron Shipping	-	-	-	-	-	-	-	-	-	-	-	-	-
KMG Rompetrol	22	15	7	6	15	1	-	-	-	2	-	20	-
KMG Rompetrol SC	6	4	2	1	5	-	-	-	-	-	-	6	-
MMT	-	-	-	-	-	-	-	-	-	-	-	-	-
Palplast	-	-	-	-	-	-	-	-	-	-	-	-	-
Rominserv	10	-	10	2	5	3	-	-	-	-	-	10	-
Rominserv Valves	-	-	-	-	-	-	-	-	-	-	-	-	-
DWS & RML	7	1	6	1	6	1	-	-	-	-	-	7	-
Rompetrol Gas	1	1	-	-	1	-	-	-	-	-	-	1	-
Rompetrol Logistics	-	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Petrochem.	-	-	-	-	-	-	-	-	-	-	-	-	-
RQC	4	4	-	3	-	1	-	-	-	-	-	4	-
Rompetrol Rafinare	26	8	18	15	9	2	-	-	-	-	-	26	-
OEBS	-	-	-	-	-	-	-	-	-	-	-	-	-
RWS	1	-	1	1	-	-	-	-	-	-	-	1	-
Rompetrol Dev.	1	1	-	-	1	-	-	-	-	-	-	1	-
Rompetrol Energy	3	1	2	-	3	-	-	-	-	-	-	3	-
FIE KZ-RO	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	81	35	46	29	45	7	-	-	-	2	-	79	-

During the reporting period, there were 1,239 new hires across the Group, of which 31% female and 69% male, compared to 28% new female hires and 72% new male hires in 2021. The highest number of new hires was recorded in Romania, the Group's largest operations base and Moldova and Georgia, regions where the Group extended its retail network in 2022.

"We have 200 different jobs and are often looking for niche professionals. Recruiting candidates for niche positions, especially where at least 5 years of experience are required, usually turns out to be a complex and time-consuming process. Nonetheless, new hires are not the easiest task regardless of the type of operations. Attracting and keeping motivated and engaged colleagues requires sustained efforts. That is why, where we can, in retail for example, we choose the on-the-job training instead of requirements or skills that we can form more effectively through trainings."

Gina Cruceru
HR Director, KMG International Group

New hires (#)	2022	F	M	<30	30-50	>50
Bulgaria	6	0	6	4	1	1
Georgia	284	10	274	146	102	36
Kazakhstan	20	0	20	5	15	-
Libya	-	-	-	-	-	-
Moldova	470	200	270	234	181	55
Netherlands	1	0	1	-	1	-
Romania	456	167	289	201	185	70
Switzerland	2	1	1	-	2	-
Turkey	-	-	-	-	-	-
Total	1,239	378	861	590	487	162

New hires (#) - ROU	2022	F	M	<30	30-50	>50
Byron Shipping	-	-	-	-	-	-
KMG Rompetrol	37	20	17	12	25	-
KMG Rompetrol SC	43	35	8	19	24	-
MMT	29	4	25	16	12	1
Rominserv	63	14	49	24	29	10
DWS & RML	49	23	26	16	30	3
Rompetrol Gas	3	-	3	2	-	1
Rompetrol Logistics	-	-	-	-	-	-
Rompetrol Petrochem.	-	-	-	-	-	-
RQC	23	20	3	11	7	5
Rompetrol Rafinare	158	32	126	83	46	29
OEBS	-	-	-	-	-	-
RWS	9	2	7	4	3	2
Rompetrol Dev.	4	2	2	1	2	1
Rompetrol Energy	37	14	23	13	6	18
FIE KZ-RO	1	1	-	-	1	-
Total	456	167	289	201	185	70



EMPLOYEE TURNOVER AND RETENTION

Rompetrol employees have job security, a flexible work schedule and dedicated physical and mental health packages. All these are important criteria for candidates when they make the decision to join us or stay with us. Furthermore, we create career plans that provide a logical and fair career path, thus retaining employees for longer periods of time. Continuous development is important in Rompetrol, so we aim to help our people improve their skills and abilities.

Turnover (#)	2022	F	M	<30	30-50	>50
Bulgaria	9	3	6	3	4	2
Georgia	380	11	369	191	131	58
Kazakhstan	5	2	3	-	4	1
Libya	-	-	-	-	-	-
Moldova	498	192	306	238	202	58
Netherlands	-	-	-	-	-	-
Romania	285	86	199	57	106	122
Switzerland	2	1	1	-	2	-
Turkey	-	-	-	-	-	-
Total	1,179	295	884	489	449	241

Turnover (#) - ROU	2022	F	M	<30	30-50	>50
Byron Shipping	-	-	-	-	-	-
KMG Rompetrol	37	14	23	9	27	1
KMG Rompetrol SC	25	18	7	11	14	-
MMT	18	4	14	2	1	15
Rominserv	33	7	26	4	15	14
DWS & RML	36	10	26	9	20	7
Rompetrol Gas	6	-	6	-	2	4
Rompetrol Logistics	-	-	-	-	-	-
Rompetrol Petrochem.	-	-	-	-	-	-
RQC	12	11	1	1	2	9
Rompetrol Rafinare	74	12	62	17	18	39
OEBS	-	-	-	-	-	-
RWS	22	2	20	4	3	15
Rompetrol Dev.	-	-	-	-	-	-
Rompetrol Energy	20	7	13	-	3	17
FIE KZ-RO	2	1	1	-	1	1
Total	285	86	199	57	106	122



Entitled to parental leave	2022	F	M
Bulgaria	5	5	-
Georgia	2	2	-
Kazakhstan	1	-	1
Libya	-	-	-
Moldova	23	20	3
Netherlands	-	-	-
Romania	102	45	57
Singapore	-	-	-
Switzerland	-	-	-
Turkey	-	-	-
Total	133	72	61

Entitled to parental leave - ROU	2022	F	M
Byron Shipping	-	-	-
KMG Rompetrol	12	7	5
KMG Rompetrol SC	9	8	1
MMT	7	2	5
Rominserv	19	7	12
Rompetrol Downstream	22	10	12
Rompetrol Gas	4	-	4
Rompetrol Logistics	-	-	-
Rompetrol Petrochem.	-	-	-
RQC	3	3	-
Rompetrol Rafinare	23	7	16
OEBS	-	-	-
RWS	2	1	1
Rompetrol Dev.	-	-	-
Rompetrol Energy	1	-	1
FIE KZ-RO	-	-	-
Total	102	45	57

Actually took parental leave	2022	F	M
Bulgaria	1	1	-
Georgia	2	2	-
Kazakhstan	-	-	-
Libya	-	-	-
Moldova	23	20	3
Netherlands	-	-	-
Romania	43	39	4
Singapore	-	-	-
Switzerland	-	-	-
Turkey	-	-	-
Total	69	62	7

Actually took parental leave - ROU	2022	F	M
Byron Shipping	-	-	-
KMG Rompetrol	5	5	-
KMG Rompetrol SC	8	8	-
MMT	2	2	-
Rominserv	6	6	-
Rompetrol Downstream	11	10	1
Rompetrol Gas	1	-	1
Rompetrol Logistics	-	-	-
Rompetrol Petrochem.	-	-	-
RQC	4	4	-
Rompetrol Rafinare	5	3	2
OEBS	-	-	-
RWS	1	1	-
Rompetrol Dev.	-	-	-
Rompetrol Energy	-	-	-
FIE KZ-RO	-	-	-
Total	43	39	4

Returned to work after parental leave	2022	F	M	Returned to work	2021	F	M
Bulgaria	1	1	-	Bulgaria	2	2	-
Georgia	2	2	-	Georgia	1	1	-
Kazakhstan	-	-	-	Kazakhstan	-	-	-
Libya	-	-	-	Libya	-	-	-
Moldova	6	5	1	Moldova	5	5	-
Netherlands	-	-	-	Netherlands	-	-	-
Romania	34	31	3	Romania	33	28	5
Singapore	-	-	-	Singapore	-	-	-
Switzerland	-	-	-	Switzerland	1	1	-
Turkey	-	-	-	Turkey	-	-	-
Total	43	39	4	Total	42	37	5

Returned to work after parental leave	2022	F	M	Returned to work	2021	F	M
Byron Shipping	-	-	-	Byron Shipping	-	-	-
KMG Rompetrol	10	10	-	KMG Rompetrol	9	9	-
KMG Rompetrol SC	5	5	-	KMG Rompetrol SC	6	6	-
MMT	-	-	-	MMT	-	-	-
Rominserv	3	2	1	Rominserv	4	3	1
Rompetrol Downstream	6	5	1	Rompetrol Downstream	3	3	-
Rompetrol Gas	1	-	1	Rompetrol Gas	-	-	-
Rompetrol Logistics	-	-	-	Rompetrol Logistics	-	-	-
Rompetrol Petrochem.	-	-	-	Rompetrol Petrochem.	-	-	-
RQC	3	3	-	RQC	3	2	1
Rompetrol Rafinare	6	6	-	Rompetrol Rafinare	8	5	3
OEBS	-	-	-	OEBS	-	-	-
RWS	-	-	-	RWS	-	-	-
Rompetrol Dev.	-	-	-	Rompetrol Dev.	-	-	-
Rompetrol Energy	-	-	-	Rompetrol Energy	-	-	-
FIE KZ-RO	-	-	-	FIE KZ-RO	-	-	-
Total	34	31	3	Total	33	28	5

Still employed after 12 months	2022	F	M	Return to work and retention rates	2022	F	M
Bulgaria	2	2	-	Bulgaria	100%	100%	0%
Georgia	1	1	-	Georgia	100%	100%	0%
Kazakhstan	-	-	-	Kazakhstan	0%	0%	0%
Libya	-	-	-	Libya	0%	0%	0%
Moldova	3	3	-	Moldova	60%	60%	0%
Netherlands	-	-	-	Netherlands	0%	0%	0%
Romania	29	25	4	Romania	88%	89%	80%
Singapore	-	-	-	Singapore	0%	0%	0%
Switzerland	1	1	-	Switzerland	100%	100%	0%
Turkey	-	-	-	Turkey	0%	0%	0%
Total	36	32	4	Total	86%	86%	80%

Still employed after 12 months	2022	F	M	Return to work and retention rates	2022	F	M
Byron Shipping	-	-	-	Byron Shipping	-	-	-
KMG Rompetrol	9	9	-	KMG Rompetrol	100%	100%	0%
KMG Rompetrol SC	5	5	-	KMG Rompetrol SC	83%	83%	0%
MMT	-	-	-	MMT	-	-	-
Rominserv	2	2	-	Rominserv	50%	67%	0%
Rompetrol Downstream	2	2	-	Rompetrol Downstream	67%	67%	0%
Rompetrol Gas	-	-	-	Rompetrol Gas	-	-	-
Rompetrol Logistics	-	-	-	Rompetrol Logistics	-	-	-
Rompetrol Petrochem.	-	-	-	Rompetrol Petrochem.	-	-	-
RQC	3	2	1	RQC	100%	100%	0%
Rompetrol Rafinare	8	5	3	Rompetrol Rafinare	100%	100%	100%
OEBS	-	-	-	OEBS	-	-	-
RWS	-	-	-	RWS	-	-	-
Rompetrol Dev.	-	-	-	Rompetrol Dev.	-	-	-
Rompetrol Energy	-	-	-	Rompetrol Energy	-	-	-
FIE KZ-RO	-	-	-	FIE KZ-RO	-	-	-
Total	29	25	4	Total	88%	89%	80%

Remuneration, compensation, benefits

REMUNERATION AND BENEFITS

The Group's current remuneration policy aims to set a comprehensive framework for establishing and adjusting the compensation elements and to provide the line management with a useful tool to ensure its consistent implementation (in terms of pay movements and related decisions), while maintaining internal equity and external competitiveness.

Across all locations within our company, our goal is to provide our team with one of the most competitive compensation and benefits packages in the markets where we operate. Thus, external benchmarking is carried out to understand changes in the market compared to the previous year - annual salary surveys rolled out together with leading consulting companies. Also, our annual salary benchmarking analysis for all our subsidiaries helps us maintain and ensure internal equity- similar pay for similar impact in the business.

The Appointment and Remuneration Committee established by the Board of Directors at the level of KMG International N.V. is responsible for advising the Board and the Management Council (i.e., Sole Shareholder) in matters related to remuneration policy, terms of employment, total compensation, and performance criteria for top management. It is also responsible for the creation and implementation of any compensation plans, as well as monitoring and aiding in the implementation of remuneration policies and plans at Group level. However, decision making on any remuneration policies and plans applicable at Group level rests upon the KMG International N.V. Board of Directors.

At KMG International, we are constantly working to provide the best compensation and benefits because, for us, motivated and engaged employees are the key drivers of individual and company performance. The Group's compensation program supports employee performance by aligning rewards with employee achievements and contribution. Our global pay positioning is at or above the market median for all employees. Pay packages generally comprise base salary and variable pay and are linked to employee and management performance and business results.

Complementing the base pay, variable pay bonuses are structured in a variety of ways and may take the form of performance bonuses, bonus schemes for production,

operational, sales and project jobs, and also bonuses stipulated in the Collective Labor Agreements.

All our employees have access to the same benefits package no matter if they are full-time or part-time employees. As part of their benefits package, and depending on their individual situation, each employee may have access to several financial and non-financial benefits including:

- Health, life, illness, and disability insurance
- Medical care subscriptions
- Humanitarian aid - for significant damages further to calamities
- Pregnancy and postpartum support and allowances
- Retirement planning and management services and allowances
- Rest and relaxation allowances/tickets
- Transportation and commuting reimbursement
- Relocation assistance and allowances
- Significant life events support and allowances (marriage, childbirth, illness, bereavement)
- Kindergarten allowances
- Work from home
- Flexible schedule
- Short Friday schedule
- Paid time off
- Gifts for employees' children on Christmas and International Children's Day
- Discounts for company products or other third-party suppliers.

Regarding our senior executive team, our goal is to provide one of the most competitive compensation and benefits packages in the markets where we operate, across all locations covered by Group operations. In addition to compensation, we believe a highly competitive benefits package is just as valuable for the senior executive team.

The annual total compensation ratio is influenced by the size of the organization (e.g., revenue, number of employees), its sector and diversity of the core-activities for the subsidiaries. Based on our remuneration policy and availability of data, in calculating the annual total compensation, the following elements are considered: base salary, different allowances, bonuses, rest and relaxation tickets, meal vouchers.

GRI

GRI 2-19
GRI 2-20
GRI 2-21
GRI 201-3
GRI 202-1
GRI 401-2
GRI 405-2
GRI 11.10.3
GRI 11.11.6

IPIECA SOC-5 A2

Ratio of standard entry level wage to local minimum wage - per month of 2022

By gender		1	2	3	4	5	6	7	8	9	10	11	12	Min. wage	Equiv.
Bulgaria		-	-	-	-	-	-	-	-	-	-	-	-	BGN 710	USD 380.40
Georgia		-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Kazakhstan		-	-	-	-	-	-	-	-	-	-	-	-	KZT 60,000	USD 130.09
Libya		-	-	-	-	-	-	-	-	-	-	-	-	LYD 450	USD 95.30
Moldova	F	1	1	1	1	1	-	-	-	-	-	-	-	MDL 3,500	USD 185.43
	M	3	3	3	3	3	3	3	3	3	3	3	3		
Netherlands		-	-	-	-	-	-	-	-	-	-	-	-	EUR 1,756	USD 1,847.40
Romania	F	1	1	1	1	1	1	1	1	-	-	-	-	RON 2,550	USD 543.88
	M	5	6	6	6	6	6	5	5	5	5	5	5		
Singapore		-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Switzerland		-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Turkey		-	-	-	-	-	-	-	-	-	-	-	-	TRY 5,004	USD 302.40

The figures are reported as Headcount, considering only full-time employees from the analyzed period.

The analysis was made at country level. There are 2 countries where there is no minimum wage established by law: Georgia and Switzerland.

Romania entities - per month of 2022

		1	2	3	4	5	6	7	8	9	10	11	12
Byron Shipping LTD	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
KMG Rompetrol SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
KMG Rompetrol Services Center SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Midia Marine Terminal SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rominserv SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Downstream SRL & Rom Oil SA	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Gas SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Logistics SRL	F	1	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Petrochemicals SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Quality Control SRL	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Rafinare SA	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Oilfield Exploration Business Solutions SA	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	4	5	5	5	5	5	4	4	4	4	4	4
Rompetrol Well Services SA	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Development SRL	F	1	1	1	1	1	1	1	1	-	-	-	-
	M	1	1	1	1	1	1	1	1	1	1	1	1
Rompetrol Energy SA	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Fondul de investiții în energie KZ-RO	F	-	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

According to the local legislation in Romania, a benefit plan obligation is a mandatory contribution paid monthly by the employer for all its employees. It represents a percentage of the total compensation for health, pension, and social insurances.

The International Pension Plan is a defined contribution plan granted by the employer, which includes certain employees of KMG International Group entities occupying managerial positions and having executive attributions, with the possibility to be extended to other level of employees and collaborators, under certain economic, financial and fiscal conditions existing and/or taken on by each entity, and subject to the decisions of each competent body of such entity.

The Group pays an agreed level of contributions into individual savings accounts for each employee, as beneficiary members of the Plan. The organization's contribution level, expressed as a percentage of the monthly gross base salary, depends on the employees' position/level in the Company. The members are not required but are able to contribute additional amounts from their monthly basic salary. Members' individual savings accounts are invested based on their individual investment decisions. Over time, the value of each employee's account can change according to the amounts contributed and the performance of their investment. When employees leave the Company or retire, they receive a lump sum benefit equal to the value of their individual retirement account.

In 2022, the total contribution in Romania was USD 28,222,126, of which Rompetrol Rafinare contributes

USD 8,710,699, Rominserv contributes USD 4,445,764 and Rompetrol Downstream USD 3,184,639.

Additionally, KMG International Group offers access to prevention and prophylaxis medical services based on staff/managerial subscriptions and life and health insurance to all employees.

Pillar I pension contributions paid in 2022 (25% of gross income)

	USD
Byron Shipping LTD	112,662
KMG Rompetrol SRL	3,959,277
KMG Rompetrol Services Center SRL	1,727,880
Midia Marine Terminal SRL	1,940,845
Rominserv SRL	4,445,764
Rom Oil SA	19,241
Rompetrol Downstream SRL	3,184,639
Rompetrol Gas SRL	658,282
Rompetrol Logistics SRL	8,308
Rompetrol Petrochemicals SRL	2,047
Rompetrol Quality Control SRL	1,301,169
Rompetrol Rafinare SA	8,710,699
Oilfield Exploration Business Solutions SA	21,878
Rompetrol Well Services SA	931,268
Rompetrol Development SRL	28,401
Rompetrol Energy SA	1,100,690
Fondul de investiții în energie kazah-român SA	69,077
Romania total	28,222,126

GRI
GRI 2-30
GRI 402-1
GRI 407-1
GRI 408-1
GRI 409-1
GRI 11.7.2
GRI 11.10.5
GRI 11.12.2
GRI 11.13.2

Collective bargaining and labor practices

Collective bargaining plays an important role in securing decent work and guaranteeing equality of opportunity and treatment. It is one of the core values embedded in KMG International's Code of Conduct and guiding principle across our operations.

Of the total number of employees hired within KMG International, 63.15% are covered by the provisions of collective bargaining agreements applicable to each company they are employed by, a marginal increase compared to the previous reporting period.

- Percentage of total employees covered by collective bargaining agreements (all companies): 63.15%
- Percentage of total employees covered by collective bargaining agreements (only Romania): 99.35%

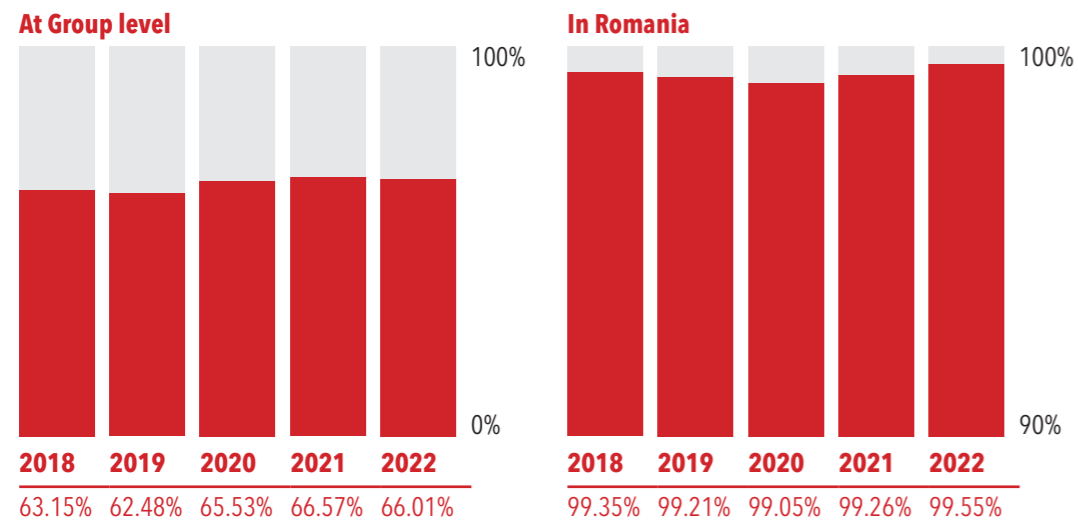
For the employees of companies not covered by collective bargaining agreements, working conditions and terms of employment are established in line with applicable labor regulations in force.

At KMG International, we fully acknowledge our employees' legal right to form trade unions and join other third-party organizations without fear of coercion. The percentage of employees who are members of trade unions across the Group is 34.15%.

During the reporting period, we did not identify any operations in which the right to exercise freedom of association and collective bargaining was violated or at significant risk.

Collective bargaining agreements		Covered	Headcount	
Bulgaria	Rompetrol Bulgaria EAD	yes	78	
Georgia	Rompetrol Georgia LTD	no	774	
Kazakhstan	KMG Rompetrol SRL branch	no	13	
	Rominserv SRL branch	no	2	
Libya	Oifield Exploration Business Solutions SA branch	no	2	
Moldova	Rompetrol Moldova SA	no	1,047	
Netherlands	KMG International NV	no	3	
Switzerland	KMG Trading AG	no	23	
Turkey	TRG Petrol Ticaret AŞ	no	4	
	Byron Shipping LTD	yes	10	
	KMG Rompetrol SRL	yes	191	
	KMG Rompetrol Services Center SRL	yes	225	
	Midia Marine Terminal SRL	yes	238	
	Rominserv SRL	yes	543	
	Rom Oil SA	yes	10	
	Rompetrol Downstream SRL	yes	438	
	Rompetrol Gas SRL	yes	95	
	Romania	Rompetrol Logistics SRL	yes	4
	Rompetrol Petrochemicals SRL	yes	2	
	Rompetrol Quality Control SRL	yes	206	
	Rompetrol Rafinare SA	yes	1,108	
	Oilfield Exploration Business Solutions SA	no	10	
Rompetrol Well Services SA	yes	137		
Rompetrol Development SRL	yes	5		
Rompetrol Energy SA	yes	157		
Fondul de investiții în energie kazah-român SA	no	12		
Romania total			3,391	





Employees covered by collective agreements

For the employees of companies not covered by collective bargaining agreements, working conditions and terms of employment are established in line with applicable labor regulations in force.

Union members - Romania	1	2	3	4	5	6
Byron Shipping LTD	-	8.00	-	-	-	-
KMG Rompetrol SRL	-	-	-	-	-	-
KMG Rompetrol Services Center SRL	-	122.58	-	1.00	-	2.00
Midia Marine Terminal SRL	-	63.50	-	5	-	129.67
Rominserv SRL	-	238	-	25.67	-	39.25
Rom Oil SA	-	-	-	-	-	-
Rompetrol Downstream SRL	-	-	162	1.00	-	-
Rompetrol Gas SRL	-	65.00	-	-	-	1.00
Rompetrol Logistics SRL	-	-	-	1.00	-	-
Rompetrol Petrochemicals SRL	-	-	-	-	-	-
Rompetrol Quality Control SRL	-	118.33	-	11.00	-	31.00
Rompetrol Rafinare SA	-	609.58	-	-	-	212.58
Oilfield Exploration Business Solutions SA	-	-	-	35.92	-	-
Rompetrol Well Services SA	-	-	-	-	123	-
Rompetrol Development SRL	-	-	-	-	-	-
Rompetrol Energy SA	111	6.83	-	-	-	1.00
Fondul de investiții în energie KZ-RO SA	-	-	-	-	-	-
Romania total	111	1,341	162	80	123	417

- #1 Energeticianul Midia Union
- #2 Petrochimistul Free Union
- #3 Rompetrol Downstream Free Union
- #4 Vega Free Union
- #5 Petros Union
- #6 Midia-Năvodari Industrial Platform Workers' Union (SLPIMN)

Note: The figures are reported as average Headcount throughout the year.
*The result might seem inexact due to the average calculation which involves decimals.

At KMG International, we fully acknowledge our employees' legal right to form trade unions and join other third-party organizations without fear of coercion. The percentage of employees who are members of trade unions across the Group is 34.15%.

During the reporting period, we did not identify any operations in which the right to exercise freedom of association and collective bargaining was violated or at significant risk.



MINIMUM NOTICE PERIOD

In each region where we have operations, the notice period typically provided to employees and their elected representatives reflects the provisions of the local legislation. In Romania, the minimum notice period is 20 working days, in Moldova, Bulgaria, Georgia it is 30 days. In Switzerland, the minimum notice period is 2 months from the end of the month for the employees with less than 1 year work seniority and for the employees with more than 1 year work seniority, the legislation states a minimum 3 months' notice period, countable from the end of the month.

For companies with collective bargaining agreements, provisions related to the minimum notice period are included and the notice period is either equal to or higher than the mandatory period required by the law.

Also, consultation with union or elected employee representatives before adopting decisions or implementing operational changes that can affect employees is provided in the collective bargaining agreements, along with the timely provision of all information needed to make an informed decision.

OTHER LABOR PRACTICES

We respect all minimum age laws in the countries where we operate. In 2022, the Group did not resort to, and will never resort in any way, to hiring children or putting them in working relations with KMG International. This also applies to all Group suppliers.

Furthermore, throughout the reporting period, KMG International did not resort to and does not condone the use of forced or compulsory labor within any of the entities and in any relations with the Group, including all of our suppliers.

Training and skill development

TRAININGS

Considering the favorable epidemiologic evolution across the region and the reinstatement of the pre-pandemic types of interactions, training hours across the Group saw a considerable increase, nearly double compared to the previous reporting period, which was still marked by numerous restrictions and limitations.

On average, the number of training hours per total headcount was 13.41 during the reporting period, compared to 6.68 in 2021. Managers benefited, on average, from 10.63 training hours, whilst the average for execution-level employees was 13.66 training hours (external, third-party training).

Employee training	Group	ROU	MDA	GEO	BUL	Rep. office	Group level except ROU
Average number of training hours per employee	13.41	18.13	6.96	2.29	5.80	10.00	5.05
Average training hours for female employees	7.55	9.23	3.36	1.82	2.29	10.00	3.21
Average training hours for male employees	15.74	22.32	8.75	2.32	7.27	10.00	5.56
Average training hours for managers	10.63	11.60	1.50	2.04	1.45	50.00	2.70
Average training hours for execution level employees	13.66	18.98	7.05	2.30	6.52	6.66	5.10

The training plan was implemented in proportion of 96% compared to 2021, when the implementation rate had reached 93%, thus meeting the objective set during the previous reporting period. Consequently, one of the main goals for 2023 is to reach an even higher percentage, specifically over 97% implementation rate.

In 2022, the total number of employees in Romania that received trainings was 2,120. They covered 61,486 training hours (mandatory, soft & technical skills). Most trainings hours and the highest number of trained employees were recorded by Rompetrol Rafinare, where 685 employees benefitted from various trainings (mostly authorizations/ reauthorizations), cumulating 44,142 training hours. The entity was followed by Rominserv, with 482 trained personnel and 4,913 training hours.

Employee training - ROU	RR	RIS	RWS	DWS	RQC	MMT	KMG	RSC	RPG	ROM	RPE
Average number of training hours per employee	39.83	9.01	9.13	2.65	7.28	2.26	12.71	4.79	22.80	8.01	14.11
Average training hours for female employees	18.84	3.72	1.70	1.80	8.81	1.66	14.41	4.42	1.00	4.07	16.40
Average training hours for male employees	46.47	10.21	10.55	3.06	1.30	2.43	10.69	6.00	25.95	9.00	13.45
Average training hours for managers	12.13	9.19	5.65	5.44	59.00	15.62	14.51	10.51	0.00	0.00	14.85
Average training hours for execution level employees	41.92	8.99	9.50	2.28	6.00	1.79	9.06	3.94	23.54	8.01	14.04

GRI

GRI 2-18
GRI 404-1
GRI 404-2
GRI 404-3
GRI 11.7.3
GRI 11.10.6
GRI 11.11.4
GRI 11.10.7

IPIECA

GOV-1 A5
SHS-2 A1
SOC-7 A2, C1, C2
SOC-15 A3

Training plan - Group	2022	2021	2020
Average training hours per employee	13.41	6.68	4.49
Average training hours for female employees	7.55	4.06	4.63
Average training hours for male employees	15.74	7.70	4.44

* Previously, this indicator was calculated according to the formula: Total hours/Total Trained Employees. For the reporting period included in the current report, the formula used to calculate the indicator was Total Hours/ Total Headcount, according to GRI guidelines.

The new formula used to calculate this indicator was retroactively applied to 2021 and 2020 to provide an accurate reflection of the indicator's evolution.

A total of **71,133.35** training hours were performed in 2022, for a total of 5,335 employees as of Dec. 31, 2022.

Employee training - ROU	Hours	Employees
KMG Rompetrol SRL	2,430	144
KMG Rompetrol Services Center SRL	1,080	97
Midia Marine Terminal SRL	539	23
Rominserv SRL	4,913	249
Rom Oil SA	80	7
Rompetrol Downstream SRL	1,164	82
Rompetrol Gas SRL	2,167	68
Rompetrol Quality Control SRL	1,501	45
Rompetrol Rafinare SA	44,142	439
Rompetrol Well Services SA	1,252	72
Rompetrol Energy SA	2,217	48
Romania total	61,486	1,266

PERFORMANCE REVIEW

Our goal is to provide a clear path for career development and progression, to ensure that our employees have a clear vision of where they want their career to go and how they can get there. To facilitate this objective, each of our employees participate in an annual performance review. This is their opportunity to share their goals and desires with their leaders, but also hear constructive feedback on how they can improve and reach their goals.

All Group employees receive regular performance reviews. The performance appraisal process is approached differently depending on each employee category: top management (1.53%), middle management (8.16%) and non-management (90.31%).

In 2022, nearly 100% of our employees were eligible to participate in this annual review. All locations, all genders and all levels of management got this opportunity, and we look forward to continuing this in the future.

Following performance assessments, customized development programs are designed and implemented. During 2022, our development programs covered both professional and personal development, addressing issues like leadership, communication, personal branding, etc.

Performance objectives refer to financial and non-financial perspectives. The financial perspective includes objective indicators such as maintaining costs within the

allocated budgets. The non-financial perspective objective indicators refer to customer satisfaction and market presence, processes that need to be emphasized or improved or areas and dimensions on which the company / employee needs to develop, improve, or learn.

The balanced scorecard approach requires using KPIs related to both perspectives and, depending on the job particularities, a higher weight is allocated to one or the other perspective.

Performance Bonuses are paid depending on activity results. They are designed to encourage target achievement and increase activity effectiveness.

For the managerial positions within the Group there are various practices in place to assess performance and progress. These include the evaluation of competencies, practical leadership trainings and refresher sessions where participants can evaluate themselves on practicing and improving the skills acquired through on-the-job training.

Regarding performance assessment of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people, KMG International has yet to develop a dedicated internal policy. The Group will focus on developing such a procedure and commits itself to implement it across the Group in the upcoming period. This progress will be reported in the following sustainability report.

SKILL-DEVELOPMENT AND TRANSITION ASSISTANCE PROGRAMS

At KMG International, we believe that the training and development process is continuous, and we expect our employees to be permanently informed of the latest updates in their field of expertise. The Group offers its employees various opportunities to develop the competencies and skills relevant for the activity they perform in the company:

- **Core competencies for each managerial level** - a set of competencies is in place (SHL Universal Framework). For each competence relevant courses/ providers are identified;
- **Professional certifications** - PMP, CIPD, CIPS, CIMA, ACCA, etc. - relevant in each field;
- **Technical courses** - specific to each domain.

TALENT DEVELOPMENT PROGRAM

In 2022, after approving the framework with the senior management, the Talent Development Program was launched. The program started with identifying key positions within our Group and talents - high performing employees with potential - that might fill key positions in the future as successors.

The main objective of this program was to develop a strong leadership, with a focus on high potential people, an essential priority for business growth and success. There is a strong commitment from senior management to continue this program in the future, so our company will continue to invest in developing its future leaders, identify and retain talents.

ENCOURAGE INNOVATION

Another essential growth factor that we focused on was creating an organizational culture based on Innovation. An innovative ideas contest aimed at cultivating innovative thinking and encouraging new ideas was piloted for gas stations employees.

In 2022, employees with relevant roles were exposed to valuable insights on Business Scaleup & Strategy, Sales Strategy, Viral Marketing, Team Leadership, Team Performance, Stress Management, Business Innovation, Personal Growth, and Understanding of the consumer's mind with the purpose of stimulating innovation.

TOP E-LEARNING PLATFORM

During the reporting period, employees continued to have access to 2 digital learning platforms with unlimited access to more than 18,000 high quality courses covering business, creative and technology topics, taught by today's leading industry experts. 484 employees used the platforms, accessing more than 530 courses throughout 2022.

Taking into consideration the employee demographics within the Group, we decided to continue the Knowledge Transfer program during the reporting period, especially in the production area. The program had the following objectives:

- Keep key information & skills within the organization through knowledge transfer from future retirees to nominated disciples
- Ensure smooth generations exchange and business continuity
- Extend knowledge and expertise of employees and prepare them for taking on new roles
- Facilitate transfer of knowledge and technical skills.

REFINERY FUNDAMENTALS & ECONOMICS

The program also carried on in 2022. It consisted in learning sessions facilitated by one of our senior experts in the field who offered useful information about Petromidia Refinery. The program was updated to reflect the new economic realities. Different sessions were organized both in Romanian and English with the scope to facilitate a better understanding of the processes through which Rompetrol produces its high-quality fuel, as well as the economics and operational aspects that make Petromidia one of the top refineries in the region. Through this program, more than 170 employees had the opportunity to better understand the oil & gas industry, the Group's challenges throughout its history and the factors that bring added value to our products and business results.

RETAIL ACADEMY

Retail Academy is a program that aims to foster continuous development of the Retail employees within the Group, including gas stations employees. A thorough analysis of the needed resources in terms of people and budget was performed during the reporting period. Consequently, internal capability will be further developed to deliver specific training programs both face to face and online.



Dedicated programs to attract talents within the Group workforce and encourage early skill development in 2022 included:

- **"Ready for Your Career"** Internship Program - carried out without any interruption for 22 years. The program oversaw the training of more than 1,600 university and high school students since its beginning. In 2022, 78 interns entered and successfully completed the training course, guided for two months by 50 mentors.
- More recently, the Internship program also includes the **Community Challenge**, an initiative to empower and involve interns in making a real impact, by implementing community projects. Supported by 7 business mentors, the interns developed 7 social projects that focused on the real needs of the communities in Constanța and Prahova counties. The projects addressed the integration of disabled people into society, promotion of a healthy lifestyle among young people, supply, food and toys donations for orphanages, solutions to help some families from disadvantaged backgrounds (from Ploiești, Năvodari and surroundings) and the encouragement of blood donations.

- **"Rompetrol School - The First Step Towards the Refining Profession"** was launched early 2022 on the Petromidia platform, with the main goal to develop the necessary skills to support the transfer of skills & knowledge between generations through a process of continuous upskilling and re-skilling. For 4 months, 49 trainees went through a structured training program to learn theoretical aspects, equipment operation and technological processes in the refinery. Participants were trained for the Chemical Operator and Compressor Operator qualifications by 30 dedicated mentors. At the end of the sessions, 36 of the trainees became our colleagues within the Rompetrol Rafinare company.
- **Vocational learning class in Rominserv** was also a newly established program during the reporting period. Developed in partnership with Lazăr Edeleanu Technical high-school in Ploiești, the program is a 3-year commitment through which we support high-school students with annual practice in Rominserv guided by three mentors, monthly scholarships and workshops designed to develop their soft skills.

People's health and well-being

We take care of our people, and we consider their health a priority. We take special measures to ensure their health and well-being, across all our operations, in line with the legal provisions imposed by national and local authorities.

Through our **Health and Protection Plan** we offer our employees medical subscriptions through private clinics, covering outpatient and prevention services, health insurance with top insurers on the market, covering hospitalization and surgery, and life insurance, covering in validity and serious diseases. The services included in the corporate plan are free of charge for all employees. Furthermore, employee family members can also benefit from the medical subscriptions under the same conditions.

The medical services supplier and the health insurer constantly monitor the health of employees and report on it in order for the organization to take appropriate measures to keep our employees healthy. Each need is carefully analyzed and considered for inclusion in the Group-provided benefits package. To further support our employees, they can access dedicated medical offices in our main locations for minor medical emergencies during working hours. There, a doctor can assist and offer first aid if needed.

Moreover, to prevent serious diseases among Rompetrol employees we have implemented a health program aimed at educating them to medically self-assess themselves and to lead a healthy lifestyle by accessing consultations and screening tests for breast, cervical, colon and prostate cancer.

Despite the waning effects of COVID-19 in 2022, we continued to make sure our employees were safe and protected. From the beginning of the pandemic, we implemented 'Work from Home' model for all eligible employees and during the periods when the incident

rate was low, we enabled 'Hybrid model' (2 days work from office + 3 days' work from home) and enforced 'Flexy Time', to ensure staff rotation and distancing. The working model continued after the end of the pandemic restrictions and is currently transforming and adapting to our employees' evolving needs.

Also, in the first quarter of 2022, we organized recurrent anti-Covid19 testing sessions for all KMG employees in Romania, to limit potential contamination among office and production personnel. In the last quarter of 2022, we took all the necessary measures to prevent the effects of the seasonal flu spread, offering our employees the opportunity to have the vaccine for free.

In addition to our existing pay and benefits system, we have developed the **Well Station** global platform, designed to integrate all our well-being initiatives. Well Station consists of three pillars:

- 1) Emotional and social well-being
- 2) Physical well-being
- 3) Financial well-being.

Under the three pillars, we mapped and implemented programs such as: stress management and mindfulness, health education and prevention, nutrition and hydration. In 2022, we continued and even diversified the initiatives, to respond to the specific employee needs.

In this sense, we have developed and implemented a wellbeing program meant to increase awareness and to prevent the negative effects that can occur due to physical and mental exhaustion. Thus, we focused on these problems and addressed them through a series of actions for employees aimed to combat and prevent burnout and encourage a healthy lifestyle. These included actions targeted at emotional & physical health, as well as work-life balance.

GRI

GRI 403-1
GRI 403-2
GRI 403-3
GRI 403-6

IPIECA

SHS-2 A3, C1, C2

GRI

GRI 403-6
GRI 11.9.7

IPIECA

SHS-2 C1
SOC-6 C1-C3, A1-A4

We want to continuously inspire and motivate employees to create value by getting involved in their communities, sharing their knowledge, skills, and kindness. We invest in their health and well-being and have an open dialogue to learn about their evolving needs, so we can best meet them through dedicated initiatives.

In 2022, we decided to measure the workforce engagement on a more frequent basis through a dedicated pulse survey platform - Glint - a tool developed by LinkedIn. By the end of the reporting period, we have managed to cover all the employees of the Group. The survey was carried out in multiple stages. It started with the employees in Romania, followed by those from Georgia, Bulgaria, Switzerland, Moldova. The survey also allows comparing results to a relevant European benchmark, for a more in-depth analysis.

Results are used to develop customized initiatives and projects in 2023, with a view to improve engagement and retention at Group level.

Also, we run an internal customer satisfaction survey on an annual basis to support the Group's various departments. The results of the survey then become KPIs for the respective departments. The survey can be accessed by all employees, responses being anonymous.

Based on our initial feedbacks, we have already established that in 2023 we will be focusing on Development so that all our actions within the "Together We Grow People" will follow this component - the development of the community through our individual development. We aim to develop competencies such as:

- the development of project management skills so that our colleagues can take over projects from their area of activity or different areas;
- the development of Leadership skills, which has an impact in succession;
- the development of talents, the increased performance of the organization,
- the improvement of Rompetrol's image as an employer,
- new initiatives at Group level.

Early in 2022, we launched a survey within Rompetrol Moldova to assess the organizational climate, in which all employees were encouraged to express their opinions regarding the leadership style of the management team, internal communication, working conditions, sal-

Workforce engagement

ary and benefits, and express any concerns or suggestions to improve the work environment.

Based on the feedback received from more than 85% of employees who responded to this survey, Rompetrol Moldova managed to develop an action plan with initiatives to meet the employees' needs, such as the implementation of new benefits (meal vouchers), the "Corporate University" project aimed at the professional development of employees, and the "One Day Switch" project, through which gas stations employees switch places for one day with their colleagues in HQ.

During the reporting period we also reinforced our working methods (e.g. online/video meetings and trainings, workshops, events) and created framework to balance work and spare time when they happen in the same space (sessions for employees and content created to support new work model - flexible schedule and work from home - and collaboration).

Besides the public health preventive measures, specific staff engagement actions were taken such as work from home and hybrid working models, online development actions, recurrent team gathering via Teams and workshops on different topics.

- **Meet our People** turned our colleagues into brand ambassadors who can inspire teams and even motivate those who want to apply for one of the open positions within the Group. Together with them, we made their stories and careers known, and their profile is available on the company's website in the Careers section.

- **"Rompetrol Fuels People's Passions"** is an initiative of the Human Resources Department, which supports the passions of our colleagues, from gastronomy to painting, ceramics and jewelry, in order to promote them within the organization, as well as outside of the Group. Through this program, we create a work environment that inspires everyday passions and supports a healthy work-life balance.

- **"One day in the gas station"** is about the role switch for a day from work at the office to work in a Rompetrol gas station. It is an internal event which has been organized since 2013, and the involvement of colleagues, as well as the experience gained, consolidate the relations within the organization. In 2022, more than 50 colleagues joined the event, experiencing work in 14 Rompetrol stations in Bucharest, Constanța and Ploiești.



BUILDING A NEW FRAME OF REFERENCE

SAFETY

- Introduction
- Safety performance targets
- KMG International QHSE framework
- Rompetrol Rafinare SA
- Rompetrol Downstream SRL, Rompetrol Gas SRL, Rompetrol Moldova SA
- Rompetrol Bulgaria EAD
- Rompetrol Georgia LTD
- Rominserv SRL, Rompetrol Energy SRL
- Rompetrol Well Services SA
- Rompetrol Quality Control SRL
- Midia Marine Terminal SRL



Introduction

Sustainability means more than the responsible use of resources and assets, or minimizing our environmental impact.

The concept of sustainability also extends to fair labor practices and worker health and safety. Our people represent one of our most important resources, which is why our sustainability strategy addresses principles like health and quality of life, prevention of known risks and to the application of precaution when there is uncertainty with regard to the risks, thoughtful human capital management.

By ensuring the health, safety and wellbeing of our people, we also contribute to the Group's lasting value, profit, stronger performance, growth and sustainable workforce.

Workplace safety not only protects our employees, but it also keeps our communities and the environment healthy and safe. Our commitment to safety extends beyond our employees to our partners and suppliers, our customers, and the communities in which we carry out our activities.

Across all Group operations, we cover a large set of procedures, conditions and environments, from occupational safety, which protects the individual worker, to process safety, which focuses on the equipment and procedures carried out within our operations. Occupational and process safety are followed closely in our day-to-day activity, to ensure the responsible development and delivery of sustainable products and services for a better living.

Safety performance targets

To ensure sustainable operations, we prioritize the safety of our employees, contractors, and communities. Safety performance indicators are an essential tool for measuring and monitoring the effectiveness of our safety programs, policies and procedures. They provide valuable insights into the safety culture of the Group and can be used to identify areas for improvement. In this context, we have set ambitious targets to address short-, medium- and long-term safety performance, in line with our overall sustainability commitments.

As an industry best practice, we benchmark our main reactive indicator (LTIR – Lost Time Injury Rate) against International Oil and Gas Producers (IOGP) association. Our aim and efforts are towards LTIR 0, but considering the profile of our industry, the realistic objective and KPI for us is to be under the annual IOGP average.

Our key long-term objectives are:



Zero fatalities



Zero motor vehicle safety incidents



Zero operational process safety events

Lost-Time Incident Rate (LTIR)	*2022	2023	2025	2030	2035	2040	2050
KMG International NV corporate entities	0.26	below IOGP average	below IOGP average	below IOGP average	below IOGP average	below IOGP average	below IOGP average
Rompetrol Rafinare SA	1.2	1	0.8	0.56	0.4	0.35	0.2
Rompetrol Downstream SRL	1.28	0.19	IOGP average	IOGP average	IOGP average	IOGP average	IOGP average
Rompetrol Gas SRL	0	0	0	0	0	0	0
Rominserv SRL	0	0	0	0	0	0	0
Rompetrol Energy SA	0	0	0	0	0	0	0
Rompetrol Well Services SA	0	0	0	0	0	0	0
Rompetrol Quality Control SRL	0	0	0	0	0	0	0
Midia Marine Terminal SRL	0	0	0	0	0	0	0

* Base year

Rompetrol Rafinare SA recorded 25 Lost-Time Injury days following the incident on Mar. 13, and 77 LTIs following the incident on Oct. 16.
Rompetrol Downstream SRL recorded 18 LTIs following the incident on Aug. 3.

Total Recordable Incident Rate (TRIR)	*2022	2023	2025	2030	2035	2040	2050
KMG International NV corporate entities	0	0	0	0	0	0	0
Rompetrol Rafinare SA	1.00 / 1 million hours worked		Stabilize at below 1.00				
Rompetrol Downstream SRL	1.28	0.19	IOGP average	IOGP average	IOGP average	IOGP average	IOGP average
Rompetrol Gas SRL	0	0	0	0	0	0	0
Rominserv SRL	0	0	0	0	0	0	0
Rompetrol Energy SA	0	0	0	0	0	0	0
Rompetrol Well Services SA	0	0	0	0	0	0	0
Rompetrol Quality Control SRL	0	0	0	0	0	0	0
Midia Marine Terminal SRL	0	0	0	0	0	0	0

* Base year

Worker training on OHS (average number of training hours/employee/year and increase from base year)

	*2022	2023	2025	2030	2035	2040	2050
Rompetrol Rafinare SA	132	-	+1%	+1%	+2%	+3%	+4%
Rompetrol Downstream SRL	36	+2%	+3%	+4%	+5%	+6%	+7%
Rompetrol Gas SRL	46	+2%	+3%	+4%	+5%	+6%	+7%
Rominserv SRL	32	+15%	+20%	+25%	+30%	+35%	+40%
Rompetrol Energy SA	19	+2%	+3%	+5%	+6%	+8%	+10%
Rompetrol Well Services SA	24	+3%	+5%	+10%	+15%	+20%	+25%
Rompetrol Quality Control SRL	40	+1%	+1%	+2%	+2%	+3%	+3%
Rompetrol Moldova SA	24	+2%	+3%	+4%	+5%	+6%	+7%

* Base year

KMG International QHSE Framework

The main role of the QHSE function is to secure effective management and control of hazards, while mitigating workplace risks by using tools such as trainings, inspections, audits, and incident investigations. Added to that is the role of ensuring compliance with regulatory frameworks, building up and maintaining a functional safety management system.

OUR APPROACH TO SAFETY

KMGI Group has implemented a comprehensive Risk Assessment methodology covering both occupational and process safety. The methodology follows a rigorous process which includes hazard identification, quantitative risk assessment and implementation of control measures.

We have an integrated QHSE management system in place, which is certified against ISO 9001, ISO 14001, and ISO 45001. The implemented Management System consist of nine distinct elements covering all the QHSE topics and professional areas. The entire KMG International workforce is under the scope of the mentioned system, including operational and nonoperational employees and interns.

The Group's various internal policies pertaining to occupational health and safety cover all types of operations carried out throughout the Group and represent the foundation of both preventive and reactive programs aimed at delivering safe, secure, and sustainable operations:

- Global QHSE Policy
- Defensive Driving Policy
- Alcohol, Drugs and Contraband Policy
- Rules and Disciplinary Action Policy
- QHSE Training Policy
- Policy for Emergency Situations
- Risk Assessment Policy
- PPE Policy
- Contractor Policy
- Safe System of Work Policy
- Occupational Health Policy
- Hazardous Substances Policy
- Site Acquisition Assessments Divestiture Policy
- Waste Minimization Policy
- Incident Reporting & Investigation Policy
- Auditing and Evaluation Policy

As a proactive approach, the Group runs two major safety surveillance programs in the effort to supervise and educate its workforce with respect to the QHSE rules and best practice:

- Behavior Based Surveillance (BBS) program - ensures proper behavioral supervision and empowers employees to issue observations about any unsafe acts or unsafe conditions that they might observe.
- Hazard Observations Cards (HOC) program - ensures early identification of potential hazards and proper definition of mitigation and control measures.

In order to reduce the likelihood of low-frequency, high-impact catastrophic incidents, our approach is to provide assurance that risks in high-hazard and strategically important operations are being properly managed, delivering a full range of dedicated activities including targeted inspections and audits, assessments of safety cases/ incidents, by which eventual failings in control systems are identified, thus reducing risks to workers, the public and the environment. All incidents are thoroughly investigated and, depending on the incident's severity, different incident investigation methodologies are used.

Additionally, in accordance with law no. 319/2006, health & safety committees are active throughout the Group's operations and business units, being comprised of management representatives, labor administration and employees, as well as union reps, looking to ensure full compliance with the applicable legislation, as well as to incorporate everyone's opinions on how KMG International can continue to improve health and safety. Committees meet regularly and minutes from each meeting are recorded and kept for future reference. Communication is conducted via internal platforms like email or Yammer, and through Safety Alerts.

Moreover, the Group performs regular QHSE-related trainings, both in-house and outsourced, addressing its entire workforce. All the operative and nonoperative personnel is trained periodically with respect to QHSE related topics according to the approved training plans. For

GRI

GRI 403-1
GRI 403-3 thru 403-10
GRI 11.9.2
GRI 11.9.4 thru 11.9.11

SASB

EM-RM-320a.1
EM-RM-320a.2
EM-MD-540a.4
EM-SV-320a.1
EM-SV-320a.2
EM-EP-320a.1
EM-EP-320a.2

IPIECA

SHS-1 A1, C1-C3
SHS-3 A2-A4, C1-C4
SHS-7 A1, C2

The nonconformities issued as a result of running the two mentioned programs are consolidated, reported and tracked for closure. Even more, the nonconformity closure rate has an annual target set at 92%.

example, during the reporting period, the Group carried out 366,000 safety training hours across its operations, including trainings for CODO stations' personnel.

To comply with all the occupational health requirements, KMG International has contracted a professional health services provider. Moreover, KMGI HQ has an on-site medical facility, with a medic present eight hours a day every weekday, and two more onsite medical facilities located on Petromidia and Vega platforms.

SEVESO entities, due to their adherence to strict regulations, usually implement robust safety systems and rigorous environmental management practices. This often leads to an improved overall environmental performance, with lower emissions and waste generation. They also prioritize the use of environmentally friendly technologies and procedures, which can lead to more efficient resource use and a lower carbon footprint. On the other hand, the potential negative impacts can be significant if accidents occur. These could range from soil and water contamination to atmospheric pollution, which could harm ecosystems and human health. Despite rigorous safety measures, accidental pollution is a risk, and managing this risk effectively is of paramount importance. To limit these effects, immediate measures are taken, especially in SEVESO entities. These include containment and cleanup efforts, waste management, and environmental restoration. Further actions include informing stakeholders, monitoring environmental indicators, and compliance with prevailing laws. These measures apply to all facilities, not just SEVESO entities, to minimize the impact of accidental pollution.

QHSE MANAGEMENT

QHSE Management is a line management responsibility within all KMG International entities. All employees are responsible for actively participating in the promotion of a positive health & safety culture within each KMG International entity organization. Furthermore, they also have the responsibility to communicate QHSE concerns, hazards, issues, and reward positive QHSE behavior. The most senior manager in an operational area is responsible for planning, conducting and drafting the minutes of management Review Meetings, which are held at least twice a year.

The management is responsible for effectively communicating their commitment to safety issues and encouraging employee participation in the QHSE management system. Effective communication ensures that all KMG International QHSE objectives and policies are clearly understood by employees across all Group enti-

ties, that action plans, standards, procedures and systems are implemented appropriately, that performance is monitored, and feedback is provided accordingly.

SAFETY INDICATORS

The lost time injury rate (LTIR) is the indicator used to assess the success of our occupational safety efforts. This figure is a global measure of the number of accidents (including fatalities and victims following catastrophic and major vehicle crashes) resulting in at least one day of missed work per one million hours worked. From 2020, the LTIR replaced the HSE Index as reference KPI in evaluating the safety performance across the Group.

KMG International concluded 2022 with a LTIR (Lost Time Injury Rate) of 0.26, compared to 0.46 in 2021. Except for the previous reporting period, when the indicators was impacted by a high severity incident occurred on the Petromidia platform, the LTIR in 2020 was 0.25, and 0.26 in 2019.

No Fatality cases were recorded by the Group during the reporting period. However, there were 4 Total Recordable Injuries and three first aid cases. There were no occupational illnesses reported by the Group in 2022. There were, however, 20 non-occupational illnesses recorded, most of which were not severe and didn't result in medical leave. Nevertheless, two of them resulted in fatalities. For further reference, there were 13 occupational illnesses recorded in 2021, but none ending in fatalities, 5 occupational illnesses recorded in 2020 and 37 in 2019.

Of the 5,375 total non-conformities issued during the reporting period, 4,977 were closed, maintaining the same closing rate as in 2021, respectively 93%. In 2022, the Group registered 14 near miss cases (compared to 9 in 2021) and 8 property damage cases (10 in 2021).

Throughout 2022, there were no high-consequence work-related injuries registered within the entities of the KMGI Group.

Throughout the reporting period, there were 11,527,772 worked man hours across all Group divisions and entities, 5% more than in 2021. Unlike the increase in the number of worked manhours, a reverse trend can be observed in safety rates, with significant decreases recorded during the current reporting period, compared to the previous one:

- **FIR** - 0.00 in 2022 vs. 27.45 in 2021
- **LTIF** - 0.26 in 2022 vs. 0.46 in 2021
- **TRIR** - 0.35 in 2022 vs. 0.46 in 2021

Overall safety indicators

Division	Entity	Worked hours	Fatalities	First aid Case	Medical treatment Case	Restricted work days Case	Days away from work Case	Lost time injury	Total recordable injury/illness
Trading & Supply Chain	KMG Trading AG (frm. Vector Energy)	43,207	0	0	0	0	0	0	0
	TRG Petrol Ticaret AŞ	8,192	0	0	0	0	0	0	0
	Midia Marine Terminal SRL	410,405	0	1	0	0	0	0	0
	Byron Shipping SRL	18,372	0	0	0	0	0	0	0
Retail & Marketing	Rompetrol Downstream SRL (Romania)	780,812	0	0	0	0	1	1	1
	Rompetrol Bulgaria EAD	148,015	0	0	0	0	0	0	0
	Rompetrol Georgia LTD	1,913,181	0	0	0	0	0	0	0
	Rompetrol Moldova SA	1,949,019	0	2	0	0	0	0	0
	Rompetrol Gas SRL (Romania)	177,102	0	0	0	0	0	0	0
Production	Petromidia Refinery	1,632,526	0	0	0	0	2	2	2
	Vega Refinery	339,482	0	0	0	0	0	0	0
Upstream	Rompetrol Well Services SA	238,047	0	0	0	0	0	0	0
	Oilfield Exploration Business Solutions SA	6,593	0	0	0	0	0	0	0
Industrial Services	Rominserv SRL	971,683	0	0	0	0	0	0	0
	Rompetrol Energy SA	264,649	0	0	0	0	0	0	0
Non-core	KMG Rompetrol SRL	741,132	0	0	0	0	0	0	0
	Global Security System SA	1,496,600	0	0	1	0	0	0	1
	Rompetrol Quality Control SRL	328,647	0	0	0	0	0	0	0
Group total	year-to-date December 2022	11,527,772	0	3	1	0	3	3	4

Formulas:
LTI = FTL + DAFWC
TRI = FTL + MTC + RWDC + DAFWC

Proactive safety indicators

Division	Entity	Nonconformity issued	Nonconformity closed	QHSE training hours	Fire/Emergency drill	QHSE audits/inspections
Trading & Supply Chain	KMG Trading AG (frm. Vector Energy)	0	0	0	0	0
	TRG Petrol Ticaret AŞ	0	0	0	0	0
	Midia Marine Terminal SRL	113	112	2,307	37	161
	Byron Shipping SRL	0	0	41	1	0
Retail & Marketing	Rompetrol Downstream SRL (Romania)	539	499	21,702	75	2,151
	Rompetrol Bulgaria EAD	45	42	390	27	632
	Rompetrol Georgia LTD	108	58	1,204	9	69
	Rompetrol Moldova SA	432	417	20,140	1,004	152
	Rompetrol Gas SRL (Romania)	36	36	316	13	5
Production	Petromidia Refinery	911	709	133,095	61	403
	Vega Refinery	241	234	24,824	25	104
Upstream	Rompetrol Well Services SA	1,523	1,523	5,408	18	114
	Oilfield Exploration Business Solutions SA	0	0	48	0	0
Industrial Services	Rominserv SRL	792	756	6,576	1	490
	Rompetrol Energy SA	550	509	3,012	54	410
Non-core	KMG Rompetrol SRL	12	9	2,600	1	3
	Global Security System SA	0	0	25,200	140	12
	Rompetrol Quality Control SRL	73	73	14,088	43	317
Group total	year-to-date December 2022	5,375	4,977	260,951	1,509	5,023

QHSE Safety audits = Any audit/ inspection performed by KMG International QHSE department, second party, third party, KMG International (top and middle management), etc.

Reactive safety indicators

Division	Entity	Property damage	Occupational illnesses	Nonoccupational illnesses/fatalities	Near-miss	Spills number	Authority inspections	Authority penalties
Trading & Supply Chain	KMG Trading AG (frm. Vector Energy)	0	0	0	0	0	0	0
	TRG Petrol Ticaret AŞ	0	0	0	0	0	0	0
	Midia Marine Terminal SRL	0	0	5	0	1	5	0
	Byron Shipping SRL	0	0	0	0	0	0	0
Retail & Marketing	Rompetrol Downstream SRL (Romania)	0	0	0	1	0	560	33,841
	Rompetrol Bulgaria EAD	4	0	0	5	0	27	0
	Rompetrol Georgia LTD	1	0	0	0	0	17	1,639
	Rompetrol Moldova SA	3	0	1	0	0	0	0
	Rompetrol Gas SRL (Romania)	0	0	0	0	0	22	0
Production	Petromidia Refinery	0	0	11	2	0	30	3,558
	Vega Refinery	0	0	3	0	0	13	10,920
Upstream	Rompetrol Well Services SA	0	0	0	0	0	1	0
	Oilfield Exploration Business Solutions SA	0	0	0	0	0	0	0
Industrial Services	Rominserv SRL	0	0	0	2	0	0	0
	Rompetrol Energy SA	0	0	0	4	0	8	0
Non-core	KMG Rompetrol SRL	0	0	0	0	0	0	0
	Global Security System SA	0	0	0	0	0	0	0
	Rompetrol Quality Control SRL	0	0	0	0	0	5	0
Group total	year-to-date December 2022	8	0	20	14	1	688	49,958

Safety rates

Motor vehicle crash (MVC)

Division	Entity	Light	Serious	Major	Catastrophic	Total	Kilometers driven	MVC rate (MVCR)
Trading & Supply Chain	KMG Trading AG (frm. Vector Energy)	0	0	0	0	0	144	0
	TRG Petrol Ticaret AŞ	0	0	0	0	0	144	0
	Midia Marine Terminal SRL	0	0	0	0	0	309,587	0
	Byron Shipping SRL	0	0	0	0	0	137,258	0
Retail & Marketing	Rompetrol Downstream SRL (Romania)	5	0	0	0	5	3,818,414	0
	Rompetrol Bulgaria EAD	0	0	0	0	0	636,508	0
	Rompetrol Georgia LTD	0	0	0	0	0	491,365	0
	Rompetrol Moldova SA	1	0	0	0	1	1,385,939	0
	Rompetrol Gas SRL (Romania)	0	0	0	0	0	45,000	0
Production	Petromidia Refinery	1	0	0	0	1	770,501	0
	Vega Refinery	0	0	0	0	0	79,472	0
Upstream	Rompetrol Well Services SA	1	0	0	0	1	1,566,168	0
	Oilfield Exploration Business Solutions SA	0	0	0	0	0	58,700	0
Industrial Services	Rominserv SRL	0	0	0	0	0	1,246,579	0
	Rompetrol Energy SA	0	0	0	0	0	240,786	0
Non-core	KMG Rompetrol SRL	2	0	0	0	2	2,385,000	0
	Global Security System SA	0	0	0	0	0	683,500	0
	Rompetrol Quality Control SRL	0	0	0	0	0	411,115	0
Group total	year-to-date December 2022	10	0	0	0	10	14,266,180	0.00

MCV Light = Any minor car accident not falling into another category

MCV Serious = Any KMG International entities vehicle that cannot be driven from the scene by own resources (towing, platforms etc.)

MCV Major = Any car accident involving injuries to any KMG International entities personnel

MCV Catastrophic = Any car accident involving loss of life (fatality) of any KMG International entities personnel

Note: Motor vehicle crashes resulting in third party injury are recorded and reported; however the severity classification above accounts only for own employees.

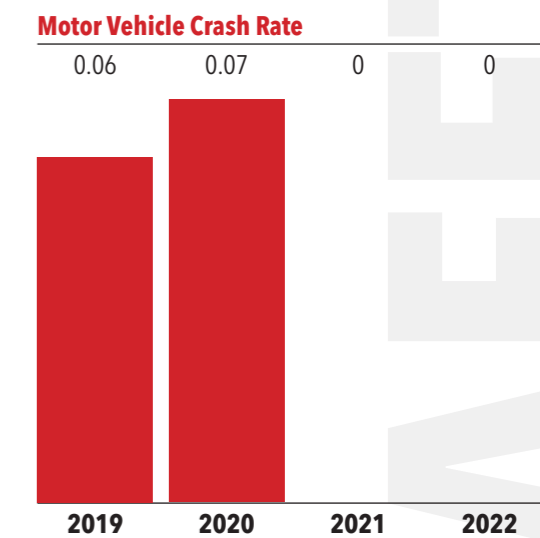
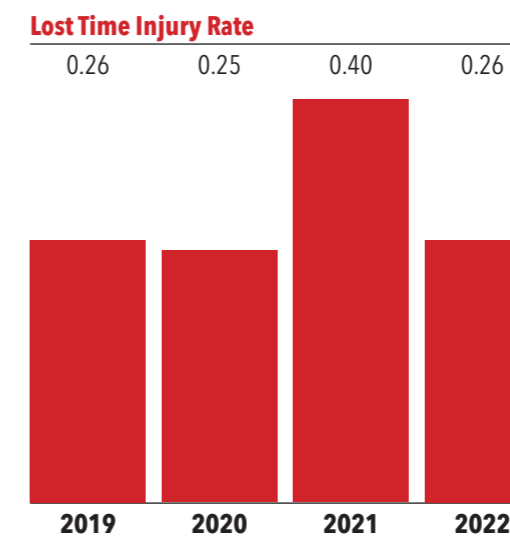
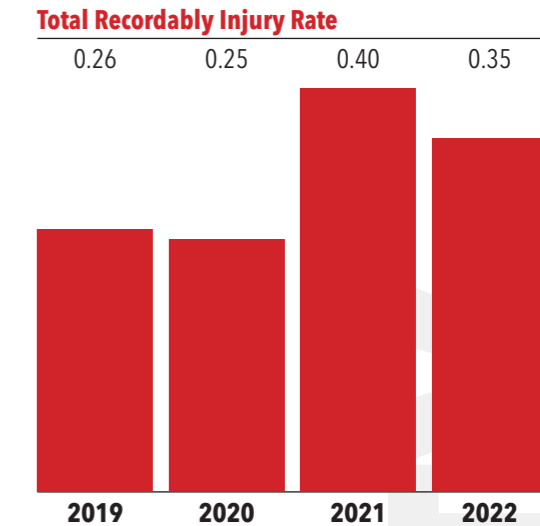
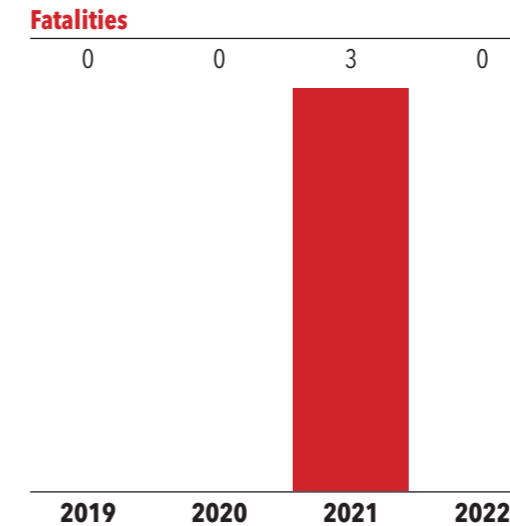
SAFE

HSE Index & LTIR

Block / Division / Entity	HSE Index Actuals current months	Worked hours	Kilometers driven	Safety incidents - numbers				Safety incidents - rates			
				FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
Operational Block	0.001	7,420,313	7,674,332	0	3	0	7	0.00	0.40	0.00	0.40
Trading and Supply Chain	0.0	480,176	447,133	0	0	0	0	0.00	0.00	0.00	0.00
KMG Trading AG (frm. Vector Energy)	0.0	43,207	144	0	0	0	0	0.00	0.00	0.00	0.00
Rompetrol Turkey	0.0	8,192	144	0	0	0	0	0.00	0.00	0.00	0.00
Midia Marine Terminal	0.0	410,405	309,587	0	0	0	0	0.00	0.00	0.00	0.00
Byron Shipping	0.0	18,372	137,258	0	0	0	0	0.00	0.00	0.00	0.00
Retail and Marketing	0.001	4,968,129	6,377,226	0	1	0	6	0.00	0.20	0.00	0.20
Rompetrol Downstream SRL (Romania)	0.00	780,812	3,818,414	0	1	0	5	0.00	1.28	0.00	1.28
Rompetrol Bulgaria EAD	0.0	148,015	636,508	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Georgia LTD	0.0	1,913,181	491,365	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Moldova SA	0.0	1,949,019	1,385,939	0	0	0	1	0.0	0.0	0.0	0.00
Rompetrol Gas SRL (Romania)	0.0	177,102	45,000	0	0	0	0	0.0	0.0	0.0	0.00
Production	0.003	1,972,008	849,973	0	2	0	1	0.0	1.0	0.0	1.0
Petromidia Refinery	0.004	1,632,526	770,501	0	2	0	1	0.0	1.2	0.0	1.2
Vega Refinery	0.0	339,482	79,472	0	0	0	0	0.0	0.0	0.0	0.0
Industrial Services Block	0.0	1,480,972	3,112,233	0	0	0	1	0.0	0.0	0.0	0.0
Upstream	0.0	244,640	1,624,868	0	0	0	1	0.0	0.0	0.0	0.0
Rompetrol Well Services SA	0.0	238,047	1,566,168	0	0	0	1	0.0	0.0	0.0	0.0
Oilfield Exploration Business Solutions SA	0.0	6,593	58,700	0	0	0	0	0.0	0.0	0.0	0.0
Industrial Services	0.0	1,236,332	1,487,365	0	0	0	0	0.0	0.0	0.0	0.0
Rominserv SRL	0.0	971,683	1,246,579	0	0	0	0	0.0	0.0	0.0	0.0
Rompetrol Energy SA	0.0	264,649	240,786	0	0	0	0	0.0	0.0	0.0	0.0
Corporate Support Block	0.0	2,566,379	3,479,615	0	1	0	2	0.0	0.4	0.0	0.0
KMG Rompetrol SRL	0.0	741,132	2,385,000	0	0	0	2	0.0	0.0	0.0	0.0
Global Security System SA	0.0	1,496,600	683,500	0	1	0	0	0.0	0.7	0.0	0.0
Rompetrol Quality Control SRL	0.0	328,647	411,115	0	0	0	0	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26

HSE Index = 50%FIR+30%TRIR+20%MVCR

Comparative view of safety indicators and rates



SAFETY AUDITS AND TRAININGS

To make sure all QHSE standards in place guarantee the health and safety of KMG International employees, suppliers and all other stakeholders involved in its operations, the Group constantly performs internal and external safety audits and inspections, both planned and impromptu, in order to identify both weak points and

improvement opportunities. Audit frequency considers the entity risk ranking. Subsequently, specific statistics and reports are drawn with various frequencies (weekly/monthly/quarterly/half-yearly/annual/upon request), in order to meet internal requirements and compliance obligations.

Performance reviews are also conducted during the yearly management reviews with the active involve-

QHSE training hours	2022
Midia Marine Terminal SRL	2,307
Romp petrol Downstream SRL (Romania)	21,702
Romp petrol Bulgaria EAD	390
Romp petrol Georgia LTD	1,204
Romp petrol Moldova SA	20,140
Romp petrol Gas SRL (Romania)	316
Romp petrol Rafinare SA	157,919
Romp petrol Well Services SA	5,408
Rominserv SRL	6,576
Romp petrol Energy SA	3,012
KMG Rompetrol SRL	2,600
Global Security System SA	25,200
Romp petrol Quality Control SRL	14,088
Group total year-to-date December 2022	260,951

ment of the management teams and within the KMG Group established Safety Committee chaired by the Group CEO. To further support this process, KMG Group introduced monthly QHSE Staff Meetings where topics like year-to-date active and reactive indicators, specific programs, action plans and projects are scrutinized.

At the Group level, a consolidated number of more than 5,000 inspections and audits were performed in 2022. We continued to investigate incidents and health and safety concerns in line with our internal policies, seeking timely completion of non-fatal investigations.

Aside for the safety procedures and processes carried out by KMG International at all Group levels and in all its Business Units, the Group places high focus on health and safety training, with more than 1,500 fire drills and more than 250,000 hours of HSE training in 2022 alone, a significant increase from 2021 indicators (>1,300 fire drills & >30,000 QHSE training hours). 688 inspections were conducted by the authorities during the reporting period, and USD49,958 penalties were applied for certain non-conformities across Group operations.

In 2023, we will continue to focus on increasing the level of safety in the workplace, performing all required training programs to increase awareness on the importance of performing the activities in a safe working environment. Also, we will continue to monitor the safety performance across all Group affiliates.

EMPLOYEE ABSENTEEISM

Employee absenteeism rate in 2022 saw a slight overall decrease across the Group - reaching similar levels to the pre-pandemic period - unlike the previous reporting periods, when the indicator had been recording an upward trend. This reflected not only workforce ageing and the factors associated with the process, but also the impact of the COVID-19 pandemic.

Absenteeism rate - Romania	Female	Male	Total
Byron Shipping LTD	1.73%	0.00%	0.69%
KMG Rompetrol SRL	2.75%	0.33%	1.62%
KMG Rompetrol Services Center SRL	2.08%	0.97%	1.83%
Midia Marine Terminal SRL	7.37%	1.79%	3.07%
Rominserv SRL	4.20%	3.01%	3.23%
Romp petrol Downstream SRL & Rom Oil SA	4.37%	1.64%	2.52%
Romp petrol Gas SRL	0.89%	3.89%	3.52%
Romp petrol Logistics SRL	0.00%	0.00%	0.00%
Romp petrol Petrochemicals SRL	2.92%	0.00%	2.92%
Romp petrol Quality Control SRL	4.12%	0.95%	3.48%
Romp petrol Rafinare SA	3.20%	2.40%	2.59%
Oilfield Exploration Business Solutions SA	0.00%	0.00%	0.00%
Romp petrol Well Services SA	3.05%	3.66%	3.57%
Romp petrol Development SRL	1.34%	0.00%	0.77%
Romp petrol Energy SA	1.46%	1.59%	1.56%
Fondul de investitii în energie KZ-RO SA	0.00%	0.00%	0.00%

Absenteeism rate	2022	Evolution of absenteeism rates	
Romania	2.66%	2014	2.43%
Female	3.45%	2015	3.10%
Male	2.28%	2016	2.41%
Near abroad	2.47%	2017	2.54%
Female	3.46%	2018	1.97%
Male	2.18%	2019	2.38%
Group total	2.59%	2020	2.75%
Female	3.45%	2021	2.91%
Male	2.24%	2022	2.59%

GRI
GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4
SASB
EM-RM-320a.1
EM-RM-320a.2
IPIECA
SHS-3 C1
SOC-12 C1, C2, A1

APPROACH TO SAFETY

Referring to the refining operations, the Group's integrated health & safety management system covers the provisions of an exhaustive set of legal requirements, grouped into approximately 81 documents currently in force (Directives, Laws, Orders, Ordinances, GD, SR, STAS, PT) and bases its principles on detailed internal risk assessment procedures.

Romp petrol Rafinare has a detailed prevention and protection plan in place, which is reviewed annually, along with a dedicated OHS management program. Also, to ensure the prevention and mitigation of occupational health and safety impacts, the company carries out an internal inspection program for rented facilities and spaces, as well as a chemical and noxious chemical program.

All workers on both Petromidia and Vega platforms are covered by the Group's occupational health and safety management system. Furthermore, during the reporting period, 236 contractors in direct relation with Petromidia operations, respectively 160 direct Vega contractors were covered on a monthly basis by the same system.

In 2022, no grievances related to safety issues were filed by representatives of the local communities relevant for Rompetrol Rafinare.

HAZARD IDENTIFICATION AND RISK ASSESSMENT

Romp petrol Rafinare has an internal risk assessment procedure in place, which establishes the most appropriate and effective methodology for the management of risks affecting occupational safety and health, in line with relevant legislation and standards in force. The "Identification and assessment of occupational safety and health risk factors" procedure describes the risk assessment addressing the executor - workload - means of production - work environment touchpoints, in terms of work safety (human and financial). The procedure follows three steps:

- the identification of risk factors for accidents and occupational illnesses;
- ranking the risk factors in relation to the potential severity of the consequences on the executor;
- identifying and prioritizing the prevention measures to be applied.

The assessment of the current level of risk considers both the specific manifestation of risk factors, as well as the maximum foreseeable consequences on the

Romp petrol Rafinare SA

integrity and health of the human body. According to the internal risk assessment procedures applicable to the refining operations, a detailed analysis of the workplace must be carried out by using the description of the technological processes and the work operations involved, job descriptions, free discussions with the job occupants, environmental factors analysis reports, norms, standards, and instructions / procedures for work safety.

The process of identifying and assessing the risks of accidents and occupational illnesses involves the following stages:

- determining the limits of the system, which includes the use for which it is intended as well as any foreseeable inappropriate use, to a reasonable extent;
- identifying any potential hazards and associated hazardous situations;
- estimating the risk for each identified hazard and hazardous situation;
- conducting risk assessment and subsequent decision making on the need to reduce risk;
- eliminating the danger or reducing the risk associated with the danger by establishing adequate protection measures.

The assessment of occupational safety and health risks (facility/section/sector/department), including for risk-sensitive groups, must be reviewed at least in the following situations:

- whenever there are changes or modifications in terms of technology, work equipment, substances or chemical preparations used or job role adjustments;
- after the occurrence of an event;
- when ascertaining the omission of certain risks or the appearance of new risks;
- for the execution of special works

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

In accordance with law no. 319/2006, health & safety committees are active throughout the Group's operations and business units, being comprised of management representatives, labor administration and employees, as well as union reps, looking to ensure full compliance with the applicable legislation, as well as to incorporate everyone's opinions on how KMG International can continue to improve health and safety.

Petromidia Refinery QHS Committee	Vega Refinery QHS Committee
General Director (President)	
HS Coordinator (Secretary)	
Employee management representatives with responsibilities for safety and health at work (Refinery Plant Director, Petrochemical Plant Director, Utilities Plant Director, Plant Inspection Director; OHSE Manager, HR Manager)	2 employer representatives with responsibilities for safety and health at work (Emergency Manager, Production Manager)
7 representatives of workers with specific responsibilities in the field of security and health	3 representatives of workers with specific responsibilities in the field of security and health
Doctor of Medicine	

The Committees operate according to the internal order for the establishment of OHS committees and the "Organization and functioning of the occupational safety and health committee" internal procedure. They meet regularly and minutes from each meeting are recorded and kept for future reference. In 2022, refining OHS committees within Petromidia and Vega had 4 meetings (quarterly).

Quarterly and annual meetings, in which the OHS activity is presented and discussed, address issues like medical activity, medical report, proposals / problems raised by workers regarding OHS, decisions, status measures, established actions, approval of OHS documents on which the workers / workers' representatives were consulted, depending on the situation. The meeting reports after every committee meetings are also emailed to employees to inform them of the discussions and outcomes. Furthermore, all OHS committee-related documents are also sent to the local labor authorities for record.

As part of the OHS processes and procedures, both refineries have an operational internal prevention and protection department, structured as follows:

Petromidia - 1 OHS – Emergency Situations Coordinator, 4 OHS specialists, 2 emergency technical staff;

Vega - 1 OHS coordinator, 1 Emergency Situations Manager.

Aside from the physical safety of the personnel operating in the refining unit, access and personal data safety are also regulated according to internal procedures ("Access to the Petromidia/ Vega platform") and GDPR (dedicated people, personal data storage location secured in a dedicated folder on the KMG server). GDPR applies both to Group employees, who must sign a personal data processing agreement, in line with GDPR provisions, as an addendum to their employment contract, as well as to contractors or subcontractors.

For example, to grant access on the Petromidia Platform to persons who do not have the quality of employees of RRC, MMT, Rominserv, RQC and RPET companies, including with cameras / video and / or with other equipment such as laptop, tablet, etc., they must fill in a personal information processing note agreeing to their personal data being processed by company operators.

Management is responsible for effectively communicating their commitment to OHS issues and encouraging employee participation in the OHS management system. It is the responsibility of all employees to communicate OHS concerns, unsafe acts, unsafe conditions, hazards, issues, and reward positive OHS behavior.

PROMOTION OF WORKER HEALTH

During the reporting period, 99.9% of the Petromidia workforce and 100% of Vega workers were subjected to the annual medical check-up, according to the Rompetrol Rafinare "Monitoring staff health" internal procedure. The Group's external collaborator for work-related medical services, Medlife, provides a wide range of services, which include:

- prevention and prophylaxis package: medical check-up at employment, periodic medical check-up (annually) and medical check-up at job change, resumption of work after accident, childcare time-off including emergency assistance;
- recommendations for additional clinical and para-clinical investigations;
- participation in the professional risk factors assessment team;
- free consultations and tests for different specialties annually;
- discounts on various consultations and lab tests for employees and family members.

In 2022, Petromidia Refinery recorded 1,632,526 worked manhours and 770,501 kilometers driven. With a Lost Time Injury Rate of 1.2 – considerable improvement from the 2.8 during the previous reporting period, Petromidia Refinery also recorded 2 DAFWC cases (1 worker suffered thermal burns on one leg after stepping in hot condensate while performing preliminary technological works for the planned shutdown of the Coker unit & 1 AFPE Operator suffered a fracture as a result of a fall), 9 non-occupational illnesses, 2 Near Miss incidents and 1 MVC. Of 911 nonconformities issued (internal inspections and external controls), 709 were closed (78% closing rate). No fatalities were recorded at Petromidia during the reporting period.

Vega recorded 339,482 worked manhours and 79,472 kilometers driven in 2022. No fatalities, or days away from work cases were recorded among Vega staff, however, 3 non-occupational illnesses were recorded. The refinery had a closing rate of 97% (241 NC issued vs. 234 closed) in 2022, up by 1% from the previous reporting period.

There were 30 authority inspections performed on the Petromidia platform during the reporting period, with USD 3,558 penalties applied. At Vega Refinery, authorities performed 13 inspections and applied penalties amounting to USD 10,920. No process safety events occurred within the operations of either refinery.

OHS TRAINING

The internal OHS Training procedure establishes the types of trainings and their frequency, the function responsible for carrying out the trainings and the specific topics to be approached.

The annual training of all employees is done in the on-line application IKNOW with online testing. Platform access training for contractors / subcontractors, entity employees is 1.5-2 hours (physical and online), while on-the-job training of employees is 8 hours (access and allocation of IKNOW courses and online testing). There are dedicated training instructors, with "train the trainer" courses performed.

The employee training process is inclusive and comprehensive, encompassing a broad spectrum of individuals within our organization. This includes not only our permanent staff but also new employees or those returning from corporate induction courses. The training extends to delegates, individuals participating in

internships, students, and pupils. We also ensure to train those involved in issuing and approving work permits, as well as contractor and subcontractor personnel. We have specialized trainings tailored specifically for personnel who issue and approve work permits, and for rescuers who operate across all platforms. These focused sessions equip them with the necessary knowledge and skills to carry out their duties effectively and safely. To prepare for potential emergency situations, we conduct scheduled drills. These exercises include practical simulations of scenarios such as fire outbreaks and other possible crises. This proactive approach ensures our preparedness to respond swiftly and efficiently to any emergency situation that might arise.

Training on access to the Platform is done on employment, periodically (according to internal procedures) or additionally (on a case-based need). Periodic training can be monthly / quarterly / once a semester, depending on the managerial position. It is recorded in the individual training file, according to the legislation, and must include the signature of the trained person and of the person performing the training (duration of 2 hours). The additional training is recorded in the individual training file according to the legislation and must also include the signature of the trained person and of the person performing the training (duration 8 hours).

In 2022, there were 133,095 hours of training recorded at Petromidia Refinery (contractors, subcontractors, rescuers, licensed issuers, annual retraining of own staff) and 24,824 training hours recorded at Vega Refinery, both showing an increasing trend from the previous reporting period. 403 QHSE audits and inspections were conducted at Petromidia and 104 at Vega refineries.

HSE Index & LTIR

2022	Safety incidents - numbers				Safety incidents - rates						
	HSE Index Actuals current months	Worked hours	Kilometers driven	FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
Production	0.003	1,972,008	849,973	0	2	0	1	0.0	1.0	0.0	1.0
Petromidia Refinery	0.004	1,632,526	770,501	0	2	0	1	0.0	1.2	0.0	1.2
Vega Refinery	0.0	339,482	79,472	0	0	0	0	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26

2022	Nonconformity issued	Nonconformity closed	QHSE training hours	Fire/emergency drill	QHSE audits/inspections
Petromidia Refinery	911	709	133,095	61	403
Vega Refinery	241	234	24,824	25	104

Rompetrol Downstream SRL Rompetrol Gas SRL Rompetrol Moldova SA

APPROACH TO SAFETY

Rompetrol Downstream and Rompetrol Gas, affiliated companies of Rompetrol Rafinare, and Rompetrol Moldova, comply with the ISO 45001: 2018 standard, which they migrated to in 2020. This standard focuses on the context of the organization determining the relevant stakeholders (business environment, community) for occupational OHS management.

In conformity with ISO 45001 and QHSE requirements, there are procedures and work instructions in place pertaining to relevant activities, risk assessments, HSE trainings. The OHS regulations primarily address workers and describe how certain activities must be performed safely. They refer to topics like:

- Consulting employees
- Carrying out medical check-ups
- Providing basic first aid
- Safety instructions for weight handling
- Receipt and sale of fuels (gasoline, diesel, LPG)
- Safety instructions for working at heights
- Operation of distribution pumps

While the companies do not participate in national or international forums addressing health and safety practices, they closely follow any updates in legal requirements, and make sure their activities are in full compliance with the applicable international and local regulations, as well as Group policies and procedures.

The factors considered in the development and implementation of the health and safety management system governing the activity of all Rompetrol Downstream, Rompetrol Gas and Rompetrol Moldova work points reflect not only the level of compliance, but also the commitment of the companies in providing a secure working environment and safe operating conditions with positive impact on employees, customers, and the community:

ORGANIZATIONAL FACTORS

- 1. Safety culture of the organization** – promoted through awareness campaigns to make sure employees fully understand it;
- 2. Resources** (human and financial);
- 3. Work patterns** – such as shift systems, night shifts or extended hours;
- 4. Communication** – various communication methods to convey health and safety messages and relevant information to the workforce;
- 5. Level of supervision and responsibilities** – In both Rompetrol Downstream and Rompetrol Gas, companies that undertake fuel storage and distribution, the presence of competent supervisors to oversee the work is critical to prevent both rule-breaking behavior and human error.

JOB FACTORS

- 1. Environment** – workplace conditions such as space, lighting, noise, temperature and humidity and the way that these parameters are controlled so as to minimize their impact on worker performance;
- 2. Displays and controls** – their design, and the way poorly designed displays and controls can contribute to the likelihood of human error;
- 3. Procedures** – the existence and quality of work procedures. If there is a lack of written procedures, or if they are poorly written, out of date, overly complex or impractical, workers may not comply;
- 4. Health and safety training.**

To improve safety, health, and security practices, we follow a full transparency policy, which involves informing clients of our ISO certifications, our OHS management system and QHSE Policy.

Furthermore, investment projects regarding the implementation of new technologies (electric charging, replacement of old work equipment), regular revision of OHS regulations, monthly regulatory information, QHSE global alerts and a comprehensive incident investigation report and measure plan add to the policies and procedure in place and contribute to the improvement of our OHS practices.

GRI

GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4

SASB

EM-MD-540a.1
EM-MD-540a.2
EM-MD-540a.3
EM-MD-540a.4

IPIECA

SHS-1 C1-C3, A1-A3
SHS-2 C1, C2, A1-A4
SHS-3 C1, C3, A1-A3
SHS-4 C1, C2, A1, A4, A5
SHS-5 C3
SOC-12 C1, C2, A1

Initiatives to improve safety performance

- Involvement of employees (employee representatives) in safety activity and risk assessment
- Analysis of risks and opportunities for improvement
- BBS (in application)
- HSE and Operational inspections
- Wearing protective equipment
- Supplier evaluation
- Concluding Health and Safety - Environmental agreements with dealers and suppliers
- HQ staff training with "I Know" application
- Investment projects regarding the implementation of new technologies (electric charging, replacement of old work equipment)
- Revision of HS regulations
- Monthly ISU info
- QHSE Global Alert
- Incident report investigation and threat mitigation plan

Regarding our contractor & supplier base, health and safety competences also weigh in the selection process. Our requirements include the provision of specific documentation such as: a copy of their health and safety policy, examples of risk assessments and method statements, the qualifications and training records of staff, membership in a professional organization or certified body, names of previous or current clients to use as references, accident history records etc. QHSE audits and inspections also address our supplier and contractor base to make sure all standards are met.

The transport of people, general goods and fuels is carried out by an external company. Agreements with this third party include specific health & safety provisions. Specific measures are taken to improve transport safety, including fire prevention exercises carried out by local fire brigades in warehouses and in some fuel distribution stations, discussions with authorities regarding the application of legal requirements, external audits on transportation safety issues or informing transport companies about potential safety transportation improvements.

To extend health initiatives to local communities and other stakeholders we send our QHSE policy to customers, together with regular information on the activity and management of hazardous substances, we have constant written communications with local authorities, and we inform the public about the initiatives we carry out in various localities.

HAZARD IDENTIFICATION & RISK ASSESSMENT

The risks of accidents and occupational diseases are identified and evaluated for all work points and the Prevention and Protection Plan is drawn up to detail the technical, organizational and first aid measures required. The investigation of work accidents is carried out in accordance with Law 319/2006 and GD 1425/2006. In addition, the KMG International Group QHSE procedure sets the standards and direction for conducting internal investigations of specific situations identified.

We have risk assessments for every position in the employee hierarchy and our risk assessment procedures also expand to our suppliers, who are assessed in terms of OHS, technical and financial requirements in the tender/selection procedure. Some of the OHS requirements have an eliminatory character. Subsequently, throughout the course of the contract, suppliers are evaluated at set time intervals established in the contract. Each service contract is attached to the OHS convention, which delimits the OHS and Emergency Response responsibilities between the supplier and the beneficiary.

To review our assessment and management of process safety risks, we consider the required resources, the type of risk analysis measures to be used, the stakeholders involved and the relevant laws, regulations, or standards that may apply, along with the organizational policies and procedures already in place.

Every year, local authorities carry out SEVESO inspections on the 6 depots operated by Rompetrol Downstream and the 3 depots operated by Rompetrol Gas. Following each inspection, findings are submitted to the SEVESO authorities and a specific plan for updates and improvements is implemented, setting clear responsibilities and deadlines. Other types of controls are also carried out regularly by Local Labor Inspectorates, while specific assessments of gas stations' activity are carried out by authorities like the State Inspection for the Control of Boilers, Pressure Vessels and Lifting Installations (ISCIR), Local Metrology Offices, Water and Environmental Agencies, the National Research & Development Institute for Mining Safety and Protection against Explosions (INSEMEX).

Regarding Rompetrol Moldova, every year local authorities perform inspections on process safety events based on authorities' checklists. Each finding is included in a risk mitigation program with clear responsibilities and deadlines for implementation. After implementation a follow-up report & dedicated communication is shared with the authorities.

In 2022, Rompetrol Downstream received 3 grievances from local communities regarding noises produced by fuel station or depot equipment (locations within or in the proximity of residential areas). All grievances were addressed according to internal rules and regulations. One grievance was already closed, while two are still undergoing analysis and pending resolution.

During the reporting period, there were no grievances filed by local communities with regards to the operations of Rompetrol Gas or Rompetrol Moldova. Moreover, all natural gas and hazardous liquids pipelines were inspected and there were no pipeline incidents nor any accident or non-accident releases from rail transportation within Rompetrol Downstream, Rompetrol Gas or Rompetrol Moldova. Every day, the Warehouse Manager performs a visual inspection of the pipelines and piping installations in line with the provisions of our internal Preventive Maintenance Program. Also, according to the Program, all equipment is checked regularly by an authorized supplier, whose control reports are then submitted for further verification to the responsible company staff.

Management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles have been implemented within Rompetrol Downstream, Rompetrol Gas and Rompetrol Moldova for both depots and gas stations, as follows:

- **Depots** - automation of fire extinguishing systems in warehouses (meetings with designers, approval of projects by the Emergency Situations Inspectorate (ISU), verification of implementation status by ISU.
 - Rompetrol Downstream SRL – 90%
 - Rompetrol Gas SRL – 100%
 - Rompetrol Moldova SA – 50%
- **Gas stations** - automation of fire preventive system and technical equipment for firefighting (extinguishers) in each Rompetrol gas station. All equipment and extinguishing systems are periodically inspected and duly replaced at the end of their life cycle.
 - Rompetrol Downstream SRL – 100%
 - Rompetrol Moldova SA – 95%

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

The participation and consultation of workers is carried out through their elected representatives, in line with ISO 45000 requirements. Employee representatives participate in OHS Committee meetings, OHS inspections, internal and external audits, and they are consulted regarding the choice of PPE. They are engaged in OHS actions at entity level.

Workers are encouraged to report dangerous situations so that corrective and preventive action can be taken. All these aspects are included in the meeting reports of the regular OHS Committee meetings, which take place quarterly, according to the legal requirements imposed by the national legislation in force and the Group's internal OHS policies and procedures.

Also, there are Safety Management Meetings, Safety Committee (CSSM) and Operational Meetings with the GM and middle management, Operational Meetings between departments regarding the health and safety budget, projects, and requirements from local authorities.

Leading indicators that focus on prevention of safety incidents and lessons learned are communicated via incident analyses and reports, inspections, various communication processes within different relevant departments, QHSE Info Alert, email to staff and information to Top Management. Awareness campaigns are also used to consolidate safety culture and engage workers. For example, in all warehouse offices, Group safety indicators from the previous reporting period are displayed for all workers to see, alongside informative and motivational messages encouraging their participation in OHS activities.

Rompetrol Downstream / Rompetrol Gas QHS Committee
General Director (President)
QHSE Coordinator (Secretary)
3 employees representing the workers on safety and health matters
3 employees representing the organization on safety and health matters
Doctor of Medicine

Work instructions, First Aid instructions, Risk register, Periodical medical check, Periodical QHSE Reports, Regular Inspections are provided by the QHSE Operational Force and local authorities.

In managing workforce participation in safety, health and security, we apply the PDCA circle is applied following the main steps below:

- Involve everyone in health and safety knowledge based on periodical training sessions and OHS information;
- Identify hazards in the workplace;
- Assess risks;
- Control risks;
- Review controls;
- Record and report safety issues;
- Support return to work;
- Make workplace healthier;
- Regular exercises for fire situations.

PROMOTION OF WORKER HEALTH

All retail entities seek to promote worker health through a variety of measures, including:

- ensuring the appropriate PPE in the workplace for all staff;
- adopting technologies that do not cause harm at work and do not expose workers to risks of injury and occupational disease;
- promoting OHS culture through meetings with medical staff on different topics, safety awareness (QHSE Info, Safety Posters, Pictograms, COVID-19 presentations), periodical information by email throughout QHSE Department and HR Department;
- online meetings regarding promotion of OHS;
- encouraging more physical exercise;
- focusing on general prevention (avoid long sitting intervals, regular breaks).

Rompetrol Downstream and Rompetrol Gas have a contract with private healthcare provider MedLife for occupational health services. All medical check-ups for new employees and periodical medical check-ups for all roles in activity are validated by the HR and QHSE Departments (process applied throughout 2019-2022).

During the reporting period, all Rompetrol Moldova employees were voluntarily insured in case of any occupational incidents. Also, all company employees carry

out an annual medical check-up in medical units in the country in accordance with the risks they are exposed to in their daily activity.

Since the beginning of the COVID-19 pandemic (March 2020), Rompetrol Downstream, Rompetrol Gas and Rompetrol Moldova have been keeping a daily record of people infected with Sars-COV-2. Also, specific measures have been taken to mitigate the impact of the SARS-CoV-2 infection, from the development and implementation of specific prevention measures and work continuity plans to daily health monitoring and individual testing programs, constant information updates on epidemiological evolutions and applicable legislation. Measures were adapted according to epidemiological evolution and relaxation of restrictions.

In 2022, there were no events that would qualify as a work accident and / or occupational illness recorded by Rompetrol Gas. No work-related injuries were recorded either, a trend which can be noticed in the previous years as well. Also, there were no work-related workforce (employee or contractor) fatalities caused by transport incidents and no MVCs during the reporting period or the previous years included in the comparative analysis represented graphically for the two companies. Moreover, Rompetrol Gas had a 100% NC closing rate.

Rompetrol Downstream, however, recorded one DAFWC incident (while trying to connect a hose to one of the wagons, one worker slipped on the grating mounted over the retention tank at the CF ramp and sprained an ankle) and 5 light MVC incidents, without any injuries. Throughout the reporting period, Rompetrol Downstream recorded 780,812 worked manhours and 3,818,414 kilometers driven. Of the 539 nonconformities issued during the reporting period, 499 were closed (92.6% closing rate).

Neither of the two companies recorded any fatalities or injuries related to any transport incidents during the reporting period.

In 2022, Rompetrol Moldova recorded no events that would qualify as a work accident and / or occupational disease. As a result, its HSE Index regarding safety incident report from 2022 is 0. However, there were 2 FAC and 1 MVC cases, as well as 3 property damage and 1 non-occupational illness recorded during the reporting period. None were classified as major incidents.

HSE Index & LTIR

	HSE Index Actuals			Safety incidents - numbers				Safety incidents - rates			
	current months	Worked hours	Kilometers driven	FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
2022											
Retail and Marketing	0.001	4,968,129	6,377,226	0	1	0	6	0.00	0.20	0.00	0.20
Rompetrol Downstream SRL (Romania)	0.00	780,812	3,818,414	0	1	0	5	0.00	1.28	0.00	1.28
Rompetrol Bulgaria EAD	0.0	148,015	636,508	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Georgia LTD	0.0	1,913,181	491,365	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Moldova SA	0.0	1,949,019	1,385,939	0	0	0	1	0.0	0.0	0.0	0.00
Rompetrol Gas SRL (Romania)	0.0	177,102	45,000	0	0	0	0	0.0	0.0	0.0	0.00
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26
2021											
Retail and Marketing	0.00	5,067,972	7,726,235	0	1	0	0	0.00	0.20	0.00	0.20
Rompetrol Downstream SRL (Romania)	0.00	783,499	5,040,355	0	1	0	0	0.00	1.28	0.00	1.28
Rompetrol Bulgaria EAD	0.0	140,396	626,207	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Georgia LTD	0.0	1,964,159	513,020	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Moldova SA	0.0	2,008,279	1,413,024	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Gas SRL (Romania)	0.0	171,639	133,629	0	0	0	0	0.0	0.0	0.0	0.00
Group total year-to-date Dec. 2022	0.14	10,929,315	13,294,732	3	5	0	2	27.45	0.46	0.00	0.46
2020											
Retail and Marketing	0.00	4,924,258	7,071,459	0	0	0	4	0.00	0.00	0.00	0.00
Rompetrol Downstream SRL (Romania)	0.00	779,489	4,163,935	0	0	0	4	0.00	0.00	0.00	0.00
Rompetrol Bulgaria EAD	0.0	143,010	619,081	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Georgia LTD	0.0	1,787,970	641,193	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Moldova SA	0.0	2,041,906	1,516,051	0	0	0	0	0.0	0.0	0.0	0.00
Rompetrol Gas SRL (Romania)	0.0	171,883	131,199	0	0	0	0	0.0	0.0	0.0	0.00
Group total year-to-date Dec. 2022	0.091	11,877,026	13,359,620	0	3	1	15	0.00	0.25	0.07	0.25
2019											
Retail and Marketing	0.00	4,541,470	9,376,626	0	0	4	-	0.00	0.00	0.00	-
Rompetrol Downstream SRL (Romania)	0.00	749,132	6,108,292	0	0	2	-	0.00	0.00	0.00	-
Rompetrol Bulgaria EAD	0.0	134,260	803,551	0	0	0	-	0.0	0.0	0.0	-
Rompetrol Georgia LTD	0.0	1,480,065	696,253	0	0	0	-	0.0	0.0	0.0	-
Rompetrol Moldova SA	0.0	2,005,525	1,581,803	0	0	2	-	0.0	0.0	0.0	-
Rompetrol Gas SRL (Romania)	0.0	172,488	186,727	0	0	0	-	0.0	0.0	0.0	-
Group total year-to-date Dec. 2022	0.09	11,545,469	15,918,962	0	3	11	-	0.00	0.26	0.06	-

To encourage the adoption of healthier lifestyles, including nutrition, fitness and awareness of health risk factors, several staff needs are duly accommodated:

- **Space** – provision of adequate space to allow workers to perform the task safely;
- **Seating** - provisions of appropriate seating where work tasks allow;
- **Ventilation** – provision of a sufficient supply of fresh or purified air;
- **Heating** – maintenance of a reasonable temperature in the workplace;
- **Lighting** – provision of adequate lighting;
- **Noise** – provision of controls to reduce noise;
- **Drinking water** – access to clean drinking water. If non-drinking water is also available then supplies are clearly labelled to distinguish between the two;
- **Toilet facilities** – access to a sufficient number of toilets for the number of workers;
- **Changing rooms** – suitable changing facilities for workers to change into PPE's or uniforms;
- **Group initiative and programs** (online, offline), provided by the HR department.

OHS TRAINING

In compliance with GD 1425/2006 and Law 319/2006, Rompetrol Downstream and Rompetrol Gas, respectively Rompetrol Moldova, in compliance with Law 186/2008, provide regular OHS training and induction training.

- OHS training at employment and periodically, depending on the job, for a number of about 440 workers (Rompetrol Downstream), respectively 100 workers (Rompetrol Gas) and 1,040 workers (Rompetrol Moldova)
- additional training depending on the occurrence of new risks (e.g.: risk of infection with biological agents, SARS-CoV-2).

Trainings are carried out directly, face-to-face on site, and, for the staff working from home, through the IKNOW IT application. Training materials and all health & safety information are transmitted by email in all working points and monitoring is conducted via discussions with the staff during controls and via annual testing of Safety and Emergency knowledge.

Gas station /warehouse managers perform monthly OHS training with employees, covering specific potential risks and scenarios, including:

- Fire at the technical annex - storage of materials and spare parts;
- Fire at the administrative headquarters - analysis laboratory;
- Fire at the TGD switchboard;
- Location affected by earthquake;
- Fire in the shunting locomotive;
- Fire in the dry vegetation inside and outside the station;
- Fire at the pump platform - operator's cab;
- Massive fuel leaks at a CF tank;
- Fire at the car ramp while loading a tanker car.

Regarding Rompetrol Downstream gas stations, the working staff is employed by the dealer and the OHS activity is coordinated by external prevention services. However, in accordance with the contractual requirements between the dealer and Rompetrol Downstream, the dealer is obliged to comply with the safety instructions issued by Rompetrol Downstream. Periodically, the Operations department and the QHSE department carry out checks and inspections in the fuel distribution stations. Also, there is a program in place to verify compliance with OHS requirements by Management, Operational and QHSE Departments. At the same time, there are regular controls and inspections carried out by local authorities with OHS competences.

Given the nature of the activity and the associated risks, there are regular practical exercises regarding firefighting prevention carried out in Rompetrol gas stations, which include:

- Fire ignition in client's car, fuel truck and discharge mouth;
- Fire in the bottle racks and LPG Skid;
- Fire at the TGD switchboard;
- Location affected by earthquake;
- Fire at the pump platform - operator's cab;
- Fire at the technical annex - storage of materials and spare parts.

Furthermore, to improve transport safety, fire prevention exercises are carried out by local fire brigades and external audits on transportation safety issues are performed regularly. Also, an open dialogue is maintained with local authorities regarding the application of legal requirements and transport companies are informed about transportation safety potential improvements based on experience and feedback.

Leading indicators that focus on prevention of transport safety incidents are communicated through inspections, incident & investigation reports, information to top management, process communications.

21,702 QHSE training hours and 75 fire drills were carried out by Rompetrol Downstream during the reporting period, while Rompetrol Gas recorded 316 QHSE training hours and 13 fire drills. More than 2,000 QHSE audits and inspections were performed within the DWS network and 5 within Rompetrol Gas operations. Rompetrol Moldova recorded 20,140 QHSE training hours and 1,004 fire drills.

2022	Nonconformity issued	Nonconformity closed	QHSE training hours	Fire/emergency drill	QHSE audits/inspections
Rompetrol Downstream SRL (Romania)	539	499	21,702	75	2,151
Rompetrol Bulgaria EAD	45	42	390	27	632
Rompetrol Georgia LTD	108	58	1,204	9	69
Rompetrol Moldova SA	432	417	20,140	1,004	152
Rompetrol Gas SRL (Romania)	36	36	316	13	5



GRI
GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4

SASB
EM-MD-540a.1
EM-MD-540a.2
EM-MD-540a.3
EM-MD-540a.4

IPIECA
SHS-1 C1-C3, A1, A2
SHS-2 C1, C2, A1, A5
SHS-3 C1, C3, A1-A3
SHS-4 C1, C2, A1, A4, A5
SHS-6 C3
SOC-12 C1, C2, A1

APPROACH TO SAFETY

Rompetrol Bulgaria has an integrated Occupational Health and Safety Management system, implemented as per ISO 45001 and law 319/2016, to consolidate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles. The company was successfully recertified for the ISO 45001 standard in 2022, along with ISO 9001/2015 - Quality Management System and ISO 14001/2015 - Environmental Management System. Rompetrol Bulgaria's objective is zero accidents and zero occupational illnesses.

The OHS integrated system and corresponding internal policies apply to both own personnel and contractors, specific requirements for the latter being included in the local "Working with contractors" procedure.

Safety procedures are constantly reviewed, to ensure optimum operations. Also, annual internal inspections and safety audits are conducted. Moreover, the performance of our own equipment, personnel, contractors and subcontractors is analyzed on a regular basis. The conclusion of the data analyzed can result in actions like revision of the procedures / method statement / work instructions or risk registry, and results can be used for the improvement of available policies and procedures. Furthermore, an observation and nonconformity register is in place to follow specific KPIs regarding company and contractor performance.

Regarding our contractors' OHS performance, safety principles apply throughout the entire process, from procurement, to delivery of goods and services. An initial OHS assessment of contractors is performed in the procurement stage, when relevant documents are required - ISO management system availability certification and HSE Policy, information on work-related incidents in the previous year. Certain activities and indicators are monitored regularly, such as the number of worked manhours, driven kilometers, occupational accidents, incidents and near misses or training hours.

QHSE requirements are included in the contract, along with safety agreements which state the obligations regarding specific tasks needed to be performed. Also, if a contractor's work involves hot works, a work permit is issued on site and the local Fire Brigade is informed through reports on the performed hot works. Each contractor must conduct their own risk assessment re-

Rompetrol Bulgaria EAD

garding the performed tasks and share with Rompetrol Bulgaria designated personnel.

HAZARD IDENTIFICATION & RISK ASSESSMENT

Rompetrol Bulgaria has updated its risk assessment of all processes, to ensure an optimized risk control, in alignment with legislative updates and amendments, including specific provisions during recent years addressing the management of infectious diseases, such as COVID-19.

Risks are identified and assessed for each activity, using Job Safety Analysis and risk assessment for hazardous activities performed in special conditions. The Group's "stop work" with no blame for employees QHSE responsibility policy is applied.

For process safety risks, root cause analyses are performed for any type of process failures and lesson learned are communicated to all relevant parties. The elements include in the analysis address the required resources, the type of measures to be applied, the stakeholders involved and the relevant laws, regulations, or standards that may apply in our jurisdiction, as well as the existing organizational policies and procedures.

Incident and accident investigation activities are conducted according to Group procedure, with an incident investigation report and a follow-up system. A Protection and Prevention plan is developed after each job risk assessment, in compliance with legal requirements. If accidents occur, they are reported to the Labor Inspectorate and the National Insurance Institute, and preventive and corrective measures are taken. For its every location of operations, Rompetrol Bulgaria has an Emergency & Disaster Plan in place, which includes occupational health and safety measures, as well as fire safety provisions, covering all preventive and corrective measure in case of fire from different causes. This is shared with local authorities, and they represent public interest information, which can be accessed by any interested party according to local legislation.

To improve safety performance, specific initiatives are implemented:

- Constant monitoring of legal requirements pertaining to occupational health & safety via specially developed online platform - "APIS";

- Communication of all new or amended requirements to all relevant personnel within the organization;
- All site locations, including offices and Ruse Depot are equipped with the latest firefighting equipment available, fire alarms, emergency fire safety masks, fire extinguishers and record every incident according to the applicable legislation and internal policies and procedures;
- Both the truck and railway ramps in Ruse Depot have lifelines and safety harnesses installed;
- Cleaning of the Danube's south shore of vegetation and obstacles to ensure safe work between shore and the pontoon at Ruse Depot;
- Involvement of employees (employee representatives) in safety activities and risk assessment;
- Use of "Global Warning card" for incidents occurred inside and outside the organization;
- Monitoring of physical parameters in the workplace;
- Incident reports & investigations;
- Internal Audit – Work instructions, Procedures, Site inspection check list for safety and environmental topics;
- HOC – Hazard Observation Card – developed in Microsoft Forms;
- BBS Work & BBS Drive - Behavior Based Surveys on KMG platform;
- HSE internal communication through safety Committee statements, information and decisions, disseminated via Microsoft Outlook application.

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

Rompetrol Bulgaria has a Safety Committee where employee representatives discuss current safety risks or issues, as well as future concerns or measures to be implemented. The Safety Committee convenes on a monthly basis as per KMG International policy. It also holds quarterly meetings according to Bulgarian legal requirements.

Occupational health and safety cooperation issues concerning a broad category of employees and the workplace, in general, are handled within the Safety Committee or in a similar cooperative body. The main tasks of the occupational safety committee include monitoring the implementation of the occupational health, safety and well-being policy and proposing solutions for health & safety improvements. It is also the Safety Committee's responsibility to make proposals concerning the organization of occupational health and safety trainings and work guidance and orientation sessions, and to participate in actions promoting the employees' working capacity.

Within its integrated management system, Rompetrol Bulgaria has developed specific work tools to encourage employee engagement in occupational health and safety activities and decisions:

- Internal audits and monthly site inspections;
- BBS Work & BBS Drive - Behavior Based Surveys on KMG platform;
- HOC – Hazard Observation Card – developed in Microsoft Forms;
- Lessons learned and Global Warning Reports.

PROMOTION OF WORKER HEALTH

Rompetrol Bulgaria monitors all physical work parameters in compliance with the applicable legal requirements. Aside from the most frequent OHS parameters, the company also regularly monitors the microclimate on work premises, the resistance of the electrical insulation of the current-carrying parts in relation to the accessible current-carrying parts of the electrical equipment, including the receivers of electrical energy, protection against zero-sequence currents, impedance Zs of the loop "Phase-protective" conductor, noise levels at the workplace and in the surrounding environment.

Preventive medical services are provided by an external party, registered in compliance with the local regulatory requirements. The occupational medicine service provider conducts preliminary medical checks of new employees for health status identification and monitoring, periodical medical checks and annual health status analysis for each Rompetrol Bulgaria employee. The Analysis Report includes recommendations for additional medical checks in case any medical condition or complication is detected.

Rompetrol Bulgaria ensures access to drinking water for all its employees. Sanitary-hygienic equipment is provided monthly, such as hand and surface disinfectants, surgery gloves, surface disinfectants and detergents, etc. All employees have access to adequate bathroom facilities, changing rooms and lockers, and PPEs.

During the reporting period, 3,316 external employees were covered by the provisions of Rompetrol Bulgaria's integrated occupational health and safety management system and no work-related injuries were recorded. There were 120 non-occupational illnesses (COVID-19) recorded during the reporting period, compared to 80 in 2021.

4 Property Damage and 5 Near Miss cases were recorded in 2022 for which all corrective and preventive measures were taken, as follows:

Truck fire in Nova Zagora 2 gas station

- Incident report;
- Gas station to be equipped with additional fire extinguishers, over the legally imposed threshold;
- Specialized training focused on extinguishing vehicle fires planned for the gas station personnel.

Defective access to fire hydrant at Dupnitsa gas station impeding the Fire Brigade's fire truck refill

- Incident report;
- Check and exchange fire hydrant valve to restore use;
- Install new fire hydrant if restoration is not possible.

Vehicle fire

- Incident report;
- Additional fire extinguishers were already supplied after a similar prior incident at the gas station.

Truck crash into gas station

- Incident report.

Client slip & fall

- Incident report;
- Extraordinary instruction on the incident with focus on the small spills cleaning;
- Replacement of metal shaft with new type and model with increased anti-slippery properties;
- Reimbursement of client's medical costs.

In terms of transport safety, Rompetrol Bulgaria has a "Defensive driving policy" in place, and also implements the "Incident investigation" Group procedure. The training matrix of company car drivers includes the fit for work certificate and training with the "Allocation and use of company cars" procedure. In 2022, Rompetrol Bulgaria recorded no fatalities or injuries caused by transport incidents, having a zero MCV rate.

No process safety incidents were recorded and no grievances from the local communities identified during the reporting period. Of 45 NC issues in 2022, 42 were closed (93.3% closing rate).

OHS TRAINING

The company's OHS management system also comprises a dedicated training procedure, which includes a set of mandatory trainings listed below.

Rompetrol Bulgaria developed a training procedure integrated in management system that states the following necessary trainings:

- initial and Periodical induction training for all employees;
- initial training for contractors / subcontractors;
- initial, periodical and daily induction for gas station personnel, in compliance with legal requirements;
- training plan for Rompetrol Bulgaria Head office employees and Depo Ruse staff (including QHSE, emergency situations, natural disaster response, COVID-19 response, SEVESO);
- specific training on electrical matters, provided by an external consultant, in compliance with legal requirements.

There is a safety agreement in place between Rompetrol Bulgaria and its contractors and subcontractors, which addresses existing workplace safety risks. In 2022, 390 training hours were performed across company locations, along with 27 fire/emergency drills.

Romp petrol Georgia LTD

Romp petrol Georgia was recertified in 2022 for the ISO 14001, ISO 18001 and ISO 45001 standards. Its integrated QHSE management system covers 694 employees (all employees are hired staff members, except for subcontractors). Subcontractors are issued work permits following preliminary OHS training.

A thorough risk assessment is performed regarding several types of activities, followed by a Prevention and Protection Plan aimed at providing a safe work environment for company staff. These are updated on a regular basis and in full compliance with the local legislation.

Potential risks are analyzed in relation to activities like:

- Fuel discharging operations at the fuel stations/oil depot;
- Fuel selling operations within the fuel distribution stations;
- Fuel transportation (by subcontractor);
- Maintenance or renovation works;
- Cleaning work of outside infrastructure (work at height).

In 2022, Rompetrol Georgia recorded 1,913,181 worked manhours and 491,365 kilometers driven, and

no work-related injuries. There was 1 property damage, caused by a serious motor crash occurred in a gas station between two third party vehicles. There were no injuries among the employees, only minor material damage. Two third party drivers suffered minor injuries.

During the reporting period, there were 1,204 training hours and instructions on OHS issues (fire safety, PPE usage, hazardous waste, etc.) provided to Rompetrol Georgia personnel and 0 fire/emergency drills.

No negative impacts or grievances from the local communities were identified, however, in December 2022, Rompetrol Georgia received a financial fine from the local Fire Safety Inspection due to failure to meet fire safety requirements on the premises of a few fuel distribution stations (1500 gel – approximately USD 580). Of the 108 nonconformities issued during the reporting period, 58 were closed (53.7% closing rate).

To improve its safety performance, Rompetrol Georgia plans to implement new safety procedures, monitor staff safety and hazardous activities, implement safety performance KPIs, conduct thorough risk assessments and perform extensive safety trainings.

GRI

GRI 403-1
GRI 403-2
GRI 403-5
GRI 403-8
GRI 413-2
GRI 416-2

IPEICA

SHS-1 C2, A2, A3
SHS-2 C1, A4
SHS-3 C3
SOC-12 C1, C2, A1

GRI

GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4

IPEICA

SHS-1 C1-C3, A1, A2
SHS-2 C1-C3, A3
SHS-3 C1, C2, C4, A1, A2, A4
SHS-4 C1-C3, A1
SHS-6 A4
SOC-12 C1, C2, A1

APPROACH TO SAFETY

Both Rominserv and Rompetrol Energy develop OHS operations according to an occupational health and safety management system developed in compliance with ISO 45001 and law 319/2016.

During the reporting period, Rominserv, "turnkey" industrial solution provider of KMG International was certified and recertified for several QHSE standards including:

- ISO 9001 / 2015 - Quality Management System
- ISO 14001 / 2015 - Environmental Management System
- ISO 45001 / 2018 - Occupational Health and Safety Management
- ISO 50001/ 2018 - Energy Management System
- SCC** / 201 - Contractors Management System.

Romp petrol Energy, a rather new company on the market, established to carry out the development of the cogeneration plant on Petromidia platform, obtained certification on the following ISO standards:

- ISO 9001 / 2015 - Quality Management System
- ISO 14001 / 2015 - Environmental Management System
- ISO 45001 / 2015 - Occupational Health and Safety Management.

Their integrated occupational health and safety management system is constantly improved by continuous assessment via internal audits and follow-ups. Moreover, the companies have specific contracts in place with external prevention and protection services for the implementation of HSE requirements, like SEVESO III and firefighting system assessment. As additional control measure, there is also a program in place to verify compliance with HSE requirements by Management, Operational Departments and QHSE.

OHS performance indicators are monitored weekly, to analyze the performance of own equipment, employees and contractors / subcontractors. The conclusion of the data analyzed can result in actions like revision of the procedures / method statement / work instructions or risk registry update, notification of the 3rd parties as per HSE Convention.

Rominserv SRL Romp petrol Energy SA

Both companies incorporate cultural and human factors into process safety, including leadership, risk awareness and employee development through dedicated actions like:

- Internal communication on 1 Life / 1 Viata program
- QHSE Inspections
- Local authorities' inspections
- Incident monitoring
- Audits & reports
- Mitigation/ Prevention & Protection plans.

During the reporting period, the OHS management system covered 1,200 Rominserv external employees and 2,953 Rompetrol Energy external employees.

HAZARD IDENTIFICATION & RISK ASSESSMENT

The companies regularly update their risk assessment register for their operational processes to ensure compliance with applicable regulations and best practices:

- for own staff, the competency of employees is ensured during the recruiting process in accordance with the job description. The process is continuous, with trainings held on a yearly basis;
- for contractors, the competency process is established from the contract signing stage, with the HSE Convention and records of the certification of the contractor/ subcontractor's employees prior to any activities carried out on site.

Contractors are assessed by the formula:

$$P \text{ QHSE} = \text{Input data} / \text{LEA}$$

Input data: accidents/incidents/NC vs. positive actions

LEA – number of working hours performed by contractor for evaluated month per number of working hours from evaluated month.

Contractors' management is stated in the "Operational Control" procedure. The management of contractors is done under the Plan Do Check Act philosophy, which starts with audits at the bidding stage, continues with HSE Conventions attached to the general services agreement, and constant monitoring during the activities performed on site.



The companies use a Permit-to-Work (PTW) system where the risk is identified and assessed for each activity performed by using Job Safety Analysis and Risk assessment for hazardous activities performed in special conditions. They apply the Group QHSE responsibility policy, that is a best practice policy for "stop work" with no blame for employees. Incident and accident investigation activities follow Group procedure with an incident investigation report and a follow-up system.

Internal inspections and safety audit programs are conducted annually. Also, an observation and nonconformity register is in place to follow KPIs for both company and contractor performance. A Protection and Prevention Plan is developed according to legal requirements, after each job risk assessment.

The biological factors risks are assessed in the risk assessment plan per internal job place, done by a specific committee including a medical specialist and brought to the attention of employees.

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

The integrated management system includes 4 tools for workforce engagement and participation in safety, health and security:

- **Safety Audit** – workplace behavior audit, developed in an intranet app
- **HOC** – Hazard Observation Card – developed in Microsoft Forms
- **BBS Work** – Behavior Base Survey for workplace on KMG platform
- **BBS Drive** – Behavior Base Survey for driving on KMG platform.

Occupational health and safety cooperation issues concerning a broad category of employees and the workplace in general are handled in the occupational safety committee or in a similar cooperative body. The Safety Committee is organized on a monthly basis as per KMG policy. However OHS Committee meetings are also held quarterly as per Romanian law requirements, in the presence of employee representatives and an OHS doctor.

The main tasks of the occupational safety committee include making OHS development and improvement proposals to the employer, monitoring the implementation of the occupational safety and health policy and internal procedures, along with OHS training and employee engagement.

PROMOTION OF WORKER HEALTH

Employees' health is assessed on regular basis, with full GDPR compliance. 100% of the staff benefits from regular medical check-ups in accordance with the applicable legislation. Medical services provided by Medlife, the Group's 3rd party occupational health services provider, include emergency situations services, occupational health services and private insurance for additional medical check-ups. According to the contract, health services are performed by competent persons certified by the Ministry of Health and Ministry of Education.

Medical facilities on the premises are available for staff / contractors / subcontractors for medical emergencies. When it comes to own staff, employees also benefit from private insurance/subscription in the Medlife healthcare system.

Contractors and subcontractors must have health certificates approved by a certified doctor. No register of official documents are drawn in the process of auditing contractors, only nonconformities resulted in the presence of company representatives. All records are submitted to CONCAWE European Center.

Worker health management is promoted as part of internal communication programs, via internal decisions and announcements to the entire workforce. Safety indicators are reported quarterly by both staff and contractors/subcontractors.

In 2022, there were no process safety incidents or grievances from the local community recorded by either Rominserv or Rompetrol Energy.

Due to adhering to the "Defensive driving policy", Group procedure and the BBS for company cars implemented, there were no fatalities or MCV cases caused by transport incidents in 2022. Moreover, neither of the two companies recorded any work-related injuries during the reporting period.

2022	HSE Index & LTIR			Safety incidents - numbers				Safety incidents - rates			
	HSE Index Actuals current months	Worked hours	Kilometers driven	FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
Industrial Services	0.0	1,236,332	1,487,365	0	0	0	0	0.0	0.0	0.0	0.0
Rominserv SRL	0.0	971,683	1,246,579	0	0	0	0	0.0	0.0	0.0	0.0
Rompetrol Energy SA	0.0	264,649	240,786	0	0	0	0	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26

ROMINSERV SRL

We have 7 safety indicators that we monitor for the most common causes of work-related incidents:

- People's reaction - 3%
- Personal Protective Equipment - 7%
- Position of employees during work - 2%
- Ergonomic aspects - 2%
- Tools and equipment - 2%
- Comply with safety procedures / rules - 80%
- Housekeeping of the workplace - 4%.

Due to the fact that "comply with safety procedure" has the highest risk for safety incidents, we have developed various internal safety campaigns to address the issue, like "stop work", "safety audit" training, line management statement.

With 971,683 worked manhours and 1,246,579 kilometers driven, Rominserv recorded 2 Near Miss cases and 80 non-occupational illnesses (COVID-19), of which 79 were Rominserv employees and 1 was a contractor. Rominserv had a 95.45% NC closing rate in 2022 (756 nonconformities closed out of 792 issued).

ROMPETROL ENERGY SA

We have 7 safety indicators that we monitor for the most common causes of work-related incidents:

- People's reaction - 7%
- Personal Protective Equipment - 14%
- Position of employees during work - 2%
- Ergonomic aspects - 2%
- Tools and equipment - 7%
- Compliance with safety procedures / rules - 44%
- Housekeeping of the workplace - 24%.

Due to the fact that "compliance with safety procedures" has the highest percentage for safety incidents, we have developed internal safety campaigns like "stop work" and "safety audit" training to address these causes.

Over the reporting period, Rompetrol Energy had 40 non-occupational illnesses (COVID-19), of which 27 were Rompetrol Energy employees and 13 were contractors. There were also 8 authority inspections performed during the reporting period.

The most significant incidents during the reporting period were 4 Near Miss cases, for which corrective and preventive measures were taken:

- Lifting operation performed on construction site. During the loading of the frame-work panels, due to the improper anchoring of the panels, they slipped and fell on the ground:
 - Incident investigation report;
 - Training of working team according to "Issue General Permit to Work" Procedure;
 - Training of working team on lifting and rigging procedure.
- While walking on the access way from the canteen area, one worker stepped on a chemical anchor used for parking plates from the parking lot area:
 - Inform all the relevant parties about the hazard from the parking lot area;
 - Identify all hazards in the parking lot area and contain potential risk for workers;
 - Training of working team with PTW issued for the maintenance works.
- During the tests for the commissioning of the photovoltaic power plant of the UTM company, when the 6kv cells of the circuit breaker were energized, after about 3-4 minutes an arc flash blast was heard inside the cell:
 - Perform voltage primary injection by an authorized PRAM laboratory;
 - Install a primary circuit breaker before performing any commissioning test.

- During excavation works at gas pipeline foundations, a 6 kV buried electricity cable was stricken by an excavator grab and later on with a shovel. This unsafe act caused damage to the electrical cable:
 - Train the working team on safe excavation and safe manual digging practices and PTW procedure;
 - Detection tools provided for area scanning purposes;
 - Detection tools provided on site;
 - Recall the permit to sign for the work team coordinator, in PTW issued for Cogen activities.

OHS TRAINING

Training needs are assessed by training matrix for own staff and contractors. The matrix provides guidance for supervisors to identify common employee training requirements. The matrix does not include every training topic needed. Any time the duties, equipment and/or processes change, employees receive updated training. Training is documented and records are kept for a minimum of three years.

The training plan for each department includes topics like Health and Safety, Emergency Situations, Environment, SEVESO III. The training matrix of company car drivers includes the fit-for-work certificate and training according to the "Allocation and use of company cars" Group procedure.

The training procedure integrated in the OHS management system states the following necessary trainings:

- Induction training for all employees (own staff & contractors / subcontractors);
- Training plan for each department (employees);
- Training matrix (own staff and contractors / subcontractors);
- Specific training inhouse for different categories like electricians and riggers.

In 2022, both Rominserv and Rompetrol Energy a significant number of training hours for contractors, subcontractors, rescuers, licensed issuers, annual training and/or retraining of own staff:

- **Rominserv** - 6,576 training hours
- **Rompetrol Energy** - 3,012 training hours

GRI
GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4
SASB
EM-MD-540a.1
IEPECA
SHS-1 C1-C3, A1
SHS-2 A4
SHS-3 C1, C3, A1, A3, A4
SHS-4 C1, A4, A5, A7
SHS-6 C3
SOC-12 C1, C2, A1

APPROACH TO SAFETY

The Rompetrol Well Services OHS management system covers the provisions of an exhaustive set of legal requirements, grouped into approximately 27 documents (laws, decrees, ordinances) currently in force and bases its principles on detailed internal risk assessment procedures. All Rompetrol Well Services employees are covered by the OHS management system in place.

To improve the company's health and safety performance, specific measures were applied during the reporting period:

- HSE mailbox and weekly HSE reporting, HSE management meeting;
- Safety audits, BBS;
- Internal audits plan 2022;
- Incident investigation according to Romanian law;
- JSA and Risk assessment for all operations;
- Mandatory trainings, professional trainings

As part of its OHS management system, the company has in place road safety awareness campaigns, fleet GPS monitoring and defensive driving programs to ensure transport safety (indicators are reported in weekly management meetings).

Rompetrol Well Services SA

HAZARD IDENTIFICATION & RISK ASSESSMENT

Risk assessments are done according to Romanian law and submitted to periodical review and update when there is a change in the process or new risks are identified. The risk register is updated on a quarterly basis.

Workers are encouraged to report such risks through regular trainings. They can do that themselves or denounce it anonymously through the QHSE mailbox in each unit. Prized are often awarded to workers who are proactive in reporting risks and other QHSE topics.

In case of incidents, the company applies the Group QHSE responsibility policy, that is a best practice policy for "stop work" with no blame for employees.

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

Employees participate in risk assessments and incident investigations. OHS issues are addressed in the safety committee. Moreover, Health and Safety performance is discussed in periodical meetings with contractors.



HSE Index & LTIR

2022	HSE Index Actuals current months	Worked hours	Kilometers driven	Safety incidents - numbers				Safety incidents - rates			
				FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
Rompetrol Well Services SA	0.0	238,047	1,566,168	0	0	0	1	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26
2021											
Rompetrol Well Services SA	0.0	255,964	1,435,494	0	0	0	1	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.14	10,929,315	13,294,732	3	5	0	2	27.45	0.46	0.00	0.46
2020											
Rompetrol Well Services SA	1.25	256,333	2,510,010	0	1	1	1	0.0	3.90	0.40	3.90
Group total year-to-date Dec. 2022	0.091	11,877,026	13,359,620	0	4	0	15	0.00	0.25	0.07	0.25

PROMOTING WORKER HEALTH

The company has mandatory medical checks in place for all employees, according to the applicable legislation, and additional medical check for professional drivers. They are all confidential and all interested parties have signed GDPR agreements. The QHSE department receives only the conclusion of the medical checks for employees, which is used in establishing the general health status of the employee and if they are fit for work. The medical checks are performed by a contracted doctor and are done in a private cabinet located near all RWS locations. All expenses are covered by RWS.

There were no pipeline incidents reported in 2022, and no Tier 1 and Tier 2 process safety events or grievances from local communities. Also, there were no events that would qualify as a work accident and / or occupational disease during the reporting period. However, there was 1 minor MCV incident, with no associated injuries.

OHS TRAINING

Occupational health and safety trainings are provided on a regular basis, in compliance with the applicable legislation:

- Legal requirements training (monthly)
- Professional training matrix
- Other professional trainings for job development (forklift drivers, professional drivers, IWCF, Bosiet, etc.)
- Annual training plan
- Road safety trainings.

All training expenses are covered by the company. Trainings and audits are also extended to contractors, along with communications on diverse HSE topics.

2022	Nonconformity issued	Nonconformity closed	QHSE training hours	Fire/emergency drill	QHSE audits/ inspections
Romp petrol Well Services SRL	1,523	1,523	5,408	18	114
Oilfield Exploration Business Solutions SA	0	0	48	0	0

GRI
GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4
IPIECA
SHS-1 C1-C3
SHS-2 C1, C2, A3, A4
SHS-3 C1-C3, A1, A2
SHS-4 C1, C2, A1, A3, A7
SHS-6 C3
SOC-12 C1, C2, A1

APPROACH TO SAFETY

Romp petrol Quality Control has implemented and maintains ISO 45001:2018 standard and respects the legal requirements regarding occupational health and safety. The company is also ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certified.

All workers are covered by the integrated OHS management system. Its provisions also apply to contractors, who are contractually mandated to adhere to the Group's QHSE policy and provide regular updates based on constant monitoring and assessment of Group-established health and safety parameters.

Aside from the OHS integrated system, various safety internal policies and procedures are in place at company level, including a Contingency and continuity plan, a dedicated Prevention and Protection plan which is reviewed annually, an internal Health and safety inspection program or a Program of testing environmental factors, physical and chemical hazards.

The transport of employees is carried out by an external company. We apply a defensive driving policy, an incident investigation Group procedure and allocation and use of company cars.

The transport of the samples to the laboratory is done by ensuring the separation of the types of sample containers. The samples are placed in the special support set up in the means of transport. During the reporting period there were no significant incidents identified regarding transport safety.

HAZARD IDENTIFICATION & RISK ASSESSMENT

The organization has qualified staff with superior training in the field of occupational health and safety who identify and evaluate the risks of occupational injury and illness, establish the methods for identifying and evaluating hazards, minimize non-conformities regarding health, work safety and the environment.

Risk assessments are performed for each type of job and each individual work point. The assessment of occupational injury and disease risks at the workplace is regulated by Law 319/2006. A risk assessment is mandatory in the following cases:

Romp petrol Quality Control SRL

- whenever there are changes or modifications regarding work equipment, substances or chemical preparations used;
- after the occurrence of a risk event;
- upon ascertaining the omission of some risks or the appearance of new risks;
- when using the workplace by a worker belonging to groups sensitive to specific risks (pregnant women, young people, persons with disabilities);
- when performing special works.

The Prevention and Protection plan is required by Law no. 319/2006. It includes technical, sanitary, organizational and other measures, being based on the outcomes of the risk assessment performed by the organization. It is revised whenever there are changes in the working conditions when new risks appear and following the occurrence of an event.

The investigation of OHS incidents is carried out in accordance with the law 319/2006 and GO 1425/2006, with subsequent amendments and changes.

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

The involvement of workers in improving safety at work is encouraged, by signaling all the dangers that occur at the workplace; workers being regularly trained on accidents/incidents from other workplaces to raise awareness of the dangers and prevent their occurrence.

According to Law 319/2006 the employer must include workers and their representatives with specific responsibilities in the field of safety and health at work in consultations on OHS issues. At RQC level, workers have elected 3 representatives. Through these representatives, workers express their point of view regarding OSH aspects, the purchase and use of work equipment, collective and individual protection equipment, make proposals to improve the level of protection at the workplace during the meetings of the Occupational Health and Safety Committee. Worker consultations represent one of the best sources of information regarding deficiencies and aspects that can be improved regarding working conditions.

Monthly QHSE meetings are held where various OHS



issues are discussed. The OHS Committee meets at least quarterly. Its competence includes workers' representatives and an occupational medicine doctor.

RQC informs its workforce of the OSH risks identified at the level of the organization, communicating the risk assessment for each work station and the protection measures established in the prevention and protection plan, as well as the measures taken for providing first aid, extinguishing fires, evacuating workers and persons designated with these attributions.

PROMOTING WORKER HEALTH

Monitoring the health status of employees is carried out in accordance with the provisions of GO no. 355/2007, supplemented by GO no. 37/2008.

The organization has a contract for the provision of prevention and prophylaxis medical services with Medlife medical service provider, which consists in the provision of occupational medicine services, specialized medical services and paraclinical investigations for the purpose of prevention and prophylaxis. The provision of medical services takes place both in Medlife offices and in the offices of collaborators.

Health monitoring is done in accordance with the applicable legal requirements. Medical checkups are carried out based on the specified risk factors by the occupational medicine doctor. All employees are subject to medical and psychological examinations, their

frequency being established by the legislation in force. In the case of non-occupational medical incidents, before resuming professional activity, the employee is exposed to medical re-evaluation, after which a new fitness certificate is issued. Periodically, the health status of the workers is monitored and evaluated.

Worker health and safety is promoted throughout company operations through various activities, including:

- Equipping workers with protective equipment and training them on the necessity of wearing it
- Implementation and verification of the proper functioning of a ventilation and air conditioning system in the halls that maintains the microclimate within the parameters required by the legislation in force
- Training workers to avoid as much as possible extra-professional exposure to noxious substances such as smoking, alcohol and drug consumption, whose toxic effect potentiates that of occupational noxious agents
- Providing private medical insurance, life insurance, health insurance and medical subscription.

Also, in order to prevent the risk of contamination with microorganisms from the samples taken, the staff of the Environmental Laboratory who take samples and carry out tests are vaccinated against hepatitis B. Moreover, at Group level, free vaccination campaigns are organized, the participation of workers being voluntary (e.g. Covid-19 vaccination campaigns, flu vaccine).

HSE Index & LTIR

	HSE Index Actuals current months	Worked hours	Kilometers driven	Safety incidents - numbers				Safety incidents - rates			
				FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
2022											
Romp petrol Quality Control SRL	0.0	328,647	411,115	0	0	0	1	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26
2021											
Romp petrol Quality Control SRL	0.0	327,714	376,814	0	0	0	0	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.14	10,929,315	13,294,732	3	5	0	2	27.45	0.46	0.00	0.46
2020											
Romp petrol Quality Control SRL	0.0	316,341	331,146	0	0	0	0	0.00	0.00	0.00	0.00
Group total year-to-date Dec. 2022	0.091	11,877,026	13,359,620	0	4	0	15	0.00	0.25	0.07	0.25

OHS TRAINING

The training of workers in the field of occupational health and safety is carried out during working hours and is considered working time. This training process includes all the information related to OHS, which, through assimilation and compliance, leads to the formation of normal, optimal behavior at work, develops the correct orientation towards risks and stimulates the ability to mobilize in relation to them. Various training techniques are used for staff training, such as exposure, film viewings, computer-assisted training.

The training of workers includes 4 phases, namely:

- 1. Induction** - general training is carried out by the worker assigned with OHS attributions, the person authorized by company's management, with a duration of at least 8 hours. Induction training is performed for new employees, employees with employment contracts regardless of their form, employees transferred from one department to another; to those who came to the company as delegates; temporary workers; workers whose individual training record has been damaged/lost. It can be performed either by using the online training program or through organized individual study and active, demonstrative instruction (plans, models, schemes, films, power point presentations). This type of training ends with the verification and assessment of knowledge acquisition, based on a test.
- 2. On-the-job training** presents OHS risks, as well as prevention and protection measures and activities at the level of each workplace, work station and/or each function, and is closely linked to professional

training. The duration of the on-the-job training is 8 hours. Service providers who are contracted to carry out works on company premises are also trained at the workplace according to the requirements of the QHSE conventions attached to their labor agreements. The duration of this training is a maximum of 30 minutes and is mandatory.

- 3. Periodical training** - is provided to all company employees to regularly refresh and update their OHS knowledge. This type of training is carried out with all categories of employees and has a duration of at least 2 hours.
- 4. Training at the start of the work schedule** - addressed the working personnel in the laboratories. The content of the training includes a brief indication of the risks/dangers of the activities performed by each worker and the preventive measures taken to ensure the health and safety of the staff and the environment. The duration of the training does not exceed 10 minutes.

Annually, OHS retraining and testing is carried out for all the company's staff, through the online training program created on the IKNOW platform.

The training of apprentices, students at vocational schools and industrial high schools and students assigned for professional practice at RQC, is performed using with the same content and with the same periodicity as for the working staff.

Instruction takes place in Romanian, except for foreign visitors, who are instructed in English.

In 2022, 14,088 training hours were performed, along with 43 fire and emergency drills.

2022	Nonconformity issued	Nonconformity closed	QHSE training hours	Fire/emergency drill	QHSE audits/inspections
KMG Rompetrol SRL	12	9	2,600	1	3
Global Security System SA	0	0	25,200	140	12
Romp petrol Quality Control SRL	73	73	14,088	43	317

Midia Marine Terminal SRL

APPROACH TO SAFETY

The operations of Midia Marine Terminal, part of KMG International's Trading Division, are carried out according to an occupational health and safety management system developed in compliance with ISO 45001 and law 319/2016.

All MMT workers are covered by the OHS system. Moreover, safety procedures also apply to contractors, whose contracts must include specific health & safety provisions and whose safety performance is monitored and assessed periodically against safety indicators established at Group level.

Various safety internal policies and procedures are in place at company level, including a dedicated Prevention and Protection plan which is reviewed annually, an internal inspection program or a chemical safety program. Furthermore, the company also operates in line with the provision of Group safety policy and procedures.

HAZARD IDENTIFICATION AND RISK MANAGEMENT

Midia Marine Terminal conducts risk assessments for every position in the employee hierarchy, based on strict monitoring and regular assessment of safety indicators and performance. After identifying the risks of accidents and occupational illnesses, the Prevention and Protection Plan is drawn up, establishing technical, organizational and first aid measures.

Any investigation of a workplace accident is carried out in accordance with law no. 319/2006 and GO 1425/2006. Following the Group QHSE procedure, any workplace incident is also internally investigated. During the reporting period, MMT had a 0 HSE Index.

WORKER ENGAGEMENT & COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

Within its integrated OHS management system, the organization developed four tools for workforce to participate in safety, health and security:

- **Safety Audit** – workplace behavior audit, developed within an intranet app
- **HOC** – Hazard Observation Card – developed in Microsoft Forms

- **BBS Work** – Behavior Base Survey for the workplace on KMG platform
- **BBS Drive** – Behavior Base Survey for driving on KMG platform

The company applies clear steps in its worker engagement process, based on periodical training sessions on QHSE info, to ensure full involvement of its workforce:

- Identify hazards in the workplace;
- Assess risks;
- Control risks;
- Review controls;
- Record and report safety issues;
- Support return to work;
- Make workplace healthier;
- Regular exercises for fire situations.

The company also has an OHS Committee in place, set up in accordance with legal requirements, whose goal is to ensure the involvement of employees in the elaboration of the QHSE framework and decision-making in terms of OHS.

The Committee has quarterly and annual meetings, to present and discuss various OHS topics, including proposals / problems raised by workers regarding health and safety, decisions, status measures, established actions, approvals of OHS documents after workers / workers' representatives were consulted, depending on the situation. Workers are encouraged to report dangerous situations so that corrective and preventive action can be taken accordingly. Meeting minutes of each Committee meeting are sent out to all employees, as well as to local labor authorities.

PROMOTING WORKER HEALTH

Employees' health is assessed on regular basis, with full GDPR compliance, in accordance with the applicable legislation. Medical services are provided by Medlife, the Group's 3rd party occupational health services provider. These include emergency situations services, occupational health services and private insurance for additional medical check-ups.

Medical facilities on the premises are available for staff / contractors / subcontractors for medical emergencies. Worker health management is promoted as part of internal communication programs, via internal decisions

GRI

GRI 403-1 thru 403-10
GRI 11.8.3
GRI 11.9.2 thru 11.9.11
GRI 11.15.4

IPIECA

SHS-1 C2, A2, A3
SHS-2 C1, C2
SHS-3 C1, C3, A1, A3, A4
SHS-4 C1, A4, A5, A7
SHS-6 C3
SOC-12 C1, C2, A1

HSE Index & LTIR

2022	HSE Index Actuals current months	Worked hours	Kilometers driven	Safety incidents - numbers				Safety incidents - rates			
				FTL	TRI	MVC (M+C)	MVC Total	FIR	TRIR	MVCR	LTIF/LTIR
Midia Marine Terminal SRL	0.0	410,405	309,587	0	0	0	0	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.001	11,527,772	14,266,180	0	4	0	10	0.00	0.35	0.00	0.26
2021											
Midia Marine Terminal SRL	0.0	414,426	308,849	0	0	0	0	0.0	0.0	0.0	0.0
Group total year-to-date Dec. 2022	0.14	10,929,315	13,294,732	3	5	0	2	27.45	0.46	0.00	0.46
2020											
Midia Marine Terminal SRL	0.0	410,402	287,155	0	0	0	0	0.00	0.00	0.00	0.00
Group total year-to-date Dec. 2022	0.091	11,877,026	13,359,620	0	4	0	15	0.00	0.25	0.07	0.25

and announcements to the entire workforce. Safety indicators are reported quarterly by both staff and contractors/subcontractors.

During the reporting period, no process safety incidents were recorded and no grievances from the local communities were identified. 5 non-occupational illnesses were reported, along with 1 minor spill (about 5 liters of diesel fuel leaked from the quay into the water inside the antipollution barrage installed around the ship).

OHS TRAINING

Midia Marine Terminal developed a training procedure integrated in its OHS management system that states includes the following necessary trainings:

- Induction training for all employees (MMT & contractors / subcontractors);
- Training plan for each dept. (MMT employees).

The training plan for each department includes topics like Health and Safety, Emergency Situations Response, SEVESO, etc.

The annual training of all employees is done in the on-line application IKNOW with online testing. Platform

access training for contractors / subcontractors, entity employees is 1.5-2 hours (physical and online), while on-the-job training of employees is 8 hours (access and allocation of IKNOW courses and online testing). There are dedicated training instructors, with "train the trainer" courses performed.

Training on access to the Platform is done on employment, periodically (according to internal procedures) or additionally (on a case-based need). Periodic training can be monthly / quarterly / once a semester, depending on the managerial position. It is recorded in the individual training file, according to the legislation, and must include the signature of the trained person and of the person performing the training (duration of 2 hours). The additional training is recorded in the individual training file according to the legislation and must also include the signature of the trained person and of the person performing the training (duration 8 hours).

Additional training can also be provided depending on the occurrence of new risks, e.g., risk of infection with biological agents, COVID-19, etc.

In 2022, 2,307 QHSE training hours were performed, and 37 fire/emergency drills were conducted.

2022	Nonconformity issued	Nonconformity closed	QHSE training hours	Fire/emergency drill	QHSE audits/ inspections
KMG Trading AG (fmr. Vector Energy AG)	0	0	0	0	0
TRG Petrol Ticaret AŞ (Turkey)	0	0	0	0	0
Midia Marine Terminal SRL	113	112	2,307	37	161
Byron Shipping SRL	0	0	41	1	0

BUILDING A NEW FRAME OF REFERENCE

COMMUNITY

Introduction
Community investment pillars
Key projects



Introduction

Despite the waning effects of the COVID-19 pandemic, which were suggesting a milder 2022, the tides turned fast with the war in Ukraine, which swiftly changed the way of things and significantly impacted the world economy. To come to the aid of the deeply affected Ukrainian community, KMG International, through its subsidiaries - Rompetrol Downstream and Rompetrol Moldova has redirected and supplemented its fuel supply to gas stations and depots serving these areas. At the same time, the Group offered support to the Ukrainian people in transit through our fuel distribution stations.

Rompetrol also joined the "Humanity Has No Borders" campaign initiated by the Romanian National Red Cross Society and donated fuel to support volunteers and personnel providing specialized care during emergencies, while also providing free accommodation with optimal and safe living conditions to mothers with children in its own sites in Moinești (Bacău) and Mediaș (Sibiu). Individual colleagues collected sleeping bags and other goods for Ukrainian refugees, which were directed to non-governmental organizations involved in humanitarian actions, and the national blood drive supported by Rompetrol donated blood & plasma to patients in need of medical care, both nationals and refugees.

In 2021-2022, Rompetrol contributed with more than USD 2.5 million to our communities through financial contributions, fuel, and fundraising events. More than half of the investment was allocated to the communities of Constanța and Prahova, the locations of the Group's main operations in Romania.



**UMANITATEA
NU ARE GRANIȚE**

Oamenii ajută oameni.

Community investment pillars

GRI
GRI 3-3
GRI 203-1
GRI 203-2
GRI 413-1
GRI 11.4.4
GRI 11.15.1
GRI 11.15.2
SASB
RT-CH-210a1
IPIECA
SHS-2 A1
SHS-2 A2
SOC-9 C1-C3
SOC-13 C1-C2
SOC-13 A1-A2
SOC-13 A5

We meet our local stakeholders on a regular basis, from local authorities, to NGOs, in order to understand their needs, expectations and challenges. By listening to our partners and engaging with stakeholders, we make sure that our endeavors meet the needs of each community and help them go further. Our efforts address various community support & development pillars that align with our strategy and our values:



ENVIRONMENTAL STEWARDSHIP

We promote clean air and water, biodiversity, and nature-based climate solutions throughout overall actions developed within our sustainability strategy. One way we do that is by supporting afforestation in our areas of operations, as well as across the country, in areas severely affected by deforestation. Tree planting contributes to the capture of carbon dioxide, forests being among the most important sources of CO2 storage. It is estimated that each planted tree at maturity captures an average of 5.5 kg of carbon dioxide per year.



EDUCATION AND GROWTH

We invest and get involved in impactful projects that serve the purpose of providing education and opportunity to all people, especially underserved communities. For 15 years we have been supporting the education of children and young people in all its forms, in rural and urban environments, from equipping schools with teaching and learning resources, to providing skill development opportunities, encouraging excellence in education, providing growth opportunities through specific programs customized to the needs of the community. In 2022, Rompetrol marked the 21st anniversary of its flagship internship program, "Ready for your Career", while also launching the first edition of its vocational education program.



HEALTH & MEDICAL RELIEF

We have a long tradition in contributing to causes that promote the health, safety, and wellbeing of our communities. Throughout the years, we have met community needs by making significant contributions and donations to several causes and projects either directly or through relevant NGOs active in the field.



SOCIAL SUPPORT

Our projects are strategic investments within the community that contribute to its long-term growth and local development and provide the services and facilities needed for a good quality of life.



SPORTS & CULTURE

We believe society and individuals need all their needs addressed to be able to develop harmoniously and sustainably. That also includes encouraging participation in sports and access and exposure to arts and culture.

Key projects

HEALTH & MEDICAL RELIEF

TRAINING FOR EMERGENCY PROFESSIONALS THROUGH VR TECHNOLOGY

Rompetro continued to support the development of the emergency response system in 2022, by purchasing a SimX virtual reality learning technology, which allows the continuous training of professionals in this field – doctors & nurses, EMTs, firemen. The value of the project exceeded \$200,000. The Group has been supporting SMURD through a consistent partnership ever since 2009, which included fuel for medical helicopters, the purchase and donation of fully equipped van-type mobile training centers, medical equipment, protective equipment for emergency personnel. During the pandemic, Rompetrol provided SMURD with a mobile intensive care unit with 12 beds.

The SimX virtual reality system offers unlimited training possibilities by creating different comprehensive scenarios. The system can be widely used in the training of doctors, nurses and paramedics, both individually and as a team. The training schedule at national level is established by the National Center for Training in Emergency Medical Assistance, in partnership with the Department for Emergency Situations.

“Only through the adequate and continuous training of doctors, nurses, paramedics and firemen we can create the prerequisites for prompt and effective interventions, as well as the proper coordinated intervention skills specific to this field. Traditionally, this was done through extensive and expensive field exercises. However, the training that can be carried out with the virtual reality systems currently available to us with the support of Rompetrol allow implementing complex realistic scenarios both for the basic training of professionals and for practical interventions - integration, collaboration and coordination of the participating teams in continuous training exercises, with a higher net cost-time-benefit ratio than mobilizing all resources out in the field.”

*Dr. Raed Arafat
Head of Department for Emergency Situations (DSU),
President of SMURD Foundation*

GRI

GRI 413-1
GRI 203-1
GRI 203-2
GRI 11.4.4
GRI 11.15.1
GRI 11.15.2

IPECA

SHS-2 A1
SHS-2 A2
SOC-13 A1
SOC-13 A5



The XVR system was also updated with the support of Rompetrol, allowing the simulation of virtual scenarios such as: fires, large-scale road, railway and aviation accidents, situations involving dangerous chemical substances, events that may occur as a result of unfavorable weather conditions. These virtual reality simulations, conducted with the actual participation of emergency personnel, are used to practice the cooperation and management of major emergencies at the level of command and coordination centers. The XVR system became part of the National Emergency Medical Training Center in Târgu Mureș in 2013.

The SimX and XVR systems were demonstratively used for the first time in 2022, within EUMODEX 2022, in a simulation of a chemical accident in which, following the activation of the European Civil Protection Mechanism, mobile hospital crews from Romania, Italy and Germany took part, alongside participants from Austria, Turkey, Israel, Belgium, Bosnia and Herzegovina, Spain, England, Ireland, Luxembourg and the Czech Republic. Overall, more than 600 people were involved in this large-scale exercise.

Both projects – the acquisition of SimX and the update of the XVR system were carried out by Rompetrol in partnership with the SMURD Foundation. During 2020-2022 the company invested more than 1 million USD in projects for the development of the emergency system at national level.

OPHTHALMOLOGICAL EQUIPMENT FOR CORBU MEDICAL CENTER

In partnership with the Dăruiește Aripa Association, Rompetrol purchased and donated ophthalmology equipment for the health center in Corbu commune, Constanta. The medical unit is now fully equipped with high-quality ophthalmological equipment and will serve the 6,500 inhabitants of the villages of Luminița, Vadu and Corbu.



“We have 2,000 colleagues who work on the platform, of which 135 live in Corbu. Through this project we want to address their needs, as well as the needs of all those who require medical attention locally” – Felix Crudu, General Manager of Rompetrol Rafinare.

The medical center in Corbu was fully rehabilitated in 2021 by the City Hall and equipped, through a Rompetrol investment, with beds, portable ultrasound, vital functions monitor, defibrillator, oxygen concentrator, EKG, sterilizer.

INVESTMENT IN THE MODERNIZATION OF CONSTANȚA COUNTY HOSPITAL

Rompetro, in partnership with Dăruiește Aripa Association, carried out two projects to modernize the obstetrics-gynecology post-surgery unit and, respectively, the emergency reception unit of the Constanta County Emergency Clinical Hospital, which serves a population of about one million inhabitants in the Dobrogea area.

The post-surgery unit in the obstetrics section has 9 electrically adjustable beds and was equipped with

monitors and medical furniture, as well as 4 UVC light disinfection devices. It will also have an electrocardiograph, a defibrillator, a syringe and a secretion aspirator. More than 5,000 patients are hospitalized in the section annually, with various pathologies, while more than 700 require surgical interventions.

Romp petrol also supported the rehabilitation works on an area of over 600 square meters in the emergency reception unit, and the installation of a heavy traffic antibacterial PVC carpet, in compliance with the current standards in the field, which will provide optimal sanitary conditions.

“We have so far supported 24 sections of the Constanța County Hospital with investments of over 4 million euros. We have also been involved in the modernization of the Obstetrics-Gynecology Clinic. For the first time in the history of the hospital, this clinic benefits from a modern post-op ward. Thus, women from Constanța and neighboring counties can receive the best care available.”

Alina Pătrăhău
Founder & President of the Dăruiește Aripa Association



MEDICAL EQUIPMENT FOR THE NĂVODARI HEALTH CENTER

High-performance radiology equipment

Romp petrol financed the acquisition of state-of-the-art radiology equipment, a total investment of \$223,000. This will help the health center treat a much wider spectrum of medical emergencies in Năvodari, being absolutely necessary for medical personnel. Further investments in the local medical facilities target a medical analysis laboratory within the Năvodari Multifunctional Health Center.

Obstetrics-gynecology office

The project is worth over \$80,000 and consists of establishing and fully equipping an obstetrics-gynecology office within the local health center in Năvodari. This includes ultrasound, optical colposcope, autoclave sterilizer with osmosis, fetal monitor cardiograph and all the specific medical instruments and furniture.

THERAPY FACILITY FOR CHILDREN WITH AUTISM

Romp petrol supported the community involvement project proposed by interns from 2021 edition of the Group’s “Ready for Your Career” internship program, which entailed setting up an artificial saline for the therapy of children with autism. The 35 sqm saline was equipped with a state-of-the-art halogenerator of dry saline aerosols with proven benefits in the therapy of children with disorders on the autistic spectrum, but also for the relief of symptoms for patients with pulmonary, dermatological and psychiatric conditions.

The direct beneficiaries of the project are primarily 120 children suffering from various serious ailments enrolled in the programs of the “Human by Profession” Association – an NGO whose mission is to ensure the best living conditions, health and education for children with various physical and mental developmental disorders, to support disadvantaged families, and to counsel victims of domestic violence. Nevertheless, the saline can also receive adults and children from all over the country who can benefit from the therapy.

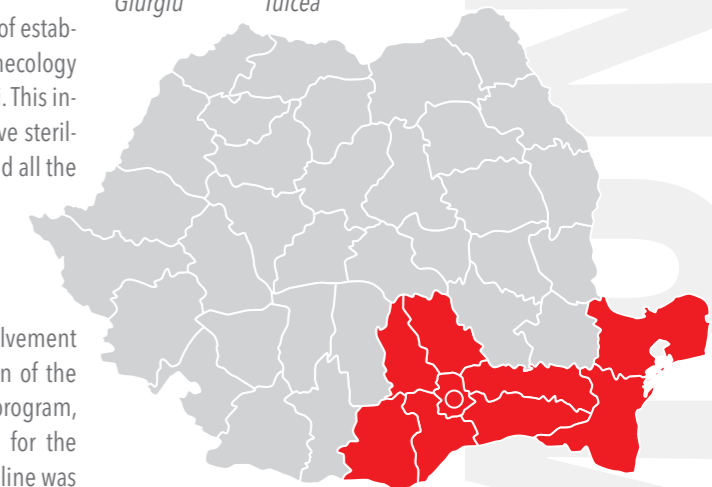
TRANSPORT FACILITATION FOR MEDICAL CASES

Circuit of Trust and Hope - Home Care for Children with Cancer

For a third consecutive year, Rompetrol supported the activity of the Dăruiește Aripa Association by donating fuel for the transportation of medical teams to provide home care services to children with oncological and

rare diseases in Constanța County. In 2022, children with cancer and other severe diseases saved 763 medical visits and thousands of kilometers thanks to the “Circuit of Trust and Hope – Home Care for Children with Cancer” project. Children enrolled in the program benefited from home visits where they were monitored, tested, or provided out-of-hospital treatment by mixed medical teams, which include doctors and nurses from Constanța County Hospital.

Bucharest	Ialomița
Călărași	Ifov
Constanța	Prahova
Dâmbovița	Teleorman
Giurgiu	Tulcea



Soul Driver

More than 300 volunteers have traveled 2 million km in support of the Soul Driver project, launched in 2020 in response to the COVID-19 pandemic restrictions.

Throughout 2020-2022, the project managed to mobilize a large swath of volunteers who used their cars to provide safe transportation for children to and from the hospital. More than 9,500 children with cancer and other severe diseases from Romania, Moldova and Ukraine, along with parents and caregivers received free rides for their medical treatment.

Since then, Rompetrol has been providing the fuel needed to transport children to their cancer treatment, helping families who already bear the burden of the high treatment costs. One year in, the project had some impressive outcomes to show for.



NATIONAL BLOOD DRIVE

63,750 donors and over 25,000 liters of blood donated. These were the results of the national blood drive carried out by Rompetrol Downstream, between March 15 - May 15, in partnership with the National Institute of Hematology and Transfusion, the Department for Emergency Situations and the SMURD Foundation. The value of the vouchers offered by the company to blood donors to support the campaign exceeded RON 1 million.

A single unit of donated blood can save up to 3 lives. However, in Romania, statistically, there are 1.8% donors, while at European level 37% people donate blood, according to a report of the European Parliament. The campaign took place in all 41 transfusion centers in Romania, and donors were awarded vouchers for a fresh juice and a snack in Rompetrol fuel distribution stations.

Rompetrol implemented a similar project in 2020, during the pandemic, with more than 20,000 liters of blood collected during the 2-month summer campaign, and over 44,000 blood donors.

"We have been traditionally involved in several nationwide health projects, for over 15 years. It is an area where we invest significantly in partnership with various stakeholders, to cover the needs of a wide population. Through this project and other similar corporate endeavors, we are committed to offering a state of wellbeing and good health both to our employees and communities at large."

Costinela Drăgan
Sustainability & CSR Director of KMG International NV

"Together with Rompetrol we have completed many projects, and this campaign is one of them, one with extraordinary results for that matter, gathering 63,750 donors in just 2 months. It is one of the most successful blood drives carried out in Romania in recent years. The altruism of tens of thousands of people will give an extra chance to every hospitalized critically ill patient and will encourage others to help save lives by regularly donating blood. We thank our partners at Rompetrol for the initiative and the Bucharest Transfusion Center and all blood centers across the country for their involvement and contribution."

Dr. Raed Arafat
Head of Department for Emergency Situations (DSU),
President of SMURD Foundation

EDUCATION AND SKILL DEVELOPMENT

"Ready for Your Career" internship program

2022 marked the 21st edition of our internship program. For 21 years we have been training future industry professionals and more than 1,500 people graduated from the program, many of them being currently successful members of our Rompetrol community of energy professionals.

For two months, 80 students and new graduates had the opportunity to prepare for a career in the energy sector while mentored by 40 Rompetrol staff members with extensive experience in refining, petrochemicals, logistics, or the utilities areas. Interns were assigned to 6 of the KMG International (Rompetrol) Group companies – Rompetrol Rafinare, Rominserv, Midia Marine Terminal, Rompetrol Quality Control, Rompetrol Energy and Rompetrol Well Services.

During this period, interns covered practical and theoretical aspects of the job in online workshops, aimed at developing their soft skills, and on-site activities alongside Group specialists. They also went through the "Leaders Explore" program and participated in the "Community Challenge" program, having the opportunity to choose a theme of social interest through which they could bring change in the community.

At the end of the two-month program, interns received two certifications: as graduate of the Rompetrol "Ready for Your Career" program and as graduate of the personal development program, carried out together with the partners from the Leaders Foundation.

"Our Internship Program has grown and evolved to become a real answer to the business needs of the Group. Over the years, we have discovered high school graduates and students with great potential, who have become our colleagues and are now great performers in their area of expertise. Together with the mentors, we managed to develop a new learning structure, which helps interns deepen their knowledge and learn new skills, and this constantly helps us continue the transfer of knowledge and develop the specialists that the industry needs."

Gina Cruceru
Group HR Director of KMG International NV

Future of Energy - supporting vocational education in the energy sector

Rominserv, a Rompetrol Group company, along with the Lazăr Edeleanu High School in Ploiești, founded a vocational education class specializing in the electro-mechanical field - an internationally recognized professional qualification.

This project was established to provide high school students with 3 years of formal training in electromechanics. Upon completing their studies, students are able to join the company. In turn, they are provided permanent support throughout their formation and benefit from:

- monthly scholarship based on their results;
- mentoring by Rompetrol staff during practice;
- meal service during practice;
- medical care during practice;
- personal development workshops;
- technical visits to the Vega Ploiești and Petromidia Năvodari refineries.

Vocational orientation for high school students

In 2022, Rompetrol launched the "Career Class" program, in partnership with the technological "Lazăr Edeleanu" High School in Ploiești and the Leaders Foundation, aimed at providing students with vocational orientation sessions, in order to contribute to the development of future professionals. At the same time, by attending the "Living Library" workshop, students have the opportunity to discover chemical engineering with the help of Rompetrol employees.

Together We Grow People - practical training for high schools and universities

For 3 months, Petromidia Năvodari and Vega Ploiești refineries welcomed 200 high school students and 70 university students from 3 high schools and two universities in Ploiești, Năvodari and Constanta, for their annual practical training. We are constantly contributing to our mission to create employment opportunities for young people, to be by their side at the beginning of their careers and to have a major impact on the community by contributing to the growth of tomorrow's professionals.

Providing school transportation for students in rural areas

In 2022, to contribute to the improvement of access to education and equal opportunities, our company provided financial support for school buses and student transport to school for 6 villages in Prahova County.



Donează sânge,
salvează o viață!

#donezsange

#rompetrol



DRIVING EXCELLENCE IN EDUCATION

NATIONAL PROGRAM “CHESS IN SCHOOL”

Romp petrol supports the “Chess in School” project, which started in 2021 with the aim of promoting the mind sport in school, educating children through chess, improving self-confidence and developing civic spirit. Since its debut, Rompetrol contributed to the printing and distribution of over 20.000 chess manuals for children nationally. Over 100 professionals are involved in the project and more than 15,000 hours of chess were taught in partnership with schools from rural and urban areas and school inspectorates. So far, 2,000 teachers and more than 5,000 participants were engaged in the program.

In 2022, Rompetrol launched the third volume of the chess manual and also supported various chess competitions across Romania, as well as the World Youth Chess Championship, which took place in Constanța, on September 5th – 17th, with the participation of over 650 competitors from 72 countries, including the best 80 Romanian junior chess players, under the patronage of the FIDE International Chess Federation.

“There are multiple benefits of this sport for children. Chess contributes to their personal development, to the improvement of their logical and strategical thinking, as well as their ability to memorize, self-control and focus.”

Vlad Ungureanu
President of the National Chess in School Project

PARTNER OF AUTOVORTEX, THE ROMANIAN ROBOTICS TEAM

For the past 2 years, Rompetrol has been supporting AutoVortex, the Romanian robotics team, and its participation to the international championships in America, Libya and at the Dubai Expo 2020.

The team won 1st place at the International Robotics Championship in the United States of America, which took place on July 29-30 in Provo, Utah. The students had the mission of assembling a robot which, by means of predetermined commands, had to carry out a series of actions, such as: picking up cubes and balls, placing them at different heights, and last but not least, moving the robot for a period of 30 seconds. To program it, the

students used artificial intelligence. In 2021, AutoVortex Romania won the 1st place in Chicago.

Since 2021, Rompetrol has been supporting AutoVortex, the Romanian the USA, Libya and at the Dubai Expo 2020. The team is made up of high school students who are passionate about designing and building robots, as well as exploring the latest innovations in robotics.

In 2022, the young champions won first place in the International Robotics Championship in the United States of America, first place in the International Robotics Championship in Libya, which took place in Tripoli, and again 1st place at the International Robotics Championship in Jamaica. In 2021, AutoVortex Romania won the 1st place in the International Robotics Championship in Chicago, which marked the first time since 1989 that a team from outside the United States won 1st place in the championship.

PARTNERSHIP WITH THE ASSOCIATION FOR VALUES IN EDUCATION (AVE ROMANIA)

AVE Romania has undertaken a bold mission to bring education in Romania to the top 10 in Europe by 2035. As firm believers in their mission and the critical importance of investing in education, KMG International has been supporting their Leadership Academy and School Management programs since 2021, along with other initiatives, such as:

- The 2021 Principals Awards Gala;
- AVE Ambassadors for Education in Romania;
- Mentors in AVE Training, developed free of charge for candidates of the national competition for school principals, held in 2021-2022.

PARTNERSHIP WITH UNIVERSITIES AND ASSOCIATIONS PROMOTING EDUCATIONAL EXCELLENCE

Our partnerships with universities in Constanta and Prahova represent a valuable resource in attracting & molding future generations of highly performing professionals. Alongside universities, we have also developed solid long-term partnerships with valuable organizations driving educational performance, like the Association for Values in Education – AVE Romania and Teach for Romania, which aim to also contribute to the professional development of professors and school directors.

SUPPORT FOR THE NATIONAL FESTIVAL OF DRAMATIC ART

Romp petrol supported the first edition of the National Dramatic Art Festival, which took place in Năvodari in June of 2022, under the auspices of Năvodari City Hall. More than 170 children and adolescents from Galați, Bârlad, Râmnicu Vâlcea, Mangalia, Năvodari, Constanța and Bucharest had the opportunity to prove their talent three competition sections - monologue, theater and musical performance.

SOCIAL & COMMUNITY DEVELOPMENT SUPPORT

COMMUNITY DEVELOPMENT IN PLOIEȘTI

In 2022, Rompetrol completed the construction of 4 new playgrounds in Ploiești city, offering the community a play area of 1,269 sqm with numerous top-end facilities. The new playgrounds comply with the quality and safety standards in force, and all the equipment is certified according to HG 435/2010. Benches, slides, swings, and other colorful play sets are installed on surfaces paved with elastic rubber tiles for increased user safety.

The total investment in this project, of RON 788,000, was made by Rominserv, Rompetrol’s turnkey industrial services provider, in partnership with the Ploiești City Hall and the Dăruiște Aripa Association.

PLAYGROUNDS FOR THE BLEJOI COMMUNITY

Romp petrol, in partnership with the local authorities, opened 3 playgrounds in Blejoi in the second half of 2022. The 700 children enrolled in school and pre-school education can enjoy a playground area of 400 square meters at the highest standards applicable and equipped with benches, slides, swings and other outdoor playtime equipment.

Another social initiative which debuted in 2022 (implementation still ongoing) and will be completed in 2023 is the rehabilitation of social housing in Lazu village, Constanța county. The public housing is managed by local social services and the beneficiaries are people with disabilities who are in the state’s care.

“Romp petrol is to Ploiești a reliable partner, responsive to the needs of the local community, oriented towards important projects aimed at modernizing our city. Through the investments previously carried out, we have managed to develop the green dimension of the city and thus improve the degree of urban comfort. We continue to count on the development of this partnership and on the availability of Rompetrol to support major initiatives of community interest.”

Andrei Liviu Volosevici
Mayor of Ploiești

“Children are the beneficiaries of many of our projects, whether we are talking about health, education or social initiatives. We have partnerships with high schools and the University of Ploiești for internship programs, dual education or laboratory equipment, for all those who want a career in the energy sector, but through this latest project we are also addressing younger children, offering them modern playgrounds with high quality and safety standards.”

Costinela Drăgan
Sustainability & CSR Director of KMG International NV



ROMPETROL RUN AND CARE

Romp petrol Run and Care 2022 in figures looks like this: 460 runners, 3,938 km, 3,938 liters of fuel! Over 400 people participated in the 9th edition of the Romp petrol Run and Care event that took place on Saturday, May 21. After 2 years of the pandemic, we managed to get together with colleagues, family and partners, and together we ran for a noble cause.

The 3,938 kilometers run by contestants were converted into liters of fuel that Romp petrol donated to the Magic Association's Soul Driver project. Moreover, for every runner enrolled in the competition Romp petrol also committed to planting a tree.

In 2022, Romp petrol Run and Care was awarded "Best CSR Campaign in Social Media" at the Romanian CSR Awards Gala, an event organized by CSRmedia.

CIVIL SOCIETY GALA

For 20 years, Romp petrol has been a partner of the Civil Society Gala, the annual event that awards the best community initiatives and projects run by non-governmental organizations, initiative groups and individuals. The 2022 edition included over 146 civic initiatives of which 110 projects, 15 programs and 21 communication campaigns on social topics. The projects were judged by 55 specialists in project implementation and evaluation, researchers, sociologists, journalists, leaders and opinion leaders of civil society and the non-profit sector.

Romp petrol offered a fuel voucher of USD 1,000 for each first place winner in each of the categories of the competition, to support the projects and the work of the people behind them. Total value of the awards exceeded RON 72,000 (over EUR 14,000).

ENVIRONMENTAL STEWARDSHIP

BEACH CLEANING EFFORT ON WORLD ENVIRONMENT DAY

Romp petrol employees from Năvodari and Bucharest celebrated the 50th World Environment Day through a **voluntary action of selective collection and recycling of waste abandoned on the beaches of Corbu**, alongside representatives of local authorities and schools. In Romania, the rate of municipal selective collection and recycling of waste is 11%, far from the 50% target that should have been achieved by 2020, as requested by the European Union in an effort to reduce the generated waste and promote a circular economy.

"The Dobrogea region is a natural museum of biodiversity with over 70 sanctuaries and protected natural areas, and we are aware of our role in contributing to the maintenance of these rich ecosystems of the Black Sea, Siutghiol Lake and the Danube Delta biosphere. Aside from the consistent investments in state-of-the-art technology to minimize the impact of our operations on, we expand our care for the environment through social responsibility and volunteering projects, implemented in partnership with local partners."

*Felix Crudu
Director of Petromidia Refinery*



TREE PLANTING ACTIVITIES

In partnership with the EcoAssist Association, Rompetrol continued its tree planting activities throughout the current reporting period. Early 2022, through the "Planting Good Deeds" program, Rompetrol employees **planted more than 7,500 trees on the former landfill in Ploiești city**, to mark the International Day of Forests. The trees were selected according to the properties of the soil (nettle tree, field maple, common dogwood, rosehip, hawthorn), and at maturity will absorb about 50 tons of CO2 per year.

Also, in November 2022, more than 30 employees planted over 6,000 acacia saplings on 1,2 hectares of land in the Lapos locality in Prahova County. The acacia is tolerant of many soil types and, compared to other forest species, is fast-growing and can reach a height of 2-3 meters in 2 years. Through this action, we also fulfilled the commitment we undertook in the 2022 Rompetrol Run and Care edition, that of planting a tree for each participant in the charity cross-country race. The main goal of the "Planting Good Deeds" project carried out by EcoAssist Association in Romania is to plant, care for and grow forests on unproductive public lands, to give them back to local communities and increase awareness of environmental

stewardship and our responsibility towards it. Planting activities are carried out in accordance with the national forestry legislation and include soil analysis, technical afforestation projects, tree planting, forest additions and care until the young forest reaches maturity.

In partnership with Rompetrol, the EcoAssist Association planted a total of 2.9 ha of land and 13,675 thousand forest saplings in Prahova and Ilfov counties. In 2021, within the same project, 4.46 ha and 13,000 white poplar forest saplings and shrub species were planted in Prahova and Constanta counties.

"We have a long-term commitment to increase the forest areas, as part of the Group's strategy to mitigate the effects of climate change, through various types of investments. This is the first volunteering activity after two pandemic years and we are happy we have planted over 7,500 trees, thus creating a green oasis near the heavy traffic of the national road."

Costinela Drăgan
Sustainability & CSR Director of KMG International NV



SUPPORT FOR SPORTS, ARTS & CULTURE

"GEORGE ENESCU" INTERNATIONAL FESTIVAL & COMPETITION

Rompetrol is delighted to have been supporting for 13 years this prestigious event, the place where emotions are expressed through music and exceptional compositions. In 2022, KMG International, under the Rompetrol brand, carried on its long-term partnership with the "George Enescu" International Festival and Competition, sponsoring the musical magic of the International Competition, which marked 64 years since the first edition of the event.

"Music of hope" was the theme of the edition, as it aimed to remind us of the power of music and the ability to be reborn through hope.

In 2022, more than 100 musicians from 32 countries entered the International Competition. The cello, violin, piano and composition competition represents a launch platform for future musical virtuosos, promoting Enescu's compositions to artists and audiences worldwide. and we are eager to meet them. Winning 1st place at the 2022 "George Enescu" International Competition ensures the access ticket to the stage of the 2023 "George Enescu" International Festival, where the laureates will perform alongside great orchestras of the world.

SPORTS ACADEMY

Sports Academy is an event with a rich history and significance for the entire Rompetrol community. It is where hobbies are encouraged and supported, and the team spirit and the desire to win make this event one of the most beautiful experiences for teams from various companies across all Group geographies. In the 11th edition of the competition, Rompetrol employees competed in the following sports: football, volleyball, basketball, weightlifting, athletics and chess. 400 colleagues registered in the competition, and 200 of them qualified for the grand finale.





rompetrol

BUILDING A NEW FRAME OF REFERENCE

MARKETPLACE

Introduction
Market performance overview
Sustainable suppliers
Procurement and supply chain operations
Product sustainability
Customer satisfaction and privacy
Legal actions



Introduction

At KMG International, we ensure that our supply chain operations are carried out in a highly proficient, transparent, and principled manner, adhering to our corporate policies and guidelines while fully complying with all relevant laws.

We maintain a complex framework of regulations and protocols that extends to our network of suppliers, contractors, and subcontractors. As a result, we exclusively collaborate with third-party entities that share our values, implement industry-leading methodologies, and meet the necessary regulatory criteria concerning work health and safety, environmental preservation, ethics and anti-corruption, corporate social responsibility, human rights, and labor standards.

The market environment for oil and natural gas was highly volatile in 2022, leading to significant increases in quotations for crude oil, feedstock, and petroleum products resulting from processing. Refining margins experienced a substantial increase due to the continued recovery of demand for refined products and decreased imports of crude oil and Russian products. The Dated Brent crude oil price rose from 79 to 92.5 USD/bbl. in January, reaching the highest since 2014. The OPEC+ ratified the 400,000-bpd production increase in March, and in Q2, the European Union implemented a partial ban on imports of crude from the Russian Federation, while China eased anti-virus curbs, aiding demand.

The supply-side constraints caused the increase in crude oil prices as OPEC+ failed to increase output in Q2. In Q3, the Dated Brent crude oil had a downward trend due to concerns over global recession hurting en-

ergy demand more than persistent supply-side issues. In Q4, China's COVID Zero policy kept oil demand in check, and bearish sentiment filtered through the commodities market due to inflation looming in the US and the recession risk.

The EU economic sanctions prohibited trading and/or buying Russian crude oil from the market, which increased the Brent-Urals Differential. The European refining margin fluctuated within normal ranges until February 2022, and then the margins increased to a record level of 252 USD/t. The refining margins in Europe were very strong in 2022 due to the ongoing recovery of refined product demand, combined with lower imports of Russian crude and lower inventories in Europe. In Q4, the diesel cracks reached the historical high level of 746 USD/MT due to tight supplies heading into winter, while jet cracks also reached the historical record value of 814 USD/MT.

Throughout 2022, the upstream market remained unstable, with clients showing low levels of investment and work. In addition, the region faced a significant amount of uncertainty, which led to a considerable rise in acquisition prices for goods and services required for our current activities, as well as fluctuations in delivery times. Furthermore, the company had to make divestment decisions and adjust operators' investment budgets due to these market conditions. Raw material supply chain issues, which are typical for the upstream industry, also contributed to the challenge. The overall impact of these factors resulted in delays in commencing or resuming drilling operations.

Market performance overview

In total, 5,258,229 tons of crude oil and other raw materials were processed in 2022, which was 7% lower than budgeted. This was due to issues encountered on the crude oil supply chain between February and March 2022, as a result of Russia's invasion of Ukraine, which led to a reduction by 405,918 tons compared to the budgeted amount. The cost of production registered an increase of about 76% compared to the previous reporting period due to the increase in oil&gas quotations.

The cost of goods sold during the reporting period was 72% higher than the budgeted level. This was primarily due to the volatility of the international oil and natural gas market environment, which generated significantly increased quotations during 2022 compared to the budgeted ones, which constitute the basis for calculating the selling prices both on the domestic and on the foreign market.

In 2022, the share of international sales in total sales represented approximately 35% (116% more than the previous year). Although the volumes sold on the foreign market have increased, as a result of an increased quantity of raw materials processed in 2022 compared to the previous year, the Group has focused more on maximizing sales on the domestic market, in order to ensure the country's energy supply, and implicitly the consumption on the domestic market.

Rompetrol Rafinare, the Group's refining division, which includes both Petromidia and Vega refineries, along with the petrochemical unit, continued to make a significant contribution to Romania's fiscal budget, with over USD 1.56 billion in 2022. This amount mainly consisted of excise duties, VAT, payroll taxes, local taxes, and others. As per the legislation governing local budgets, a large portion of the taxes paid by the Company to the state budget is directed at the local authorities in the region where the company operates.

In terms of industrial services, Rompetrol Well Services recorded an 18% higher turnover compared to the previous reporting period, generated by a marginal increase recorded in the area of cementing services, as well as by an alignment of tariffs with current market conditions. The company has maintained its position

on the domestic market, while its primary markets are located in Central and Eastern Europe. In 2022, the Company also provided services in Serbia and Bulgaria, based on specific contracts.

In spite of the ever-changing market dynamics, Rompetrol Well Services has managed to maintain its leading position in the particular market segment and the market share for most of the services provided in Romania, while at the same time increasing their complexity. The company has a market share varying between 15% and 70% of the specific services market.

Given the present market situation, the Company is evaluating the potential for growth in the Middle East service market. As part of this endeavor, the Company has been engaged in ongoing negotiations with potential local partners, while also exploring the prospect of establishing an operational base in the region.

In 2023, the Group will focus on enhancing its operational performance and continuing various initiatives that were started several years ago. These efforts include refining planning and production optimization, improving energy efficiency and organizational effectiveness, developing the retail gas stations network, increasing non-fuel profitability, and boosting trading profitability.

Specifically, the Group aims to achieve a Petromidia 2023 Feedstock Target performance of 5.68 million tons, which corresponds to 16 kt/day of operation. This represents a 0.42 million ton increase over the achieved level of 5.26 million tons in 2022 (which had 340 days of operation compared to the 355 scheduled for 2023). Additionally, the Group has set a White Products 2023 yield target of 85.1%, which is 0.5% lower than the 2022 level.

For the Romanian retail network, the Group has set a sales target of 2.35 million tons, representing an 18% growth target compared to 2022. The Group also aims to achieve a Non-Fuel Margin performance of USD 43.1 million in 2023, which would be a 25% increase compared to 2022.



Sustainable suppliers

As part of our commitment to sustainability, we recognize the critical role that our suppliers play in ensuring that we operate in an environmentally responsible and socially sustainable manner. Working with sustainable suppliers not only helps us mitigate risks, but also contributes to the long-term sustainability of our business. We are committed to working collaboratively with our suppliers to drive positive change and create a more sustainable future for all.

We believe that our supply chain should adhere to the same high standards of environmental stewardship and social responsibility that we set for ourselves. To that end, we have established a set of principles that we expect all of our suppliers to uphold. These principles cover a range of issues, including human rights, safe working conditions, environmental protection, and ethical conduct. Our Supplier Code of Conduct outlines these principles in detail and is mandatory for any supplier agreement with the Group and its subsidiaries.

One of our key principles is that we expect our suppliers to operate in full compliance with all applicable national and international laws and regulations. We also require that they demonstrate a commitment to promoting fair employment conditions and responsible management of environmental issues.

We strictly screen suppliers and subcontractors and routinely monitor business relationships to ensure compliance with our standards. We assess 100% of pre-qualified suppliers using rigorous environmental and labor practices criteria to obtain accurate and up-to-date information on their financial, reputational, and technical capabilities. In 2022, there were 627 suppliers screened, compared to 324 suppliers during the previous reporting period. The Procurement Function checks all vendors for any acquisition over USD 10,000.

Our prequalification process involves filling out a comprehensive questionnaire and undergoing assessments to ensure suppliers adhere to our ethical principles and commit to meeting our environmental, labor, social, and human rights standards. We subject suppliers to follow-up, assessment, and monitoring activities regularly as part of our risk mitigation efforts.

Potential suppliers and contractors undergo a complex screening and selection process, and local procurement may perform audits of strategic suppliers. Failure to meet our requirements may result in contract termination. We continually review and measure our performance and that of our suppliers to improve the quality, efficiency, and effectiveness of our services. Our Supplier Code of Conduct is regularly updated to align with local and international regulations and best practices.

Our commitment to sustainability is reflected in our procurement practices. We follow international standards in our Procurement Procedure, Supplier Code of Conduct, and Ariba system. Our Procurement Function has been certified by the CIPS Awarding Body with the Excellence Advanced Standard-Silver Award, which attests to our internal procedures, processes, strategy, and systems being reviewed and improved. Furthermore, our local Procurement Function conducts audits for strategic suppliers.

At Rompetrol, we recognize the importance of fostering partnerships with our suppliers. We organize regular meetings and presentations with our strategic local suppliers to discuss changes in the market and our company's strategy and systems. In 2022, we have carried out local capacity assessments in Romania, Bulgaria, Moldova, and Georgia.

Our Category Procurement Strategy emphasizes working with small firms, ethnic minority businesses, social enterprise, and voluntary and community sector suppliers to contribute to the supply chain and potentially deliver community benefits. The Procurement Function is committed to exploring and executing appropriate opportunities to collaborate with partners. When inviting bids or negotiating partnerships, we request that bidders include optional priced proposals for delivering specified community benefits. We then carefully review these proposals and implement them as appropriate.

The proportion of spending on local suppliers during the reporting period was around 75% (including local multinationals, excluding acquisitions under USD 5,000 without contract).

In the context of the CoGen project's implementation, several business development and supplier contracting were created. Thus, Rompetrol Energy, the company responsible for the construction of the cogeneration plant on Petromidia platform hired specialists for its own project team from outside the Group (6 people for a period of 2 years). Moreover, the project's contractor and its subcontractors resorted to both local work (25 people hired in Romania) and employment of external companies:

- Demolition works 100% assigned to local companies (worth approx. USD 0.5 million);
- Design works contracted with local companies 100% (worth approx. EUR 2 million)
- Various equipment contracted from local companies in Romania;
- catering services for the entire year (for approx. 100 people) provided by local companies.

GRI

GRI 204-1
GRI 308-1
GRI 407-1
GRI 408-1
GRI 409-1
GRI 414-1
GRI 414-2
GRI 11.10.8
GRI 11.10.9
GRI 11.12.2
GRI 11.13.2
GRI 11.14.6

IPIECA

SOC-2 C1, C2
SOC-3 C3, A4
SOC-14 C1, A2,
A3, A4, A5, A7, A8

No operations and suppliers in which the right to freedom of association and collective bargaining may be at risk were identified during the reporting period. Moreover, no suppliers at significant risk for incidents of child labor or forced labor were identified.

Furthermore, no significant actual and potential negative social impacts were identified in the supply chain or in the operations of any of the suppliers assessed.

In 2022, anti-corruption trainings were held for the entire procurement team, and several action points were established (related to the anti-corruption fight) by the Procurement and Internal Control departments to be implemented for suppliers.

In the context of the war in Ukraine, the crude oil that was exported from Kazakhstan in the second half of 2022 was labeled as Kazakhstan Export Blend Crude Oil (KEBCO) to distinguish it from oil originating in Russia. As a result, Rompetrol Rafinare modified the Platts quotation used to determine the prices of heavy crude oil purchases for KEBCO from KMG NC. The quotation changed from Urals to CPC in July 2022 in response to market reactions to the events in the region.

In 2023, Rompetrol Rafinare will provide the domestic market with only Euro 5 fuels with a maximum sulfur content of 10 mg/kg and a biofuel content of at least 8% by volume for gasoline and 6.5% by volume for diesel, in compliance with Law no. 311/2018. The company does not plan to expand its auto fuel portfolio in 2023.

GRI

GRI 2-6
GRI 2-27
GRI 301-1

Procurement and supply chain operations

The Group's procurement and supply chain operations are a crucial aspect of our commitment to sustainable business practices. These operations oversee contract and material management, commercial strategies, procurement systems, logistics, and indirect procurement. Our short and mid-term plans for supply chain operations are based on production scenarios, forecasts, annual delivery plans, and daily schedules, covering feedstock purchasing, planning & production optimization, and volumes allocations & overall logistics for all the Group subsidiaries.

We source the technical material supply needed for our activities from both internal and import sources. Our Refining Business Unit, which includes the Petromidia and Vega refineries and the Petrochemical plant, has supply sources that enable us to conduct our operations effectively. Raw material and materials inventories are appropriately dimensioned to ensure that all three entities can operate continuously.

The procurement of raw materials is influenced by international market trends and quotations, with the reference quotation calculation typically based on Brent and Ural. The fluctuations in the market and international context, influenced by geopolitical or economic factors, ultimately impact the level of purchase prices of raw materials.

To ensure stability and safety, the main raw material used by Rompetrol Rafinare, crude oil, comes exclusively from import based on firm contracts signed annually (contract signed for five years in 2021). Kazakhstan is the main source of crude oil, which arrives in Romania through the Midia Marine Terminal.

KazMunayGaz Trading A.G, the trader of KMG International Group, is responsible for contracting the quantity of crude oil required for processing in the Refinery. It is also responsible for importing other raw materials and exporting petroleum products for sale on foreign markets.

Other raw materials come from both external and internal sources. Biocomponents (bioethanol and biodiesel) are purchased to produce automotive fuels, in line with legal regulations requiring suppliers to sell gasoline and diesel with a minimum content of biofuels to end consumers. Ethylene, a raw material for polyethylene (LDPE), is purchased from the foreign market at prices that follow the trend of quotations. Chemicals are purchased for the two refineries, including catalysts, addi-

tives, chemical services for water treatment, inhibitors, process chemicals, reagents, and oils.

We use the modern Midia Marine Terminal for discharging crude oil from Kazakhstan, and contracts were signed with service providers such as Conpet S.A., Oil Terminal S.A., Midia Marine Terminal S.R.L., and Decrom S.A. (for solid products) for loading and unloading raw materials and petroleum products in the ports of Constanta and Midia. Our procurement and supply chain operations are committed to sustainability and ethical business practices at every step of the process.

SUPPLY AND PRODUCTION

To ensure the smooth development of its activities, Rompetrol Rafinare, the Group's refining division, procures the necessary materials and products from both internal and imported sources. The company has established reliable supply sources to support its operations, and the inventories of raw materials are appropriately sized to ensure the uninterrupted operation of its two refineries in Năvodari and Ploiești, as well as the activity of its Petrochemical Plant.

In 2022, Rompetrol Rafinare continued to produce improved winter-grade fuels "Diesel 55" and "Efix S Diesel 55", distributed under the brand name "Xtreme Efix S". These fuels are resistant to temperatures as low as -35 degrees Celsius.

In 2022, the Petrochemical sector produced special grades that made up 21.5% of total production, up from 17.4% in 2021. These grades generated an additional revenue of around USD 920,000 (difference between the selling price of special grades and that of general-purpose grades). The development activity was focused on optimizing existing grades and improving their properties using new additives such as RTF3 thermoforming grade and RCF9 film grade.

In the difficult economic climate, measures were taken to improve the efficiency of the units, including testing and using a new type of initiator in the LDPE unit, which broadened the range of potential suppliers. Additionally, Vega Refinery began using a solvent produced internally, reducing dependence on external sources and their volatile prices. During the reporting period, Vega Refinery focused on producing solvents (SE 30/60, n-Hexane, White spirit), naphtha gasoline, light and heavy liquid fuels for heating, normal and polymer-modified road bitumen.

No new products are planned to be introduced in the Vega Refinery portfolio in 2023.

PETROMIDIA REFINERY

The planned 2022 turnaround for Petromidia was successfully completed on April 4th, 2022, achieving a total throughput of 5.26 million tons, which was a 14.67% increase from the previous year. This was optimized with a high refinery margin, and the refining capacity utilization was at 87% for the operational days of 2022.

Throughput	Budget (t)	Achieved (t)
Other feedstocks	630,454	460,597
Crude oil	5,033,693	4,797,633
Total	5,664,147	5,258,229

The production plan for 2022 was designed to process a total of 5,664,147 tons. This included 5,033,693 tons of crude oil and 630,454 tons of other raw materials. This plan was used as the basis for creating the income and expense budget for 2022. However, only 5,258,229 tons were processed, of which 4,797,633 tons of crude oil and 460,597 tons of other raw materials. This figure fell short of the budgeted level by 405,918 tons. Thus, the level of processing for 2022 was 92.83% of the production plan established in the budget.

Some of the key technological and operational parameters recorded by Petromidia refinery in 2022 included a white finished products yield of 85.55%wt, a record level of 6.5% jet yield (3.1% higher than 2021), a technological loss of 0.80%wt (the lowest level in history after the implementation of "2010 Package" and 0.02% lower than the previous year), and an Energy Intensity Index of 96.2% - very close to the previous record of 96.1.

In terms of operations, the refinery functioned with a capacity of 15,409 tons of raw materials per day. However, this capacity was affected by the planned technological shutdown, which took place from March 11 to April 4, 2022. During this time, the company's specialists, together with contracted personnel, completed the necessary works at both the Petromidia and Vega refineries. This included rehabilitation work on the Diesel Hydrotreater Unit (DHT), which had been affected by a technical incident on July 2, 2021. The DHT unit was put back into operation on April 13, 2022, and all refinery units were restarted with a high degree of safety. Petromidia achieved a mechanical availability of 95.53%.

Throughout the year, the refinery operated its units to the highest performance standards while ensuring compliance with environmental protection commitments.

In 2022, the diesel yields were recorded at 44.65%, while the yields for fuels (gasoline, diesel, Jet, LPG) reached 74.77%. The Jet yield reached a new record of 6.5%, corresponding to approximately 340 thousand tons, which was higher than the previous year's yield of 3.4%, corresponding to approximately 156 thousand tons. This improvement was due to the optimization of crude oil and diesel recipes.

Structure of production	Budget (t)	(%)	Achieved (t)	(%)
Finished products	5,519,143	97.44	5,140,991	97.77
Gasoline	1,408,989	24.88	1,386,941	26.38
Diesel	2,692,207	47.53	2,347,836	44.65
Jet	261,668	4.62	339,706	6.46
Fuel oil	199,911	3.53	149,720	2.85
Propylene	145,641	2.57	125,548	2.39
LPG	272,941	4.82	238,699	4.54
Petroleum coke	241,638	4.27	248,123	4.72
Petroleum sulfur	49,125	0.87	52,324	1.00
Other	247,024	4.36	252,094	4.79
Total loss	145,004	2.56	129,897	2.47
White products yield	- 85.54		- 85.55	

In 2022, RRC's crude oil purchases reached 4,764,543 tons, which was higher than the previous year's volume of 3,481,771 tons. The company exclusively imported crude oil through its trading company, KazMunay-Gas Trading A.G. Additionally, the volume of all raw materials purchased from external sources in 2022 (5,054,271 tons) was higher than in the previous year (4,426,276 tons).

In 2022, the average price of crude oil purchased was significantly higher, at 669 USD/ton, compared to 498 USD/ton in the previous year. This was due to the outbreak of the war initiated by Russia against Ukraine, which led to a significant increase in international quotations. Additionally, the average price of Brent in 2022 was 101 USD/bbl (767 USD/mt), compared to 71 USD/bbl (535 USD/mt) in 2021.

The company acquired 91,047 tons of raw materials from domestic sources, which was slightly higher than the previous year's volume of 89,338 tons. Furthermore, it acquired approximately 28,365 tons of raw materials from Vega, compared to the 24,651 tons acquired in 2021.

Feedstock	Budget (t)	Purchases (t)
Feedstock	5,664,147	5,145,318

The quantity of feedstock purchased in 2022 was lower than budget throughput level (which also includes other feedstock than purchased).

VEGA REFINERY

Vega Refinery, the only domestic producer of bitumen and hexane, had a total throughput of 372,920 tons in 2022, which was 16.16% higher than the previous year. The refining capacity utilization was higher by 15.72% than the previous year, and a new product (n-heptane) was developed for polymers production in the petrochemicals division. Some of the key operational results for Vega refinery in 2022 included a technological loss of 0.62%, energy consumption of 2.34 GJ/t, and a Mechanical Availability of 98.69%.

During the reporting period, Vega Refinery had a production program designed for processing 452,847 tons of raw materials, with 452,829 tons from the group and 18 tons from external sources. This program served as the basis for creating the 2022 income and expenditure budget. However, the refinery processed only 372,920 tons in 2022, which was below the budgeted level due to several factors like the lower volumes of raffinate processed, railway blockages, and sales demand. Out of the total processed, 372,909 tons were from the group, and 11 tons were from non-group sources. This represented approximately 82.35% of the program established for the 2022 budget, taking into account the raw materials available from the Petromidia Refinery and market demand.

Despite being lower than the budgeted amount, the processing level of 372,920 tons was still higher than the previous year's level by approximately 52 ktons. In 2022, 17.6% less was processed than budgeted, the monthly average being 31,077 tons compared to the budgeted 37,737 tons.

Throughput	Budget (t)	Achieved (t)
Non-group	18	11
Group	452,829	372,909
Total	452,847	372,920

Structure of production	Budget (t)	Achieved (t)
Finished products	449,766	370,145
Gasoline & Solvents	172,096	145,239
n-Hexane	90,640	79,321
White spirit & Petroleum	6,117	5,400
Calor Extra I	4,114	5,355
Light liquid fuel	4,797	11,660
Fuel oil	31,757	22,685
Bitumen	140,245	100,485

PETROCHEMICAL UNIT

The Petrochemicals unit had a production plan for 2022 that focused on the Polypropylene plant (PP) and Low Density Polyethylene plant (LDPE), aiming to produce 161,350 tons of polymers. This production included 87,100 tons of PP and 74,250 tons of LDPE. Additionally, the production plan aimed for 26,937 tons of polymerizable propylene. This plan served as the foundation for the 2022 income and expenditure budget.

However, the actual polymer production achieved in 2022 was 128,958 tons, consisting of 86,404 tons of PP and 42,554 tons of LDPE. The production of polymerizable propylene was 11,878 tons.

When comparing the budgeted production to the actual production, it can be observed that the Polypropylene plant (PP) achieved production levels of approximately 99% compared to the budget. On the other hand, the Low Density Polyethylene plant (LDPE) achieved production levels of approximately 57% compared to the budget. This is due to the fact that the LDPE plant operated intermittently, being affected by the fluctuations of the ethylene/polyethylene market, as well as the plant's operational availability.

The LDPE plant operates 100% with imported ethylene, and the PP plant works with raw material produced and delivered internally by the Petromidia Refinery. The petrochemical unit is the only producer of polypropylene and polyethylene in Romania, with a constantly increasing secondary products market share.

Structure of production	Budget (t)	Achieved (t)
Polypropylene	87,100	86,404
Low-density polyethylene	74,250	42,554
Propylene polymer grade	26,937	11,878

SALES

In 2022, sales on the domestic market accounted for 65% of the total sales, which was slightly lower than in 2021. Among the oil products sold, automotive fuels (gasoline and diesel) made up 79% of the total volume, and 73% of the total amount of gasoline and diesel fuel was sold on the domestic market. The sales of gasoline and diesel fuel for consumption through gas stations covered all regions of Romania, with diesel fuel accounting for the largest share (approximately 84%) of car fuels sold nationally.

External sales had two main destinations: within the community and outside the community. Intra-community deliveries made up about 15% of the total volume of finished products sold on the foreign market, which was slightly lower than the previous year's figure of 18%.

The main countries to which sales were made were:

- **Gasoline:** Albania, Gibraltar, Georgia, Tunisia, Turkey, Moldova, Ukraine;
- **Diesel:** Bulgaria, Georgia, Moldova, Greece, Serbia, Turkey, Ukraine;
- **Petrol:** Moldova, Albania, Georgia;
- **Petroleum coke:** Moldova, Turkey;
- **Petroleum sulfur:** Egypt, Morocco.

In terms of distribution, oil products sold on the domestic market were mainly transported by road and rail, but barges were also used. For external sales, the largest share of distribution was achieved by sea through the Midia and Constanța ports, but road and rail were also used.

Polymers sales on the foreign market were aimed at both EU and non-EU countries. Intra-community deliveries accounted for about 89% of the total finished products sold on the foreign market, with the remaining representing export sales on non-EU markets. The main markets for polymers (PP, LDPE, PET, and PVC) are Romania (56%), Bulgaria (15%), Serbia (6%), and Italy (6%).

In terms of distribution, Rompetrol Rafinare sold oil products domestically by road and rail. For foreign sales, distribution was done by both road and sea transport through Agigea and Constanța ports.

Rompetrol Rafinare SA (million RON)	2020	2021	2022
Gasoline and diesel fuels	6,360	9,334	18,017
Other petroleum products	1,260	1,746	3,993
Petrochemical products	619	770	939
Goods	11	271	44
Utilities	9	12	17
Services	15	17	17
Net turnover	8,275	12,150	23,027

Rompetrol Rafinare SA (% of turnover)	2020	2021	2022
Gasoline and diesel fuels	76.9%	76.8%	78.2%
Other petroleum products	15.2%	14.4%	17.3%
Petrochemical products	7.5%	6.4%	4.1%
Goods	0.1%	2.2%	0.2%
Utilities	0.1%	0.1%	0.1%
Services	0.2%	0.1%	0.1%
Net turnover	100%	100%	100%

PETROMIDIA REFINERY

In 2022, sales volume was slightly below the budgeted amount but increased by 44.36% compared to the previous year's deliveries of 3,091,583 tons. Overall, total sales volume grew by approximately 13% compared to 2021, which was the second year impacted by the pandemic crisis. On the external market, traded volumes were higher than in 2021. The majority of the quantities were sold on regional markets where our competitive logistics advantage is strongest, including Bulgaria, Moldova, Hungary, and Serbia.

Sales volume	Budget (t)	Actual (t)
Finished products	4,598,662	4,463,089

In 2022, fuel sales were higher, gasoline sales seeing an increase of 21% from the previous year.

White products sales (naphtha gasoline, eco-solvents, n-hexane, white spirit) accounted about 62% of total sales in 2022.

Sales channels	2021	2022	Fuel sales	2021	2022
Domestic	70%	65%	Gasoline	975,716	1,181,261
Export	30%	35%	Diesel fuel	2,337,027	2,330,567

Structure of deliveries	Domestic (t)	(%)	Export (t)	(%)	Transfer (t)	(%)	Total (t)
Gasoline	344,865	29.19	836,395	70.81	0	0.00	1,181,261
Gasoline for chemical use	0	0.00	32,030	15.92	169,198	84.08	201,228
Petroleum	290,255	87.70	29,640	8.96	11,083	3.35	330,978
Auto Diesel fuel	1,787,138	76.46	543,446	23.25	6,792	0.29	2,337,376
Fuel oil	25,083	16.59	0	0.00	126,138	83.41	151,221
Propylene propane	0	0.00	0	0.00	125,548	100.00	125,548
LPG	241,611	100.00	0	0.00	0	0.00	241,611
Petroleum coke	183,835	72.95	68,158	27.05	0	0.00	251,993
Petroleum sulphur	39	0.07	51,954	99.93	0	0.00	51,992
Other	29,008	33.20	0	0.00	58,366	66.80	87,374
Total	2,901,834	58.50	1,561,624	31.48	497,124	10.02	4,960,583

* Domestic deliveries include oil products sold on the domestic market. Deliveries to Vega and Petrochemicals are listed under "Transfer".

VEGA REFINERY

In 2022, the total amount of deliveries reached 364,142 tons, marking a 14% increase compared to the previous year's deliveries of 318,797 tons. Of the total amount, 169,167 tons were delivered through the internal distribution channel, which is higher than the 151,702 tons delivered in 2021. On the other hand, 194,974 tons were sold on the external distribution channel, and it was higher than the sales on the domestic market.

The primary markets for the external distribution channel were as follows:

- **Naphtha:** Hungary, Poland, Bulgaria, Moldova, Slovakia;
- **Hexane:** India, Turkey, Ukraine, Bulgaria;
- **Ecological solvents:** Germany, Hungary, Italy, Ukraine, Moldova;
- **White spirit:** Bulgaria, Moldova, Turkey.

Structure of deliveries	Domestic (t)	(%)	Export (t)	(%)	Total (t)	(%)
Naphtha gasoline	23,000	6.32	77,827	21.37	100,827	27.69
Bitumen	100,495	27.60	-	-	100,495	27.60
Heating fuels	15,761	4.33	-	-	15,761	4.33
Hexane	4,377	1.20	73,216	20.11	77,593	21.31
Heavy fuel oil	22,441	6.16	-	-	22,441	6.16
Petroleum and White spirit	2,310	0.63	2,659	0.73	4,969	1.36
Ecologic solvents	784	0.22	41,272	11.33	42,056	11.55
Total	169,167	46.46	194,974	53.54	364,142	100.00

PETROCHEMICAL UNIT

The Petrochemical unit is the only producer of polypropylene (PP) and polyethylene (LDPE) in Romania. The company also engages in marketing various petrochemical products that are currently not in its production portfolio but have high demand in the Romanian market, such as high-density polyethylene (HDPE pipe grades), linear low-density polyethylene (LLDPE), PVC, PET, and PP.

In 2022, the Petrochemical Complex sold a total of 138,281 tons of products, representing a 24% increase from the previous year (111,322 tons in 2021). The sales consisted of 89,249 tons PP (64%), 41,277 tons PE (LDPE and HDPE, 30%), and 7,754 propylene (6%).

The most important distribution channels for polymers (PP, LDPE, HDPE, PET and PVC) in 2022 were Romania (55%), Bulgaria (15%), Turkey (11%) and Italy (4%).

To break it down, 58% of total polymer sales were for the domestic market, while the remaining 42% were for exports. The main markets for polymer products (PP, LDPE, PET, and PVC) were Romania (56%), Bulgaria (15%), Serbia (6%), and Italy (6%).

Sales of polymers on the foreign market were intended for both EU and non-EU countries. Intra-community deliveries made up about 89% of the total finished products sold on the foreign market, while the rest represented export sales to non-EU markets.

Rompetrol Rafinare distributed petrochemical products through road and rail transport for domestic sales, and for foreign sales, they used both road and sea transport through the ports of Agigea and Constanța.

Sales channels	2021	2022
Domestic	61%	58%
Export	39%	42%

Sales by destination	2022
Romania	58%
Bulgaria	15%
Russian Federation	6%
Italy	6%
Hungary	2%
Austria	2%
Turkey	2%
Lithuania	2%
North Macedonia	2%
Slovakia	2%
Other	5%

Structure of deliveries	Domestic (t)	(%)	Export (t)	(%)	Total (t)
Polypropylene (PP)	49,958	56%	39,292	44%	89,249
Low-density polyethylene (LDPE)	22,973	56%	18,295	44%	41,267
Total	72,931		57,587		130,516



REFINERY

Product sustainability

We follow industry-standard specifications and product standards to ensure that our products meet the highest quality and safety standards. For both new and existing products, we conduct thorough assessments to identify any potential environmental or health impacts. If we identify any findings, we take appropriate measures to address them, including product reformulation, process improvements, or discontinuation of the product.

Our commitment to product assessments and continuous improvement enables us to provide sustainable, high-quality products to our customers while minimizing our environmental impact.

Romp petrol Rafinare (RRC), KMG International's refining division, only produces Euro 5 fuels and only processes sulfurous oil. All RRC fuels and VEGA additives, along with the LPG distributed by Rompetrol Gas and fuels delivered by Rompetrol Downstream are certified by the Romanian Automotive Registry.

KMG International fuels are designed and labeled according to EN 590:2017 (diesel), EN 228:2017 (gasoline), EN 589:2008 (LPG), as well as certified by the Romanian Automobile Registry. Bitumen is designed according to SR EN 1259:2009 (paving grade bitumen) and SR EN 14023:2010 (polymer modified bitumen) and certified by Romanian Auto Registry according to GD no. 622:2004. According to Regulation (EC) 1272/2008, fuels are labeled based on the information contained in their safety data sheets, which communicate the potential hazards of chemicals.

We comply with GO nr. 80/2018 by having an internal monitoring program for fuel quality, and an automated monitoring program for each food category we produce. Additionally, we manage analysis reports and safety data sheets for both our fuel and food products.

All MSDS (Safety Data Sheets) contain information on first aid measures, firefighting measures, handling and storage, and protection measures. These include collective and individual (PPE) measures, technical measures such as detectors, rescue showers, security signaling, etc., and organizational measures such as intervention plans and evacuation procedures. The MSDS are usually displayed on chemical or product containers.

We regularly review and update our safety data sheets to ensure that they accurately reflect the potential haz-

ards and appropriate handling procedures for each product. In addition, we provide posters for pumps and minimum instructions for transporting and using fuels, including car LPG and cylinders, to promote safe handling practices.

Furthermore, a procedure has been established to ensure the safe management of chemicals (substances and preparations) in compliance with legal and regulatory requirements, and to minimize their impact on the environment and personnel health and safety. This procedure applies to both internal and external stakeholders, including own staff, service providers, customers, and others.

The activities associated with chemicals on site include manufacture, placement on the internal and external market, acquisition from the internal and external market (import), use, temporary storage, transport, handling, and recovery/disposal of generated waste. Throughout the life cycle of chemicals, compliance with regulatory requirements for classification, labelling, packaging, storage, and safety marking is mandatory.

Regular training on applicable legal and regulatory requirements and the risks associated with hazardous chemicals is necessary for personnel handling or using them. For petrochemical products (polymers), there is a specific procedure for storing them during internal processing and delivery, including identification/labelling, handling, contamination control, packaging, storage, transportation, and product protection. Safety data sheets for all refinery and petrochemical products are documented in accordance with regulatory requirements.

Romp petrol Downstream has signed contracts and agreements with all service providers, including the dealers who operate the stations. These agreements outline the requirements for quality assurance. Contractors and subcontractors are required to adhere to relevant national legislation and regulations for occupational safety and health. Additionally, they undergo periodic evaluations and checks.

During the reporting period, there were no reports recorded on incidents of non-compliance concerning the health and safety impacts of products and services or incidents of non-compliance concerning product and service information and labeling.

GRI

GRI 416-1
GRI 416-2
GRI 417-1
GRI 417-2

SASB

EM-RM-410a.1

IPEICA

SHS-5 C1, C3, A1, A3

In 2022, there were 1,742 active products available. Among them, there were 227 local products, making up 13.03% of the total portfolio. The number of producers contributing to these products was 144, with 30 of them being local producers. This means that local producers made up 20.83% of the total number of producers.

GRI

GRI 418-1

IPEICA

SHS-5 C1, C2

KMG International upholds international standards ISO 9001:2008, ISO 14001:2004 and ISO 50001:YEAR for the refining segment, and ISO 9001:2008 and ISO 14001:2004 on OHSAS 18001:2008 for the retail segment to rate customer satisfaction and claims across our business units. Each year, we conduct extensive consumer surveys across our operations to identify areas of strength and improvement in terms of customer satisfaction. Our strategy aims to increase loyalty, strengthen customer confidence, gain new customers, and build stronger business relations.

Through market research studies, KMG International obtains market knowledge to support business growth and generate ideas and consumer insights for product and service improvements. We also offer support to marketing teams based on consumer behavior analysis and monitor market performance following implementation of research results.

Based on these surveys, we continuously implement projects and actions to improve delivery logistics and expand our product portfolio. Dedicated customer satisfaction surveys are regularly carried out within our retail operations on an annual basis to measure satisfaction and identify areas for improvement.

Market knowledge	Romania	Bulgaria	Georgia	Moldova
Market shares	yes	yes	yes	yes
Consumer behavior	yes	yes	yes	yes
Customer satisfaction	yes	n/a	yes	yes
Market segmentation	yes	n/a	yes	yes
Mystery motorist audit	yes	n/a	yes	yes
Shop & gastro knowledge	yes	n/a	yes	yes
Market opportunities	yes	yes	yes	yes

Since Romania is the main asset of the Group, Customer Satisfaction is measured more in-depth and includes data on residential consumers (85%), retail business consumers (85%) and wholesale to consumers (83%). However, Customer Satisfaction is equally important for the Rompetrol retail brands Efix and hei.

Efix, as fuel brand, is very known and appreciated in Romania. According to customer satisfaction surveys, the fuel supplied by Rompetrol is

- the main reason for choosing Rompetrol DWS as supplier;
- the most important aspect for a good collaboration;
- top satisfaction trigger.

Customer satisfaction and privacy

The Group is constantly investing in its Customer Service Strategy showing Rompetrol's commitment to providing high quality products and services and meeting or even exceeding its customers' needs and expectations.

In 2022, the Rompetrol Go loyalty B2C program reached >748.000 members, adding 187.000 new members only during the reporting period. Our customers expressed interest and appreciated the various features of our mobile application, with 253.000 accounts created in the application by the end of 2022.

Even though Rompetrol Go loyalty program and Mobile App were impacted by the cyber-attack in March, being suspended for almost 2 months, all the contingency measures and compensatory promotions planned, aimed to compensate the impact sensed by our loyalty members

In 2022, KMG International Group identified eight cases of breaches of customer privacy, which were analyzed by assigned Data Protection Officers as per GDPR requirements. These cases were either reported by outside parties or identified by the organization and were adequately substantiated and documented. Four of the incidents involved unauthorized access and transmission of personal data for a small number of data subjects. Of the remaining cases, 1 involved theft of customers' personal data through multiple actions, 1 a cybersecurity attack that made data unavailable at Group level (without loss of personal data), 1 involved a DDoS attack that made one of the Group's websites unavailable for a short period of time (without loss of personal data), and one case involved loss of correspondence containing an internal magazine.

For each of these cases, KMG International Group investigated the causes and performed a detailed risk analysis. Incidents that met GDPR reporting requirements were reported to the Data Protection Authority (ANSPDCP) and all subsequent requests from the authority were addressed and implemented. In addition, KMG International Group implemented specific measures to reduce the impact on data subjects and prevent future incidents, such as taking legal actions depending on the situation (e.g. filling in criminal complaints and provide relevant info/docs, reports to National Directorate for Cybersecurity etc.), providing GDPR training sessions for employees, recovering data from backups, conducting internal audits, analyzing relationships with suppliers and business partners when incidents were their fault, and promoting a culture of awareness regarding the importance of keeping personal data safe and secure.

Legal actions

Investigation regarding alleged violation of competition rules in the Republic of Moldova

In January 2021, the Competition Council of Moldova (CCM) conducted a search at the premises of six major oil and gas companies, including Rompetrol Moldova, based on allegations that they had colluded to establish retail prices for petroleum products. Rompetrol Moldova denied the allegations, asserting that its pricing decisions were made independently. In April 2021, the CCM's investigation team issued a report recommending that the companies be penalized for price-fixing. Rompetrol Moldova had 30 days to respond with a statement of defense and would have a hearing before the CCM. The decision of the CCM could be appealed to the court. The company requested a 30-day extension to file objections, which was granted. On July 9, 2021, the company submitted its challenges to the report.

On May 14, 2021, Rompetrol Moldova requested to be part of the commitment procedure, which would entail adjusting its commercial approach to address any concerns of the CCM without admitting to any violation of competition law. However, on July 5, the CCM rejected the application for all oil companies.

The company and its legal representatives believe that there are sufficient grounds to dismiss the allegations made by the competition investigation team. On October 13, 2021, Rompetrol Moldova requested that the procedure be closed due to the unauthorized disclosure of the Competition Report to the public. On November 4, the CCM rejected the request. The company challenged the rejection in court on December 3, but the court rejected the claim.

According to administrative law, further procedures are being carried out, following the last rejection of the company's complaint at the CCM, the first hearing being set for April 4, 2022.

Seizure of refining assets by Romanian state authorities

On September 10, 2010, the National Agency of Fiscal Administration (ANAF) imposed a precautionary seizure on all holdings held by Rompetrol Rafinare in its affiliated companies, as well as on its movable and immovable property, except for the stocks. This measure is still in effect, but it does not have a direct impact on the company's ongoing operations.

As of the time of preparing this report, the Romanian State has waived the judgment of appeals in all disputes related to the application of the provisions of Government Emergency Ordinance no. 118/2003, approved with amendments by Law no. 89/2005.

To settle Rompetrol Rafinare's debts to the Romanian State, which were generated by the application of GEO no. 118/2003, the company challenged the precautionary seizure in court and requested ANAF to remove it from the mobile and real estate registers, as it no longer served a purpose. On the substance, the court ruled in favor of the company. ANAF appealed the decision, and the appeal is scheduled to be heard at the High Court of Cassation and Justice on May 25, 2023.

GRI
GRI 206-1



MARKETPLACE

carburantul care
protejeaza motorul

carburantul care
protejeaza motorul

carburantul care
protejeaza motorul

efix

efix

Bine ai venit
la
rompetrol

50.00
7.85

Dacă plăteți în numerar,
cu bonuri valorice sau
card bancar, apăsați tasta
DEL de pe ecranul de card
afășat pompei, înainte
de a ridica pistolul pentru
alimentare.

Avem rovinietă

1

BUILDING A NEW FRAME OF REFERENCE

APPENDICES

Country profiles
Financial brief (IFRS)
Shareholding structure
Independent assurance report
Standards annex
Contacts
Glossary of terms and abbreviations
Stakeholder feedback form

Country profiles

The Group's Retail Division covers the gas station networks in Romania and the Black Sea region, under the Rompetrol brand, leading the charge as the first Romanian energy company to expand its reach beyond national borders. It embarked on its regional journey in 2002, entering the Bulgarian and Moldovan markets. Initially focused on wholesale distribution, the company swiftly expanded into retail distribution by supplying fuels sourced from the Petromidia refinery. Then, in 2005, it began its development plans in Georgia, opening up new horizons for growth and opportunity.

Over the years, the Rompetrol brand has experienced remarkable growth through a combination of product diversification and a steadfast commitment to reimagining the concept of fuel stations. These groundbreaking innovations, rigorously tested and implemented in an intensely competitive market, have successfully been introduced in the countries where the Group operates subsidiaries. As a result, our regional market share continues to strengthen and consolidate.

Overall, Rompetrol's presence in the Black Sea region has been instrumental in strengthening the energy infrastructure, promoting economic growth, and supporting the energy needs of these countries. Through its investments and commitment to excellence, Rompetrol has established itself as a reliable partner in the region's energy landscape.



ROMPETROL MOLDOVA

Rompetrol Moldova operates a network of 95 stations, including 85 affiliated shops. The company also operates two fuel depots, in Chişinău and Giurgiuleşti, making it the largest supplier of petroleum products in the country. All the fuels sold are exclusively imported from Petromidia Refinery. In addition to the distribution stations and fuel depots, the company also owns four dedicated LPG stations in the northern region of Moldova.

Over the years, the company focused on expanding its fuel distribution network and wholesale activities, supplying fuel to various industries such as agriculture, transportation, and construction.

Ever since its establishment in 2002, Rompetrol Moldova has been an influential presence in the local market, as the leading provider of petroleum products and one of the major players in the retail segment. Rompetrol Moldova has over 1,000 employees and has contributed over \$733 million to the state budget of the Republic of Moldova in its 20 years of operation.

As one of the largest fuel importers in the country, Rompetrol Moldova holds a significant market share in the local fuel market - approximately 40% in wholesale and over 29% in retail.

Rompetrol is the first petroleum company in the Republic of Moldova to implement the Integrated Management System with international ISO standards, having been certified since 2012 for compliance with international standards such as ISO 9001:2008 (quality management), ISO 14001:2009 (environmental management), and OHSAS 18001:2007 (health management and operational security).



Key achievements in 2022

New fuel distribution station inaugurated in Chişinău

Increased import supply (374 kt, +50% vs 2021 and +18% vs. Reforecast for 2022)

Record sales of 387K tons

Signed contract for storage and handling of petroleum products in GIFP (Giurgiuleşti International Free Port) which will allow continuous deliveries of petroleum products from Petromidia refinery by barges in 2023

Signed rent contract for Târnova LPG depot, to improve operations

Recertified for ISO 14001/45001/9001

Participated in the Million Trees Moldova afforestation project, planting 2,022 trees (in Mărdăreuca, Boşcana commune, Criuleni district)

Plans & objectives for 2023

Develop 2023-2025 strategy and key projects and objectives, mainly focused on service improvement

Implement CAPEX projects to modernize utilities at Chişinău depot

Open 4 new fuel distribution stations by year's end

Continue optimization of logistics operations and costs

Launch "hei" brand in Rompetrol Moldova fuel stations

Implement new retail concept in Rompetrol Moldova station stores

Continue afforestation efforts

ROMPETROL BULGARIA

Romp petrol Bulgaria EAD is specialized in the distribution of fuels and petroleum products through a current network of 60 fuel stations. The company also has wholesale operations from 3 depots around the country: Own depot in Ruse (along the Danube river) plus rented storage capacities in 2 other depots in North-East and Southern regions of Bulgaria. The owned depot in Ruse has 5'800 m3 total storage capacity for diesel and gasoline and employees the latest technologies in the field of oil product management and environmental protection, including a biodiesel blending unit and EFIX additivition installation for diesel and gasoline.

2022 was challenging for Rompetrol Bulgaria, largely influenced by market instability resulting from the conflict in Ukraine. The wholesale division faced a decline in sales volume compared to the previous year. Despite this, the retail sector demonstrated remarkable progress in all aspects, marking consecutive years of record-breaking results. Notably, both fuel and non-fuel sales experienced substantial growth, reaching unprecedented levels and reflecting the company's outstanding performance since its establishment.

Looking forward, we focus on dynamic growth, which includes expanding our network and continuously enhancing the quality of our services.



Despite facing unprecedented cost increases throughout 2022 in various components contributing to the transport tariff, such as a 40% rise in diesel fuel costs, a 20% increase in labor expenses, a 15% inflation rate, and a staggering 92% surge in electricity costs for rail transportation, we effectively ensured uninterrupted supply to our stations and clients. By carefully managing these cost increases, we were able to maintain competitive tariffs in the market.

Key achievements in 2022

Successfully executed the budgeted capital expenditure (Capex) projects within the allocated resources and within the specified timelines. The major project undertaken involved the reconstruction and repair of the truck scale at the Ruse depot

RPB achieved commendably low levels of losses in both primary logistics (0.09%) and secondary logistics (0.11%), surpassing the required benchmarks

Record level of Gas Stations channel sales: 76 kt (Gasoline & Diesel) +8% compared to 2021, 85 kt (including LPG)

Record level of average daily CODO sales: 5.35 m³/day/station, +4% compared to 2021

Record level of CODO stations sales: 65 kt (Gasoline & Diesel) +10% compared to 2021, 73 kt (including LPG)

Record level of NFR (non-fuel retail) contribution: USD 1.8 M, +10% compared to 2021, +7% above budget

Plans & objectives for 2023

Implement budgeted capital expenditure (CAPEX) projects including the construction of a ship charging facility. This project involves installing a pipeline, pump, flowmeter, and additive tank

Consider options for expanding its operations through a depot in South-West Bulgaria, preferably near the capital Sofia. This will optimize secondary logistics costs and create new opportunities to increase sales in the most developed industrially active region of Bulgaria.

Ensure uninterrupted supply to Rompetrol Bulgaria depots and stations, either by sourcing from the Rompetrol refinery or the local market

Expand the current CODO network by adding six more rented stations

Further develop the gastro concept in transit stations

Enhance fleet sales by collaborating with international card providers

Increase pump channel sales by 16% to 88 kt

Increase total retail sales by 40% to 209 kt

Increase NFR contribution by 9% to USD 1.96 M

ROMPETROL GEORGIA

Romp petrol Georgia is widely recognized in the market as a reputable fuel distributor and one of the leading companies in the industry. It specializes in providing high-quality Euro 5 products sourced from the Petro-midia Refinery. The company operates a network of 71 filling stations and 2 fuel depots, strategically coordinating their operations.

The success of Rompetrol Georgia's network can be attributed to the introduction of superior fuels and services to the local market ever since 2013. Efix S was launched as a premium Euro5 fuel, and the Fill & Go system revolutionized the local market with its innovative approach.



In addition to the extensive fuel network, the company engages in wholesale activities through two key depots. One is located in Batumi port, boasting a storage capacity of 28,500 cubic meters. The other depot in Tbilisi has undergone comprehensive modernization, increasing its storage capacity from 9 kt to 10 kt.

Romp petrol Georgia has consistently maintained certifications for ISO 9001, ISO 14001, and OHSAS 18001 standards, demonstrating their commitment to quality, environmental responsibility, and OHS.

Other development projects targeted by Rompetrol Georgia in the upcoming years are aimed at ensuring compliance with regulatory requirements regarding fuel stations, oil depots, and fuel tankers. Thus, existing fuel stations must be equipped with a vapor recovery system by 2029 to prevent the evaporation of fuel vapor from underground reservoirs during the filling process. For new fuel stations, the installation of vapor recovery systems should be done after 2025. Existing oil depots should have vapor recovery systems in place before 2029 to prevent the evaporation of fuel vapor from fuel trucks during filling operations, and new oil depots should be equipped with vapor recovery systems before 2029. Lastly, all current fuel trucks need to be replaced with new ones that are equipped with bottom loading systems by 2029.

Key achievements in 2022

Increased Tbilisi depot supply flexibility by relocating some volumes from railway to trucks

Historical record total sales

Number of active B2B clients increased up to 5,314 (2% higher than in 2021 and 2% higher than 2020)

8 new DOCO stations were opened

Pilot program for profit sharing implemented at new fuel station in Kobuleti

Upgraded Customer Service Standard for gas station personnel & conducted intensive trainings

ISO recertification for health, safety, and environmental protection

Plans & objectives for 2023

Ensure the timely and cost-effective implementation of budgeted CAPEX projects

Continuously enhance the efficiency of primary logistics operations to minimize losses

Development Strategy project to improve the company's operational and commercial activities

Automate timesheet administration system for HQ & gas station employees

Develop and adopt new NFR concept, as well as value-proposition for B2B customers (offering various useful 3rd party services to corporate clients)

Develop and implement CRM

Financial brief (IFRS)

CONSOLIDATED FINANCIAL POSITION

Indicator	2022 (USD)	2021 (USD)	2020 (USD)
Total non-current assets	1,387,465,039	1,336,467,614	1,375,131,743
Total current assets	1,135,305,160	1,144,427,300	971,328,986
Total assets	2,522,770,199	2,480,894,914	2,346,460,729
Equity attributable to equity holders of the parent	984,805,815	945,144,610	952,106,544
Non-controlling interest	(358,197,315)	(406,869,820)	(362,768,299)
Total equity	454,950,786	538,274,790	589,338,245
Total non-current liabilities	1,441,210,915	468,640,043	471,662,990
Total current liabilities	1,896,161,701	1,473,980,081	1,285,459,494
Total liabilities	1,942,620,124	1,942,620,124	1,757,122,484

CONSOLIDATED INCOME STATEMENT

Indicator	2022 (USD)	2021 (USD)	2020 (USD)
Revenue	9,801,928,027	7,927,357,734	4,895,047,811
Cost of sales	(9,147,717,102)	(7,628,681,427)	(4,695,317,950)
Gross profit	654,210,925	298,676,307	199,729,861
Operating profit	289,780,666	(22,689,437)	(121,327,832)
Profit (Loss) before tax	265,214,551	(64,171,735)	(163,061,229)
Income tax	(150,379,497)	(27,640,977)	(48,286,794)
Profit (Loss) for the year	114,835,054	(91,812,712)	(211,348,021)

2022 FINANCIAL RESULTS

Indicator	Refining (USD)	Retail (USD)	Trading (USD)	Non-core (USD)	Adjustments (USD)	Consolidated (USD)
Net revenues	5,111,368,596	3,816,194,660	8,749,544,690	256,847,065	(8,132,026,980)	9,801,928,028
Gross profit	334,237,832	249,488,357	40,014,251	69,102,819	(38,632,329)	654,210,929
CAPEX	55,520,500	52,690,716	1,248,444	72,961,568	(10,358,952)	172,062,276
Net result	76,850,470	29,825,992	17,842,429	16,218,538	(25,902,370)	114,835,059
EBITDA	383,622,986	81,667,512	23,973,208	11,725,299	(14,554,946)	486,434,059



Shareholding structure

61 legal entities

52 joint stock companies
limited liability companies

9 branches
subsidiaries
representative offices
joint ventures

Parent entities (Red circle)

Legal entities (Orange circle)

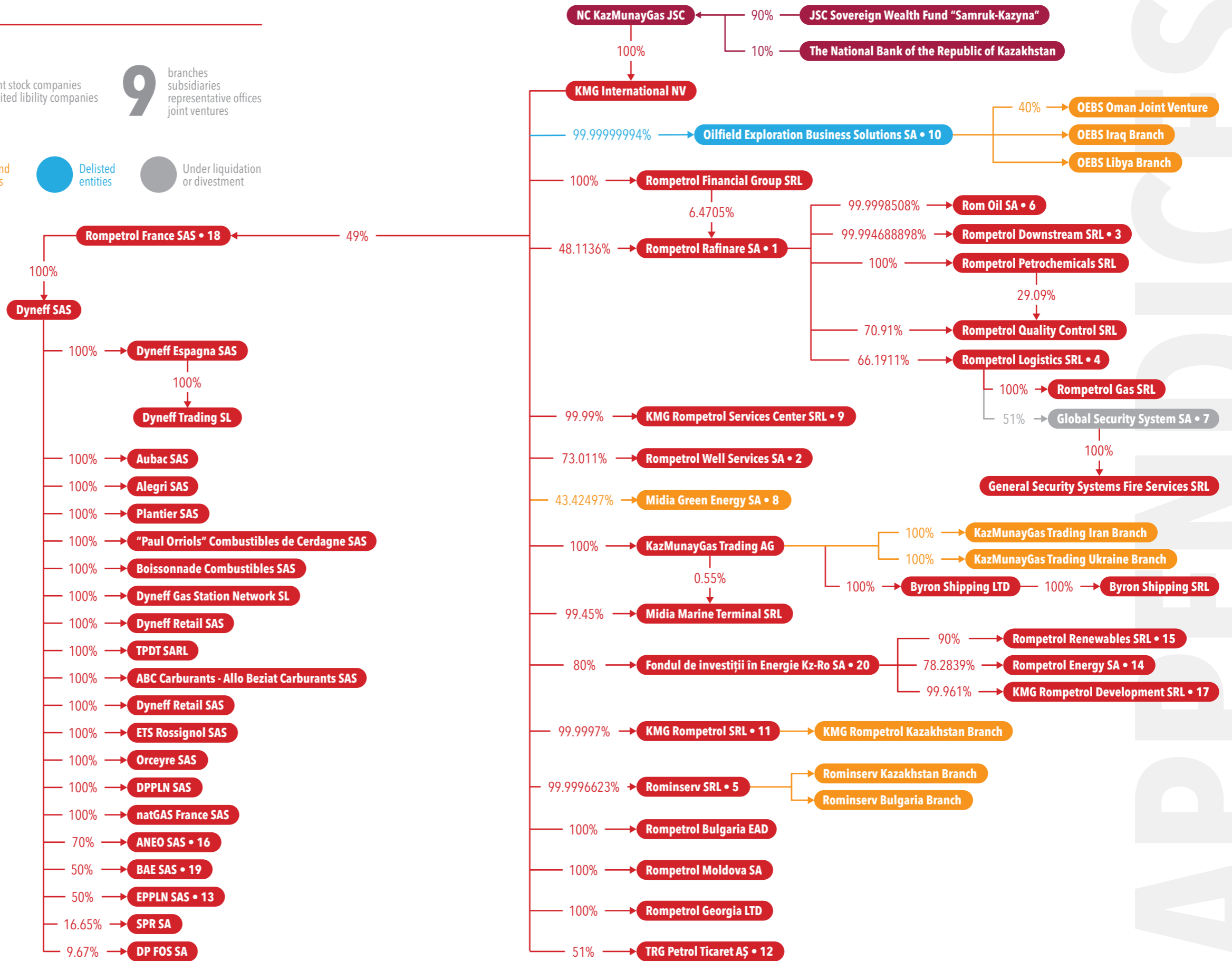
Branches and subsidiaries (Yellow circle)

Delisted entities (Blue circle)

Under liquidation or divestment (Grey circle)

Other shareholders in "*" companies:

- Romania Ministry of Energy - 44.6959%
Romp petrol Well Services SA - 0.0498%
Romp petrol Rafinare SA - 0.0139%
Natural person shareholders - 0.6563%
- Minority shareholders - 26.989%
- KMG International NV - 0.005309775%
OEBS SA - 0.000001327%
- KMG International NV - 26.7689%
Romp petrol Well Services SA - 6.9803%
Romp petrol Downstream SRL - 0.0597%
- Romp petrol Financial Group SRL - 0.0003377%
- Romp petrol Logistics SRL - 0.0001492%
- Gabriel Badea - 49%
- MEEMA - 56.57503%
- KMG Rompetrol SRL - 0.01%
- Romp petrol Financial Group SRL - 0.00000006%
- Romp petrol Financial Group SRL - 0.0003%
- Hace Downstream BV - 24.5%
Saverra LTD - 24.5%
- Total Marketing France - 50%
- Midia Green Energy SA - 21.6784%
Rominserv SRL - 0.0377%
- Romp petrol Well Services SA - 1%
- Nicolas Besson - 15%
Philippe Gschwind - 15%
- KMG International NV - 0.038%
Romp petrol Downstream SRL - 0.001%
- CEFC China Energy, through Anan Asset Management & Equity Investment (Hong Kong) Co. LTD - 51%
- Raisinor France - 50%
- Societatea de Administrare a Participațiilor în Energie SA - 20%



Independent assurance report

Scope

We have been engaged by KMG International N.V. (KMG International or the "Company") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on KMG International's Selected information for the year ended 31 December 2022 and for the period from 1 January 2022 to 31 December 2022 (the "Subject Matter"), contained in the KMG International 2022 Sustainability Report (the "Report").

Selected information

- GRI 302-3 Energy intensity
- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions
- GRI 305-7 Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions
- GRI 306-3 (2016) Significant spills
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 308-1 New suppliers that were screened using environmental criteria
- GRI 403-5 Worker training on occupational health and safety
- GRI 403-9 Work-related injuries
- GRI 405-1 Diversity of governance bodies and employees
- GRI 414-1 New suppliers that were screened using social criteria

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, such as forward-looking information (e.g. targets, commitments, ambitions etc.), and accordingly, we do not express a conclusion on this information.

Criteria applied by KMG International

In preparing the Subject Matter, KMG International applied the 2021 Global Reporting Initiative Standards (the "Criteria").

KMG International's responsibilities

KMG International's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and the terms of reference for this engagement as agreed with KMG International on 15 March 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our main procedures included:

- Conducted interviews with personnel to understand the business and reporting process;
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data;
- Identified and tested assumptions supporting calculations;
- Tested, on a sample basis, underlying source information to check the accuracy of the data;
- Site visit at the Vega Refinery to obtain evidence of performance indicators.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2022, in order for it to be in accordance with the Criteria.



Ernst & Young Assurance Services SRL
Bucharest Tower Center Building, 21st Floor
15-17 Ion Mihalache Blvd., District 1
011171 Bucharest, Romania

Tel.: + (40) 21 402 4000
Fax: + (40) 21 310 7193
office@ro.ey.com
ey.com



Standards annex

GRI CONTENT INDEX

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPECA
GENERAL DISCLOSURES								
GRI 2: General Disclosures 2021	2-1 Organizational details	Profile Governance	A yellow cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				EM-EP-000.C	-
	2-2 Entities included in the organization's sustainability reporting	Governance Appendices Financial brief (IFRS)						
	2-3 Reporting period, frequency and contact point	Introduction About this report Appendices Contacts						
	2-4 Restatements of information	People Training and skill development						
	2-5 External assurance	Introduction About this report Appendices Independent assurance report						
	2-6 Activities, value chain and other business relationships	Profile Operations overview Brands Memberships and affiliations Governance KMG International N.V. Marketplace Sustainable suppliers Supply chain operations						
	2-7 Employees	People Workforce structure Marketplace Sustainable suppliers						
	2-8 Workers who are not employees	People Workforce structure Marketplace Sustainable suppliers						
	2-9 Governance structure and composition	Governance KMG International NV Romp petrol Rafinare SA Romp petrol Well Services SA Rominserv SRL People Workforce structure Composition and breakdown by gender, nationality, region of the Group's Board of Directors is covered in the People chapter.	2-8a. Report the total number of workers who are not employees and whose work is controlled by the organization 2-8c. Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	Information unavailable/incomplete	The report mentions types of workers who are not employees and the type of works they perform (CODO gas stations dealers, contractors, suppliers). However, their total numbers are not reported by the organization, except for the number of contractors, hence nor are the fluctuations in numbers of workers who are not employees			
			2-9c.vi Describe the composition of the highest governance body and its committees by under-represented social groups	Information unavailable/incomplete	The Group does not report composition of the highest governance bodies and its committees by under-represented social groups			GOV-1 C1, C5, A1 SOC-5 C3 SOC 15 A2

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPIECA
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Governance KMG International NV Rompetro Rafinare SA Rompetro Well Services SA Rominserv SRL	2-10b. Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: views of stakeholders (including shareholders)	Information unavailable/incomplete	The Group does not report views of stakeholders (including shareholders) as criteria in nominating and selecting the highest governance body.	-	-	GOV-1 C1, A1
	2-11 Chair of the highest governance body	Governance KMG International NV Rompetro Rafinare SA Rompetro Well Services SA Rominserv SRL	-	-	-	-	-	GOV-1 C1
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance KMG International NV Rompetro Rafinare SA Rompetro Well Services SA Rominserv SRL	-	-	-	-	-	GOV-1 C1, C5, A1
	2-13 Delegation of responsibility for managing impacts	Governance KMG International NV Rompetro Rafinare SA Rompetro Well Services SA Rominserv SRL	-	-	-	-	-	GOV-1 C1, C5
	2-14 Role of the highest governance body in sustainability reporting	Introduction About this report Material issues within a global context	-	-	-	-	-	GOV-2 C3, A2, A4
	2-15 Conflicts of interest	Profile Compliance - Conflict of interest procedure	-	-	-	-	-	GOV-1 C2, A2, A3 GOV-2 A2 GOV-3 C1, C3, C4, A1
	2-16 Communication of critical concerns	Profile Compliance	-	-	-	-	-	-
	2-17 Collective knowledge of the highest governance body	Governance KMG International NV	-	-	-	-	-	GOV-1 A1
	2-18 Evaluation of the performance of the highest governance body	People Training and skill development	2-18 The organization shall: a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; b. report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	Information unavailable/incomplete	KMG International has yet to develop a dedicated internal policy for the evaluation of the highest governance body's performance. The Group will focus on developing such a procedure and commits itself to implement it across the Group in the upcoming period. This progress will be reported in the following sustainability report.	-	-	GOV-1 A6

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPIECA
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Governance KMG International NV People Remuneration, compensation and benefits	2-19b. Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Information unavailable/incomplete	The Group does not report how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	-	-	-
	2-20 Process to determine remuneration	People Remuneration, compensation and benefits	2-20a. Describe the process for designing its remuneration policies and for determining remuneration, including: iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives; b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Not applicable	The Group does not use consultants in determining remuneration. Stakeholders do not vote on remuneration policies.	-	-	GOV-1 A5 SOC-5 A2
	2-21 Annual total compensation ratio	Not reported	2-21 The organization shall: a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. report contextual information necessary to understand the data and how the data has been compiled.	Information unavailable/incomplete	Information is not reported by the Group	-	-	-
	2-22 Statement on sustainable development strategy	Introduction Message from the CEO	-	-	-	-	-	-
	2-23 Policy commitments	Profile Compliance	The organization shall: a. describe its policy commitments for responsible business conduct, including: iii. whether the commitments stipulate applying the precautionary principle.	Information unavailable/incomplete	The Group does not report on applying the precautionary principle.	-	-	GOV-1 C2, A2, A3 GOV-3 C1, C3, C4, A1 SOC-8 C1, A1, A2, A3, A4
	2-24 Embedding policy commitments	Profile Compliance Environment Approach to environmental protection and conservation KMG International Decarbonization Strategy Environmental Performance Targets Marketplace Sustainable suppliers	-	-	-	-	EM-MD-160a.4	GOV-1 C2, A2, A3 GOV-3 C1, C3, C4, CCE-1 C1, A1 CCE-3 C1, A1, A2 ENV-6 C1, C2, C3, C4 SOC-2 C2, A2 SOC-8 C1, A1, A2, A3, A4 SOC-14 C1, A3, A7

GRI standard/ other source	Disclosure	Location in the report
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Profile Compliance Environment KMG International Decarbonization Strategy Marketplace Procurement and supply chain operations
	2-26 Mechanisms for seeking advice and raising concerns	Profile Compliance
	2-27 Compliance with laws and regulations	Environment Approach to environmental protection and conservation Marketplace Procurement and supply chain operations
	2-28 Membership associations	Profile Memberships & affiliations
	2-29 Approach to stakeholder engagement	Introduction Material issues within a global context
	2-30 Collective bargaining agreements	Profile Compliance People Collective bargaining & labor practices

MATERIAL TOPICS

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Introduction Material issues within a global context
	3-2 List of material topics	Introduction Material issues within a global context

ECONOMIC PERFORMANCE

GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Appendices Financial brief (IFRS)
	201-1 Direct economic value generated and distributed	Appendices Financial brief (IFRS) People Remuneration, compensation, benefits Community Overview Marketplace Procurement and supply chain operations
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Approach Mapping our sustainable development risks Environment Environmental strategy and climate-related risks
	201-3 Defined benefit plan obligations and other retirement plans	People Remuneration, compensation, benefits

Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPIECA
-	-	-	-	-	SOC-2 A1 SOC-3 C1, C2, C3 SHS-7 C2, A1
-	-	-	-	-	GOV-2 C2 SOC-1 C2
2-27b. Report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total.	Information unavailable/incomplete	The report does not include a breakdown of the total number and monetary value of fines paid during the reporting period	-	EM-RM-520a.1	-
-	-	-	-	-	GOV-5 A3
-	-	-	-	-	GOV-2 A4 SOC-9 C1
-	-	-	-	-	SOC-14 A4
A yellow cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.					
-	-	-	11.2.1 11.14.1 11.21.1	-	-
201-1b Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	Information unavailable/incomplete	KMGI reports Group figures regarding economic value generated and distributed	11.2.2 11.14.2 11.21.2	-	-
-	-	-	-	EM-SV-110a.2 EM-SV-160a.2 EM-EP-420a.1 EM-EP-420a.4	CCE-1 C1, C4 CCE-2 C1, C2, A1
-	-	-	-	-	GOV-1 A5 SOC-5 A2

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPEECA
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	Not reported	201-4 a-b	Not applicable	KMGI did not receive financial assistance from the governments of the countries where it operates during the reporting period or prior to this interval. The stake held by states/state institutions in the Group's companies is referenced in the Governance chapter	11.21.3	-	-
MARKET PRESENCE								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Appendices Financial brief (IFRS) People Remuneration, compensation, benefits	-	-	-	-	-	-
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	People Remuneration, compensation, benefits	-	-	-	-	-	SOC-5 A2
	202-2 Proportion of senior management hired from the local community	People Workforce structure	-	-	-	11.11.2 11.14.3	-	SOC-5 C3, A2, A4 SOC 15 C1, A1, A2
INDIRECT ECONOMIC IMPACTS								
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment Management approach Environmental compliance Community Overview	-	-	-	-	-	-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Introduction Community investment pillars Key projects Environment Approach to environmental protection and conservation KMG International Decarbonization Strategy Profile Brands	-	-	-	11.14.4	-	SHS-2 A1, A2 SOC9-C1, C3 SOC13-C1, C2 SOC13-A1, A5
	203-2 Significant indirect economic impacts	Community Introduction Key projects Environment Approach to environmental protection and conservation Climate change and climate-related risks	-	-	-	11.14.5	-	SHS-2 A1, A2 SOC-9 C1, C3 SOC-13 C1, C2 SOC-13 A1, A5
PROCUREMENT PRACTICES								
GRI 3: Material Topics 2021	3-3 Management of material topics	Marketplace Sustainable suppliers Procurement and supply chain operations	-	-	-	-	-	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Marketplace Sustainable suppliers	-	-	-	11.14.6	-	SOC-2 A2 SOC-14 C1, A2, A3, A4, A5, A7, A8
ANTI-CORRUPTION								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Profile Compliance	-	-	-	11.20.1	-	-

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPIECA
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Approach Mapping our sustainable development risks Profile Compliance				11.20.2	EM-SV-510a.2 EM-EP-510a.2	GOV-1 C2 GOV-2 C1, C2 GOV-3 C1, C3, C4, A1
	205-2 Communication and training about anti-corruption policies and procedures	Profile Compliance	-	-	-	11.20.3	-	GOV-1 A7 GOV-3 C3, A1, A4
	205-3 Confirmed incidents of corruption and actions taken	Profile Compliance	-	-	-	11.20.4	-	-
ANTI-COMPETITIVE BEHAVIOR								
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach Mapping our sustainable development risks Profile Compliance	-	-	-	11.19.1	-	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Marketplace Legal actions	-	-	-	11.19.2	-	-
TAX								
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach Tax transparency Mapping our sustainable development risks	-	-	-	11.21.1	-	-
GRI 207: Tax 2019	207-1 Approach to tax	Approach Tax transparency				11.21.4	-	GOV 4 C2
	207-2 Tax governance, control, and risk management	Approach Tax transparency				11.21.5	-	-
	207-3 Stakeholder engagement and management of concerns related to tax	Approach Tax transparency				11.21.6	-	-
	207-4 Country-by-country reporting	Not reported	207-4 a.b.c.	Information unavailable/incomplete	Information is not provided in the sustainability report	11.21.7	-	-
MATERIALS								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Materials" sub-chapter Marketplace Procurement and supply chain operations	-	-	-	-	-	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environment Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rominserv SRL Romp petrol Well Services SA Romp petrol Quality Control SRL Marketplace Procurement and supply chain operations	-	-	-	-	EM-RM-000.A EM-RM-000.B EM-MD-000.A	ENV-7 C1
	301-2 Recycled input materials usedw	Environment Environmental Performance Targets Romp petrol Rafinare SA For Rom petrol Rafinare, the recycled input materials are reported as total weight instead of percentage.	-	-	-	-	-	-

GRI standard/ other source	Disclosure	Location in the report
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	Not reported
ENERGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Approach Mapping our sustainable development risks Environment Approach to environmental protection and conservation
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Energy" sub-chapter
	302-2 Energy consumption outside of the organization	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Energy" sub-chapter
	302-3 Energy intensity	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Energy" sub-chapter
	302-4 Reduction of energy consumption	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Energy" sub-chapter
	302-5 Reductions in energy requirements of products and services	Environment Environmental Performance Targets Romp petrol Downstream SRL and Rompetrol Gas SRL
WATER AND EFFLUENTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Approach Mapping our sustainable development risks Environment Approach to environmental protection and conservation
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Water" sub-chapter

Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPIECA
301-3 a.b.	Information unavailable/incomplete	Information on recycling or reuse of packaging is reported separately according to waste indicators	-	-	-
			11.1.1		
			11.1.2		CCE-6 C1, C2, A3, A4
			11.1.3		CCE-6 C1
					CCE-6 A2
					CCE-6 C2
302-5 a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	Information unavailable/incomplete	The report includes energy efficiency targets for the upcoming period, established considering the refinery & petrochemical units' production plan and energy specific consumption registered in the first half of 2022, as well as the projects with impact on energy reduction to be carried out by the Group (Cogeneration in operation starting with July 2023)	-	-	CCE-6 C2
			11.6.1		
303-1d. An explanation of the process for setting any water-related goals and targets that are part of the organization's approach to managing water and effluents, and how they relate to public policy and the local context of each area with water stress.	Not applicable	The Group does not carry out operations involving water as a shared resource in any areas with water stress	11.6.2	-	ENV-1 C1, C2, C5, A1 - A5, A8 - A11

GRI standard/ other source	Disclosure	Location in the report
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Water" sub-chapter
	303-3 Water withdrawal	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Water" sub-chapter
	303-4 Water discharge	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Water" sub-chapter
	303-5 Water consumption	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Water" sub-chapter

BIODIVERSITY

GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Sustainable Development Goals
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment Romp petrol Rafinare SA Romp petrol Energy SA
	304-2 Significant impacts of activities, products and services on biodiversity	Environment Romp petrol Rafinare SA Romp petrol Energy SA
	304-3 Habitats protected or restored	Environment Romp petrol Rafinare SA Romp petrol Energy SA
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not reported

EMISSIONS

GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Environment Approach to environmental protection and conservation Climate change and climate-related risks Group Carbon Footprint KMG International Decarbonization Strategy
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	Environment Group Carbon Footprint Environmental performance of KMG International Entities included in disclosures - dedicated "Emissions" sub-chapter
	305-2 Energy indirect GHG emissions (Scope 2)	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Emissions" sub-chapter
	305-3 Other indirect GHG emissions (Scope 3)	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Emissions" sub-chapter

Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPIECA
-	-	-	11.6.3	-	ENV-2 C1, C2, A2, A5, A6
-	-	-	11.6.4	EM-RM-140a.1 EM-SV-140a.1	ENV-1 C1, C4, A2, A4, A8
-	-	-	11.6.5	-	ENV-2 C2, A5, A6
303-5 b. Total water consumption from all areas with water stress in megaliters	Not applicable	The Group does not carry out operations involving water as a shared resource in any areas with water stress	11.6.6	-	ENV-1 A1
-	-	-	11.4.1	-	-
-	-	-	11.4.2	EM-MD-160a.2	ENV-4 C1 GOV-2 A5 ENV-3 C1, C2, A1, A2; ENV-4 C2, A2
-	-	-	11.4.3	-	ENV-3 C1, C3, A4 ENV-4 C1, C2, A1
-	-	-	11.4.4	-	-
304-4 a Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk	Not applicable	There are no species in danger of extinction in the areas affected by the operations of the organization	11.4.5	-	-
-	-	-	11.1.1 11.3.1	-	-
-	-	-	11.1.5	EM-RM-110a.1 EM-MD-110a.1 EM-EP-110a.1 EM-EP-110a.2	CCE-4 C1, C3, A1, A3 CCE-7 C1, C2, C4, A1
-	-	-	11.1.6	EM-SV-110a.1	CCE-4 C2
-	-	-	11.1.7	-	CCE-4 A2

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPEECA
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Emissions" sub-chapter	-	-	-	11.1.8	-	CCE-4 C4
	305-5 Reduction of GHG emissions	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Emissions" sub-chapter	-	-	-	11.2.3	EM-RM-110a.2 EM-MD-110a.2 EM-SV-110a.3	CCE-2 C1, C2, C4, A1 CCE-3 C1, A1, A2, A5, A8
	305-6 Emissions of ozone-depleting substances (ODS)	Not-reported	305-6 a.b.c.d.	Not applicable	There are no emissions of ozone-depleting substances (ODS) generated within KMG operations (the Group does not import, produce or export any ODS)	-	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment Romp petrol Raffinare SA Romp petrol Downstream SRL, Romp petrol Gas SRL Romp petrol Energy SA KMG Romp petrol Services Center SRL, KMG Romp petrol Development SRL	-	-	-	11.3.2	EM-RM-120a.1 EM-MD-120a.1 EM-EP-120a.1	ENV-5 C1, C2, A1-A3
WASTE								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Environment Approach to environmental protection and conservation	-	-	-	11.5.1	-	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Waste" sub-chapter	-	-	-	11.5.2	-	ENV-7 C2
	306-2 Management of significant waste- related impacts	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Waste" sub-chapter	-	-	-	11.5.3	-	ENV-7 C2
	306-3 Waste generated	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Waste" sub-chapter	-	-	-	11.5.4 11.8.2	EM-RM-150a.1	ENV-7 C3, A1, A2
	306-4 Waste diverted from disposal	Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Waste" sub-chapter	-	-	-	11.5.5	-	ENV-7 C3
		Environment Environmental performance of KMG International Entities included in disclosures - dedicated "Waste" sub-chapter	-	-	-	11.5.6	-	ENV-7 C3 ENV-8 C2, A1, A4
SUPPLIER ENVIRONMENTAL ASSESSMENT								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Profile Compliance	-	-	-	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Marketplace Sustainable suppliers	-	-	-	-	-	GOV-1 A2
	308-2 Negative environmental impacts in the supply chain and actions taken	Not reported	308-2 a.-e.	Information unavailable/ incomplete	The information is not provided in the sustainability report	-	-	-

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPECA
EMPLOYMENT								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Profile Compliance People Workforce structure Collective bargaining agreements & labor practices	-	-	-	11.10.1	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People Workforce structure	-	-	-	11.10.2	-	SOC-6 A1
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People Remuneration, compensation and benefits	-	-	-	11.10.3	-	GOV-1 A5 SOC-5 A2
	401-3 Parental leave	People Workforce structure	-	-	-	11.10.4 11.11.3	-	-
LABOR/MANAGEMENT RELATIONS								
GRI 3: Material Topics 2021	3-3 Management of material topics	Profile Compliance	-	-	-	-	-	-
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	People Collective bargaining agreements and labor practices	-	-	-	-	11.7.2 11.10.5	-
OCCUPATIONAL HEALTH AND SAFETY								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Safety Introduction Safety performance targets KMG International QHSE Framework	-	-	-	11.9.1	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safety Introduction KMG International QHSE Framework Safety performance of KMG International Entities included in disclosures - dedicated sub-chapters	403-1a.i The system has been implemented because of legal requirements and, if so, a list of the requirements	Information unavailable/incomplete	The report mentions the legal requirements regarding QHSE, however, the very comprehensive list is not included in the report.	11.9.2	EM-RM-320a.2 EM-EP-320a.2 EM-SV-320a.2	SHS-1 C1-C3, A1 SHS-3 C3, C4, A2-A4 SHS-7 C1, C2, A1
	403-2 Hazard identification, risk assessment, and incident investigation	Approach Mapping our sustainable development risks Safety Safety performance of KMG International Entities included in disclosures - dedicated sub-chapters	-	-	-	11.9.3	EM-RM-320a.2 EM-EP-320a.2 EM-SV-320a.2	SHS-1 C1-C3, A1 SHS-3 C3, C4, A2-A4 SHS-6 C3 SHS-7 C3, A2
	403-3 Occupational health services	Safety KMG International QHSE Framework	-	-	-	11.9.4	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety Safety performance of KMG International Entities included in disclosures - dedicated sub-chapters	-	-	-	11.9.5	-	SHS-1 C1
	403-5 Worker training on occupational health and safety	Safety Safety performance of KMG International Entities included in disclosures - dedicated sub-chapters	-	-	-	11.9.6	-	SHS-1 C2
	403-6 Promotion of worker health	Safety Introduction Safety performance of KMG International Entities included in disclosures - dedicated sub-chapters People People's health and well-being	-	-	-	11.9.7	-	SHS-2 C1, A4 SOC-6 A1-A4, C1-C3

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPECA
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety Introduction				11.9.8		
	403-8 Workers covered by an occupational health and safety management system	Safety KMG International QHSE Framework <i>Safety performance of KMG International Entities included in disclosures - dedicated "Approach to Safety" sub-chapter</i> <i>The Group reports workers covered by an occupational health and safety management system in numbers and not percentages"</i>	403-8b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	Information unavailable/incomplete	The information is not provided in the sustainability report	11.9.9		SHS-1 C3
	403-9 Work-related injuries	Safety Safety Performance Targets KMG International QHSE Framework Safety performance of KMG International Entities included in disclosures	-	-	-	11.9.10	EM-RM-320a.1 EM-EP-320a.1 EM-SV-320a.1 EM-SV-000.D	SHS-3 C1, C2, C4 SHS-4 C1-C3, A1, A5
	403-10 Work-related ill health	Safety Safety Performance Targets KMG International QHSE Framework Safety performance of KMG International Entities included in disclosures	-	-	-	11.9.11	EM-RM-320a.1 EM-EP-320a.1 EM-SV-320a.1	SHS-3 A1
TRAINING AND EDUCATION								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context People Training and skill development	-	-	-	-	-	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People Training and skill development	-	-	-	11.10.6 11.11.4	-	SOC-7 C1,C2
	404-2 Programs for upgrading employee skills and transition assistance programs	People Training and skill development	-	-	-	11.7.3 11.10.7	-	GOV-1 A5 SOC-7 C1, C2, A2 SOC-15 A3
	404-3 Percentage of employees receiving regular performance and career development reviews	People Training and skill development	-	-	-	-	-	-
DIVERSITY AND EQUAL OPPORTUNITY								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Governance KMG International NV	-	-	-	11.11.1	-	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People Workforce structure	405-1a, iii - Other indicators of diversity where relevant (such as minority or vulnerable groups).	Information unavailable/incomplete	We will provide the relevant information in the upcoming reporting cycle. For 2022, we do not have records of employees segmented by other indicators of diversity such as minority or vulnerable groups.	11.11.5	-	SOC-5 C2, C3
	405-2 Ratio of basic salary and remuneration of women to men	People Remuneration, compensation and benefits	-	-	-	11.11.6	-	SOC-5 A2
NON-DISCRIMINATION								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Sustainable Development Goals Profile Compliance People Workforce structure	-	-	-	11.11.1	-	-

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPECA
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Profile Compliance People Workforce structure	-	-	-	11.11.7	-	-
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Profile Compliance People Collective bargaining agreements and labor practices	-	-	-	11.13.1	-	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People Collective bargaining agreements and labor practices	-	-	-	11.13.2	-	-
CHILD LABOR								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Profile Compliance People Collective bargaining agreements and labor practices	-	-	-	-	-	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	People Collective bargaining agreements and labor practices	-	-	-	-	-	-
FORCED OR COMPULSORY LABOR								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Profile Compliance	-	-	-	11.12.1	-	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	People Collective bargaining agreements and labor practices Marketplace Sustainable suppliers	-	-	-	11.12.2	-	-
SECURITY PRACTICES								
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	-	-	11.18.1	-	-
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not reported	410 -1 a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security b. Whether training requirements also apply to third-party organizations providing security personnel	Information unavailable/incomplete	Information is not provided in the sustainability report	11.18.2	-	-
RIGHTS OF INDIGENOUS PEOPLES								
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	-	-	11.17.1	-	-
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not reported	411-1a. & 411-1b.	Not applicable	KMG International activities have no impact related to the rights of indigenous peoples in any of its locations of operations	11.17.2	-	-

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPEICA
LOCAL COMMUNITIES								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Community Introduction Community investment pillars	-	-	-	11.15.1	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Environment Rompetro Downstream SRL, Rompetrol Gas SRL Rompetro Bulgaria EAD Rompetro Moldova SA Rompetro Energy SA Community Introduction Community investment pillars KMG International reports implemented local community engagement activities detailing major projects developed throughout the reporting period. However, the Group does not report these as percentage of its operations	413-1a.i. Social impact assessments, including gender impact assessments, based on participatory processes.	Information unavailable/incomplete	The Group does not report impact assessments by gender. All community engagement activities have been implemented following in-depth consultations with KMG stakeholders and representatives of local communities	11.15.2	-	SHS-2 A1, A2 SOC-9 C1-C3 SOC-13 C1, C2, A1, A2, A5
	413-2 Operations with significant actual and potential negative impacts on local communities	Environment Rompetro Downstream SRL, Rompetrol Gas SRL Rompetro Bulgaria EAD Rompetro Moldova SA	-	-	-	11.15.3	-	SHS-2 A1, A2 SOC-9 C1-C3 SOC-13 C1, C2, A1, A2, A5
	413-3 Report the number and type of grievances from local communities identified, including: <ul style="list-style-type: none"> percentage of the grievances that were addressed and resolved; percentage of the grievances that were resolved through remediation 	Safety Safety performance of KMG International Entities included in disclosures	-	-	-	11.15.4	-	SOC-12 C1, C2, A1
SUPPLIER SOCIAL ASSESSMENT								
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	-	-	-	-	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Marketplace Sustainable suppliers	-	-	-	11.10.8 11.12.3	-	SOC-2 C2, A2
	414-2 Negative social impacts in the supply chain and actions taken	Marketplace Sustainable suppliers	-	-	-	11.10.9	-	SOC-3 C3, A4
PUBLIC POLICY								
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	-	-	11.22.1	-	-
GRI 415: Public Policy 2016	415-1 Political contributions	Not reported	415-1a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.	Not applicable	KMG International makes no political contribution of any kind either directly or indirectly	11.22.2	-	-
CUSTOMER HEALTH AND SAFETY								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Safety KMG International QHSE framework	-	-	-	-	-	-

GRI standard/ other source	Disclosure	Location in the report	Requirements omitted	Reason for omission	Explanation for omission	GRI sector ref. No.	Link to SASB	Link to IPECA
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Safety KMG International QHSE framework Marketplace Product sustainability	-	-	-	11.3.3	EM-RM-410a.1	SHS-5 C1-C3, A1-A4
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Safety KMG International QHSE framework Rompétrol Downstream SRL, Rompétrol Gas SRL	-	-	-	-	-	SHS-5 C1-C3, A1-A3, A5
MARKETING AND LABELING								
GRI 3: Material Topics 2021	3-3 Management of material topics	Introduction Material issues within a global context Marketplace Product sustainability	-	-	-	-	-	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Marketplace Product sustainability	-	-	-	-	-	SHS-5 C2
	417-2 Incidents of non-compliance concerning product and service information and labeling	Marketplace Product sustainability	-	-	-	-	-	-
	417-3 Incidents of non-compliance concerning marketing communications	Not reported	417-3a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	Information unavailable/incomplete	Information is not provided in the sustainability report	-	-	-
CUSTOMER PRIVACY								
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	-	-	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Marketplace Customer satisfaction	-	-	-	-	-	SHS-5 C1, C2

GRI sector standard	Location in the report	
TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL		
GRI 11: OIL AND GAS SECTOR		
11.8.2. For each significant spill, report the cause of the spill and the volume of spill recovered	Topic was not determined as material following consultations with KMG International stakeholders and the materiality assessment for this report. However, given the potential risks and high impact of such incidents, the Group included the topic in its report, relevant information being provided in the following chapters and titles:	Environment Approach to environmental protection and conservation Environmental performance targets Rompétrol Rafinare SA, Rompétrol Downstream SRL, Rompétrol Gas SRL, Rompétrol Bulgaria EAD, Rompétrol Georgia LTD, Rompétrol Moldova SA, Rompétrol Energy SA, Rominserv SRL, Rompétrol Well Services SA, Rompétrol Quality Control SRL, Midia Marine Terminal SRL

Link to SASB	Link to IPECA
EM-MD-160a.4 EM-EP-160a.2	ENV-6 C1- C4

Statement of use: KMG International has reported in accordance with the GRI Standards for the period [Jan.-Dec. 2022].	
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

TCFD INDEX

Indicator	Disclosure	Location in the report
GOVERNANCE		
Disclose the organization's governance around climate-related risks and opportunities		
a. Describe the board's oversight of climate-related risks and opportunities	In describing the board's oversight of climate-related issues, organizations should consider including a discussion of the following: <ul style="list-style-type: none"> processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues; whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures; and how the board monitors and oversees progress against goals and targets for addressing climate-related issues. 	<p>Approach Mapping our sustainable development risks</p> <p>Environment Approach to environmental protection and conservation Climate change and climate-related risks</p>
b. Describe management's role in assessing and managing climate-related risks and opportunities	In describing management's role related to the assessment and management of climate-related issues, organizations should consider including the following information: <ul style="list-style-type: none"> whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues; a description of the associated organizational structure(s); processes by which management is informed about climate-related issues; and how management (through specific positions and/or management committees) monitors climate-related issues. 	<p>Governance KMG International NV Romp petrol Rafinare SA Romp petrol Well Services SA Rominserv SRL</p> <p>Environment Approach to environmental protection and conservation Climate change and climate-related risks</p>
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Organizations should provide the following information: <ul style="list-style-type: none"> a description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms; a description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organization; and a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization. <p>Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.</p>	<p>Approach Mapping our sustainable development risks</p> <p>Environment Climate change and climate-related risks Romp petrol Energy SA</p>

Indicator	Disclosure	Location in the report
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>Building on recommended disclosure (a), organizations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning. Organizations should consider including the impact on their businesses, strategy, and financial planning in the following areas:</p> <ul style="list-style-type: none"> Products and services Supply chain and/or value chain Adaptation and mitigation activities Investment in research and development Operations (including types of operations and location of facilities) Acquisitions or divestments Access to capital <p>Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.</p> <p>Organizations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities), quantitative and/or qualitative. If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.</p> <p>Organizations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition.</p> <p>Organizations should consider discussing how climate-related risks and opportunities are integrated into their (1) current decision-making and (2) strategy formulation, including planning assumptions and objectives around climate change mitigation, adaptation, or opportunities such as: Research and development (R&D) and adoption of new technology. Existing and committed future activities such as investments, restructuring, writedowns, or impairment of assets. Critical planning assumptions around legacy assets, for example, strategies to lower carbon-, energy-, and/or water-intensive operations. How GHG emissions, energy, and water and other physical risk exposures, if applicable, are considered in capital planning and allocation; this could include a discussion of major acquisitions and divestments, joint-ventures, and investments in technology, innovation, and new business areas in light of changing climate-related risks and opportunities.</p> <p>The organization's flexibility in positioning/repositioning capital to address emerging climate-related risks and opportunities.</p>	<p>Approach Mapping our sustainable development risks Taxonomy analysis</p> <p>Environment Climate change and climate-related risks KMG International Decarbonization Strategy Romp petrol Rafinare SA Romp petrol Downstream SRL, Romp petrol Gas SRL Romp petrol Bulgaria EAD Romp petrol Georgia LTD Romp petrol Moldova SA Romp petrol Energy SA Romp petrol Quality Control SRL Midia Marine Terminal SRL</p>

Indicator	Disclosure	Location in the report
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.</p> <p>Organizations should consider discussing:</p> <ul style="list-style-type: none"> where they believe their strategies may be affected by climate-related risks and opportunities; how their strategies might change to address such potential risks and opportunities; the potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities); and the climate-related scenarios and associated time horizon(s) considered. <p>Organizations with more than one billion U.S. dollar equivalent (USDE) in annual revenue should consider conducting more robust scenario analysis to assess the resilience of their strategies against a range of climate-related scenarios, including a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks.</p> <p>Organizations should consider discussing the implications of different policy assumptions, macro-economic trends, energy pathways, and technology assumptions used in publicly available climate-related scenarios to assess the resilience of their strategies.</p> <p>For the climate-related scenarios used, organizations should consider providing information on the following factors to allow investors and others to understand how conclusions were drawn from scenario analysis:</p> <p>Critical input parameters, assumptions, and analytical choices for the climate-related scenarios used, particularly as they relate to key areas such as policy assumptions, energy deployment pathways, technology pathways, and related timing assumptions.</p> <p>Potential qualitative or quantitative financial implications of the climate-related scenarios, if any.</p>	<p>Environment</p> <p>Climate change and climate-related risks KMG International Decarbonization Strategy</p>

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks

a. Describe the organization's processes for identifying and assessing climate-related risks	<p>Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks.</p> <p>Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.</p> <p>Organizations should also consider disclosing the following:</p> <ul style="list-style-type: none"> processes for assessing the potential size and scope of identified climate-related risks and definitions of risk terminology used or references to existing risk classification frameworks used 	<p>Introduction</p> <p>Material issues within a global context</p> <p>Approach</p> <p>Mapping our sustainable development risks Taxonomy analysis</p> <p>Environment</p> <p>Climate change and climate-related risks KMG International Decarbonization Strategy</p>
b. Describe the organization's processes for managing climate-related risks	<p>Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations</p>	<p>Approach</p> <p>Mapping our sustainable development risks</p> <p>Environment</p> <p>Approach to environmental protection and conservation Climate change and climate-related risks</p>

Indicator	Disclosure	Location in the report
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.</p>	<p>Approach</p> <p>Mapping our sustainable development risks</p> <p>Environment</p> <p>Approach to environmental protection and conservation Climate change and climate-related risks</p>

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such info is material

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Organizations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.</p> <p>Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies.</p> <p>Where relevant, organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a low-carbon economy.</p> <p>Metrics should be provided for historical periods to allow for trend analysis. Where appropriate, organizations should consider providing forward-looking metrics for the cross-industry, climate-related metric categories consistent with their business or strategic planning time horizons. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate climate-related metrics.</p> <p>For all relevant metrics, organizations should consider providing historical trends and forward-looking projections (by relevant country and/or jurisdiction, business line, or asset type). Organizations should also consider disclosing metrics that support their scenario analysis and strategic planning process and that are used to monitor the organization's business environment from a strategic and risk management perspective.</p> <p>Organizations should consider providing key metrics related to GHG emissions, energy, water and other physical risk exposures, land use, and, if relevant, investments in climate adaptation and mitigation that address potential financial aspects of shifting demand, expenditures, asset valuation, and cost of financing.</p>	<p>Environment</p> <p>Environmental performance targets Rompetro Raffinare SA Rompetro Downstream SRL, Rompetro Gas SRL Rompetro Bulgaria EAD Rompetro Georgia LTD Rompetro Moldova SA Rompetro Energy SA Rompetro Quality Control SRL Midia Marine Terminal SRL KMG Rompetro Services Center SRL KMG Rompetro Development SRL</p>
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Organizations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks. All organizations should consider disclosing Scope 3 GHG emissions. GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions. As appropriate, organizations should consider providing related, generally accepted industry-specific GHG efficiency ratios.</p> <p>GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.</p>	<p>Environment</p> <p>Group Carbon footprint Environmental performance targets Rompetro Raffinare SA Rompetro Downstream SRL, Rompetro Gas SRL Rompetro Bulgaria EAD Rompetro Georgia LTD Rompetro Moldova SA Rompetro Energy SA Rompetro Quality Control SRL Midia Marine Terminal SRL</p>

Indicator	Disclosure	Location in the report
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with the cross-industry, climate-related metric categories where relevant, and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy.</p> <p>In describing their targets, organizations should consider including the following:</p> <ul style="list-style-type: none"> • whether the target is absolute or intensity based; • time frames over which the target applies; • base year from which progress is measured; and • key performance indicators used to assess progress against targets. <p>Organizations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available. Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.</p>	<p>Environment</p> <p>KMG International Decarbonization Strategy Environmental performance targets Rompetro Rafinare SA Rompetro Downstream SRL, Rompetrol Gas SRL Rompetro Bulgaria EAD Rompetro Georgia LTD Rompetro Moldova SA Rompetro Energy SA Rominserv SRL Rompetro Well Services SA Rompetro Quality Control SRL Midia Marine Terminal SRL KMG Rompetrol Services Center SRL KMG Rompetrol Development SRL</p>

Contacts

FOR INFO ABOUT THIS REPORT:

Sustainability & CSR Director

Costinela Drăgan
costinela.dragan@rompetrol.com
+40 21 307 74 17

COMPANY ADRESSES:

KMG International NV

World Trade Center
Strawinskylaan 807, Tower A, 8th floor
Amsterdam 1077XX, The Netherlands
Tel.: +31 205 75 23 90
Fax: +31 205 75 23 99
office@rompetrol.com
www.kmginternational.com

KMG Rompetrol SRL

Piața Presei Libere nr. 3-5
City Gate - Turnul de Nord, et. 6
București 013702, România
Tel.: +40 21 30 30 800
Fax: +40 21 31 22 490
office@rompetrol.com
www.rompetrol.ro

Rompetro Rafinare SA

Bd. Năvodari nr. 215
Clădirea Administrativă
Năvodari 905700, România
Tel.: +40 241 50 60 00
Fax: +40 241 50 69 30
office.rafinare@rompetrol.com

Rompetro Well Services SA

Str. Clopoței, nr. 2 bis
Ploiești 100189, România

Rompetro Downstream SRL

Piața Presei Libere nr. 3-5
City Gate - Turnul de Nord, et. 2
București 013702, România
Tel: +40 21 206 75 00
Fax: +40 21 206 75 80
office.downstream@rompetrol.com



Glossary of terms and abbreviations

Term / abbreviation	Definition
ALARP	ALARP ("as low as reasonably possible") is a principle in the regulation and management of safety-critical and safety-involved systems. For a risk to be ALARP, it must be possible to demonstrate that the cost involved in reducing the risk further would be grossly disproportionate to the benefit gained
BAT	Best Available Techniques
BAT BREF	Best Available Techniques Reference Document
bbl	barrel
BoD	Board of Directors
boe	barrel of oil equivalent
BSE	Bucharest Stock Exchange
CAPEX	Capital expenditure
Carbon dioxide (CO2) emissions	CO2 released to the atmosphere as a result of operations, including CO2 emissions from energy generation, heat production, flaring, and remaining emissions from carbon capture and treatment plants
Carbon dioxide (CO2) emission reductions	The total estimated quantity of CO2 emissions achieved by implementing a specific measure compared to the expected emissions at an installation without the measure (or best available technology for greenfield developments)
Carbon dioxide (CO2) equivalents	Carbon dioxide equivalent is a quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO2 that would have the same global warming potential
Carbon neutrality	Carbon neutrality means having a balance between emitting carbon dioxide and absorbing carbon from the atmosphere in carbon sinks such as soil, forests and oceans. The aim is to prevent emissions exceeding the levels that can be reabsorbed
CB05	5-day biochemical oxygen consumption
CCOCr	Determination of chemical oxygen consumption
CCRF	Climate Change Framework
CCS	Carbon capture and storage
CCU	Carbon capture and utilization
CCUS	Carbon capture, utilization and storage
CDSB	Climate Disclosure Standards Board
CEO	Chief Executive Officer
CH4	methane
CHP	Cogeneration or Combined Heat & Power
Circular economy	Circular economy is a model for production and consumption where existing materials and products are shared, reused, repaired, reprocessed and recycled for as long as possible
CLA	Collective labor agreement
CLP	Classification, Labelling, and Packaging
CO	carbon monoxide
CO2	carbon dioxide

Term / abbreviation	Definition
Compliance	Compliance in the narrower sense means that the company and its employees obey the law and regulations. A company's compliance management thus includes the structured development of internal rules and guidelines that are observed by the company's employees
Corporate Social Responsibility	CSR describes companies' responsibility for their impact on society. This includes social, environmental and economic aspects
CSSM	Work Health and Safety Committee
DN	Diameter nominal (DN) denotes the size of a pipe (specifically, its inside diameter) in millimeters (mm)
DWS	Romp petrol Downstream
EC	European Commission
EGMS	Extraordinary General Meeting of the Shareholders
ELV	Emission limit value
EMEP/EEA	The EMEP/EEA air pollutant emission inventory guidebook provides guidance on estimating emissions from both anthropogenic and natural emission sources. It is an essential tool allowing the compilation of comparable and consistent air pollutant emissions inventory data in Europe
Emissions factor	It indicates the average greenhouse gas emissions caused by an activity. As emissions can often not be directly measured, the amount of greenhouse gases is calculated by multiplying this factor and the activity rate
Energy consumption	Energy used for power generation and heat production in combustion processes, unused energy from flaring, energy sold/delivered to third parties and gross energy purchased
EPC	Engineering, procurement, and construction
ESG	Environmental, social, and governance
EU	European Union
EUA	EU Allowances (EUA) are climate credits (or carbon credits) used in the European Union Emissions Trading Scheme (EU ETS)
EU ETS	EU Emissions Trading System
EU Taxonomy	The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role helping the EU scale up sustainable investment and implement the European green deal
Fit for 55	Fit for 55 is the European Union plan to reduce greenhouse gas emissions by 55% by 2030. The package was proposed in July 2021 by the European Commission
Flared hydrocarbons	Weight of hydrocarbons combusted in operational flare systems
Fluorinated gases	Fluorinated Gases: hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3) are synthetic, powerful greenhouse gases that are emitted from a variety of industrial processes
Freshwater	Naturally occurring water with a low concentration of salts, or generally accepted as suitable for abstraction and treatment to produce potable water. Includes water from public installations, wells (including groundwater reservoirs), lakes, streams, rivers and purchased freshwater.
GD	Government Decision
GDPR	General Data Protection Regulation
GEO	Government Emergency Ordinance
GHG	Greenhouse gases - carbon dioxide, methane, nitrous oxide and other greenhouse gases are a major driver of climate change
GHG Scope 1	Direct emissions from operations that are owned or controlled by the organization

Term / abbreviation	Definition
GHG Scope 2	Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam
GHG Scope 3	Other indirect emissions that occur outside the organization
GJ	gigajoule
GMS	General Meeting of Shareholders
GRI	Global Reporting Initiative
GWh	gigawatt hour
GWP	Global warming potential (GWP) is the heat absorbed by any greenhouse gas in the atmosphere, as a multiple of the heat that would be absorbed by the same mass of carbon dioxide (CO ₂)
H	Hydrogen
H₂S	Hydrogen sulfide
Hazardous waste	Waste is considered to be hazardous waste according to the regulations under which the activity operates or where the waste can pose a substantial hazard to human health and/or the environment when improperly managed
HAZID	HAZID (Hazard Identification) is a general risk analysis tool designed to alert management of any threats and hazards on the jobsite
HAZOP	HAZOP (Hazard and Operability Study) is used to identify abnormalities in the work environment and pinpoint their root causes
HDPE	High density polyethylene
HFCs	Hydrofluorocarbons
HR	Human Resources
HSE	Health, Safety, and Environment
HVO	Hydrogenated vegetable oil
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IPCC	The Intergovernmental Panel on Climate Change (IPCC) is an intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change
IPIECA	International Petroleum Industry Environmental Conservation Association
ISCC	International Sustainability & Carbon Certification
ISO	International Organization for Standardization
JSA	Job Safety Analysis (JSA) is a formal process to identify the dangers of specific job tasks in order to reduce the risk of injury to workers
kt	kiloton
KWh	Kilowatt-hour
KYC	Know Your Customer
L	liter
LDAR	Leak Detection and Repair
LDPE	Low density polyethylene
LPG	Liquefied Petroleum Gas

Term / abbreviation	Definition
LRF	Linear Reduction Factor
LTIR	Lost-Time Injury Rate
LTSA	Long-Term Service Agreement
M	million
m²	square meter
m³	cubic meter
Materiality analysis	This analysis identifies important sustainability issues for companies and their stakeholders. The results of partial analyses (external, internal, stakeholders) are combined in a materiality matrix
ML	megaliters
SDS	Safety Data Sheet
MW	megawatt
MWe	megawatt electrical
NC	Non-conformity
NEG	National Environmental Guard
Net-zero emissions	Net zero means reducing Earth's carbon footprint to zero in net terms (after removing emissions through natural or artificial sinks)
NGO	Non-governmental organization. A non-profit organization that operates independently of any government
NF₃	Nitrogen trifluoride
Nm³	Normal meter cube (Nm ³) is the value that a matter whether solid, liquid or gas of a constant mass occupies under normal or standard conditions and that is at 0 degree centigrade or 273 degree K and at 1 atmosphere pressure or 1013.25 mbar
NO_x	Nitrogen oxides
NPP	Nuclear Power Plant
OGMS	Ordinary General Meeting of the Shareholders
OPEC	The Organization of the Petroleum Exporting Countries is a multinational organization that was established to coordinate the petroleum policies of its members and to provide member states with technical and economic aid.
OPEX	Operating Expenses
OSH	Occupational safety and health
Paris Agreement	It is the first-ever universal, legally binding global climate change agreement signed by 190 parties. It was adopted at the Paris Climate Change Conference (COP21) in December 2015 and sets out a global framework to tackle climate change
PE	Polyethylene
PET	Polyethylene terephthalate
PFCs	Perfluorocarbons
PM	Particulate matter
Polyolefins	Polyolefins are made from oil and gas and are some of the most commonly used plastics thanks to their versatility. Examples of use include films, bottles, food containers and food packaging
PP	Polypropylene
PPE	Personal protective equipment

Term / abbreviation	Definition
PV	Photovoltaic
PVC	Polyvinyl chloride
REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals
QHSE	Quality, Health, Safety and Environment Management (QHSE) generally refers to a management operation mode which integrates the common elements of the ISO9001, OHSAS18001 and ISO14001 standards
RED	Renewable Energy Directive
RGF	Flare Gas Recovery Facility
RPE	Romp petrol Energy
RRC	Romp petrol Rafinare
SAP ERP	Enterprise resource planning software - modular software made to integrate the main functions of an organization's core business processes into a unified system
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SDS	Safety data sheet
SEVESO	European "Seveso" Directive which requires the identification of industrial establishments with major risks. A Seveso establishment is an establishment which has an activity linked to handling, manufacturing, using or storing dangerous substances (i.e. refineries, petrochemical sites, oil depots or explosives depots)
SF6	Sulfur hexafluoride
SOx	Sulfur oxides
SPM	Single Point Mooring
SRU	Sulfur Recovery Unit
t	ton
TCFD	Task Force on Climate-related Financial Disclosures
TJ	terajoule
toe	ton of oil equivalent
TRIR	Total Recordable Injury Rate
UNGC	UN Global Compact
USD	Unites States Dollar
value chain	The value chain describes the steps along the production chain in order
VD	Vacuum distillation
VOC	Volatile organic compound
VRU	Vapor Recovery Unit

Stakeholder feedback form

Please take a few minutes to fill out this questionnaire on the 2022 Sustainability Report. We value your opinion as it helps us better manage our efforts and improve our results.

Which of the following interests you the most?

(multiple choice)

- Corporate Governance & Transparency
- Corporate Responsibility Actions
- Environment
- Health & Safety
- Human Resources
- Stakeholders' information (shareholders, employees, neighboring municipalities, customers, suppliers, NGOs, etc)

Mark the statements as to how much you agree with the following

- (1) strongly disagree
- (2) disagree
- (3) neither agree nor disagree
- (4) agree
- (5) highly agree

- The principles and issues are sufficiently covered in accordance with the company's sustainable development strategy.
- The content is complete and clear.
- The report's structure is functional and sufficient.
- The information presented is reliable and accurate.
- The tables and charts are easily understood and depicted in a satisfactory manner.
- The photographs and images positively enhance the report making it easier to read and more attractive.
- The printed version conforms to a Sustainable Development publication.
- I prefer the electronic version of the report.
- I will recommend the report to others.

Assess in the order of priority from 1 to 5 the following areas in which the company has developed significant initiatives and activities, in your opinion:

(choose five)

- Safety
- Workplace
- Protecting the environment
- Caring for society and the environment
- Programs to support the local communities
- Transparency
- Emissions
- Economic performance
- Decarbonization

To which of these groups of stakeholders do you belong?

(single choice)

- Employees
- Local community
- NGOs
- Media
- Suppliers
- Customers
- Business partners
- Authority representatives
- Others

How was your opinion of KMG International influenced by reading the 2022 Sustainability Report?

(single choice)

- Positively influenced
- Not influenced
- Negatively influenced

CONTACT INFORMATION

FIRST NAME

PHONE

LAST NAME

E-MAIL

OCCUPATION

WEBSITE

COMPANY

ADDRESS

POSITION

SUGGESTIONS

Please specify any issues not included in the 2022 Sustainability Report that you want featured in the next report.
