

# 2021 SUSTAINABILITY REPORT

KMG International NV  
Rompetrol Rafinare SA  
& affiliated companies  
Rompetrol Well Services SA  
Rominserv SRL

**Together**  
the journey  
ahead is  
easier



**rompetrol**

KazMunayGas  
International  
Group Member



**rompetrol**

KazMunayGas  
International  
Group Member

The perfect synergies between our multiple operations allow us to function as an integrated unit and a strong player in the regional oil & gas industry. We have built a solid foundation, based on valuable know-how and long-lasting expertise, to which we constantly add new and complex layers aimed at incorporating innovation and sustainability into our activities.

Given the high degree of complexity of our operations, a layered approach is not only effective, but also necessary to make sure we have every little detail in check. This approach has proven successful in managing our operations, our people's health and safety, our efforts towards safeguarding the environment or our communities.

This report comes to depict the multiple layers of our comprehensive business, as well as our manifold interactions with our stakeholders, along with our commitment and our efforts toward enhancing sustainability in our value chain and the industry altogether. Our core belief is that transparency and responsibility should be inherent principles to every business. That is why, every chapter of this report peels off a new layer, allowing readers to learn how we plan for the future by taking action now.

## CONTENTS

CHAPTER	SECTION	PAGE
<b>PROLOGUE</b>	Message from the Chairman of the Board of Directors	3
	Interview with the Chief Corporate Development Officer	5
<b>INTRODUCTION</b>	About this report	10
	Material issues within a global context	12
	Sustainable Development Goals	16
<b>PROFILE</b>	Operations overview	20
	Brands	29
	Compliance	32
	Memberships and affiliations	38
<b>APPROACH</b>	Mapping our sustainable development risks	41
	Taxonomy analysis	48
<b>GOVERNANCE</b>	KMG International NV	54
	Rompetrol Rafinare SA	60
	Rompetrol Well Services SA	64
	Rominserv SRL	66
<b>ENVIRONMENT</b>	Management approach	70
	Environmental compliance	71
	Environmental strategy and climate-related risks	72
	Decarbonization strategy	74
	Rompetrol Rafinare SA	74
	Rompetrol Downstream SRL and Rompetrol Gas SRL	90
	Rompetrol Energy SA	101
	Rominserv SRL	107
<b>PEOPLE</b>	Introduction	112
	Workforce structure	113
	Diversity and inclusion	116
	Remuneration, compensation and benefits	123
	Collective bargaining agreements and labor practices	127
	Training and skill development	129
	People's health and well-being	132
	Workforce engagement	133
<b>SAFETY</b>	Introduction	136
	KMG International QHSE framework	137
	Rompetrol Rafinare SA	145
	Rompetrol Downstream SRL and Rompetrol Gas SRL	148
	Rominserv SRL and Rompetrol Energy SA	154
	Rompetrol Well Services SA	157
<b>COMMUNITY</b>	Overview	160
	Key projects	163
<b>MARKETPLACE</b>	Introduction	170
	Market overview	170
	Sustainable suppliers	171
	Procurement and supply chain operations	172
	Product sustainability	178
	Customer satisfaction	178
<b>APPENDICES</b>	Financial brief (IFRS)	181
	Shareholding structure	182
	Independent opinion	184
	Standards annex	186
	Glossary of terms and abbreviations	221
	Contacts	226
	Stakeholder feedback form	227

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## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Partners,

2021 continued to be defined by challenges and changes. It was yet another difficult year for KMG International, as well as for the oil & gas industry altogether, marked by the pandemic, deepening economic uncertainties, volatile refining margins and soaring crude prices.

While being proud of the valuable work of our team in response to the pandemic, which helped us remain resilient and safe, 2021 was also the year when we mourned the tragic loss of three of our colleagues following the explosion on the Petromidia platform on July 2.

As a result, the Refinery's 83-day shutdown and its subsequently reduced processing power translated into decreased financial results. Despite that, we managed to increase our white products' yield and reduce our technological loss compared to the previous year. Moreover, we achieved the highest diesel and jet fuel efficiency ever - 54.3% wt. While increasing our fuel sales by 6% compared to 2020 and expanding our distribution network, we also managed to reduce GHG and air emissions.

Despite the hardships, 2021 taught us important lessons which made us better and solidified our commitment to providing a better tomorrow for the generations to come. We have dedicated resources and time to find new ways to work and adjusted our work practices to improve flexibility and opportunity for over 5000 employees, while also investing in developing their skills and seeking new talents to shape our future generations of professionals.

In 2021, we started to develop an extensive decarbonization strategy to provide the Group's technology outlook on the transition to lower carbon and renewable energy. One of the major projects to fall under the scope of this strategy is the cogeneration

plant on the Petromidia platform, which was initiated during the reporting period. 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 system.

Since our last report, the COVID-19 pandemic, increased urgency about climate change, and growing focus on diversity, equity, and inclusion changed the way we look at the world from a sustainability perspective. To address this, we conducted an update of our ESG materiality assessment and ensure that our reporting is aligned with the most pressing sustainability issues. Over and above that, not only did we delve deeper in terms of materiality focus, but we also increased the level of transparency in our reporting.

To consolidate our commitment to transparency and to provide useful information to our stakeholders, this year we report the risks and opportunities under TCFD, continue to publish our sustainability reports in accordance with the GRI, and we have also aligned our disclosures in this report with the IPIECA voluntary guidance for the oil and gas industry and Sustainability Accounting Standards Board (SASB) framework. This allowed us to better assess and consolidate our financial resilience and to improve our strategic planning in the face of climate change.

This report provides a detailed overview of how KMG International is making a difference across our main impact areas – people, safety, communities, and the planet. For our achievements, I have our employees, customers, partners, suppliers, shareholders and investors to thank. They are an integral part of our success and resilience and I am grateful to have them share our journey.

Together, the journey ahead is easier!

## INTERVIEW WITH THE CHIEF CORPORATE DEVELOPMENT OFFICER

### What does sustainability mean now in the energy industry?

Sustainability has become an inherent operating principle for an increasing number of market players within the oil & gas industry and beyond, and even a way of corporate and individual thinking. To KMG International, sustainability is a core principle and represents a continuous journey towards improvement. Improvement reflected in advancing the needs of a low-carbon global economy and deepening commitment to the growth and wellbeing of our people and communities.

Although the COVID-19 pandemic had overshadowed climate change for the past two years, it had long been a threat to society and our overall development, a threat taken seriously by governments, regulatory entities and industry players alike. As emphasized by the United Nations Climate Change Conference (COP26) in Glasgow in November 2021, once the pandemic effects have started to dwindle, the global community needs to refocus its efforts on reducing climate change impact by limiting the global average temperature increase to well below 2°C, and preferably to 1.5°C, in line with the Paris Agreement. The way to reach this goal, as daunting as it may seem, is collaborative actions. Namely, businesses, governments and civil society must collectively halve global emissions by 2030 and achieve net-zero emissions by 2050.

At KMG International, we are fully committed to collaborate with all stakeholders and play our part in combatting climate change. We are constantly working to transform our governance and practices to reduce our operational environmental footprint and improve resource efficiency, contribute to sustainable economic growth and develop sustainable solutions supporting the energy transitions.

### What are the challenges the oil and gas industry, KMG International in particular, is facing in in the current context?

Intensifying efforts to achieve the energy transition and carbon neutrality is becoming one of the challenges and one of the key goals of the century. The European Union is at the forefront of this change, as highlighted by the recent announcement of a set of environmental regulations in the "Fit For 55" package. This change is a challenge for the oil and gas industry and has many consequences for the main players. However, it is also an important opportunity to capitalize on, since a large part of customers will also be looking for viable energy solutions.

The "new normal" that we are talking about more and more, especially following the disruption in global activities caused by the pandemic, is marked by a high level of volatility and uncertainty. The world is evolving much faster than in the past and it requires a greater degree of agility from industry players across all sectors. Quick responses to challenges and adaptation to the new reality are vital and sustainable development needs to become the norm.

As conventional strategies are getting obsolete, oil and gas operators are facing a new set of regulatory and market challenges, as well as the need to expand their range of services and solutions at a much faster pace. One of the most pressing challenges is dependence on various alternative technologies, many of which are still in the early stages of development, unlike the current well-developed oil technology model. The adoption of maturing technologies can lead to uncertainty about investment and operating costs, as well as a challenge in choosing the best time to implement them. In addition, it will require a rapid development of the necessary capacities outside the conventional sphere of oil and gas.

The transition from vehicles with internal combustion engines to electric vehicles is intensifying and will continue to reduce the demand for fossil fuels for road transport, especially gasoline, which is already impacted as a result of increased efficiency of combustion engines. The rise in alternative technologies used for light and heavy commercial vehicles, such as battery-powered electric vehicles with hydrogen fuel cells, will also significantly reduce the demand for diesel. Both declining fuel demand and increase in the number of electric vehicles will fundamentally change the downstream business environment. Thus, oil and gas companies need to take advantage of the next decade to reposition and adjust their portfolio of products and services. In the long run, significant changes are expected after 2030.

Moving from a fuel-oriented to a customer-oriented business is also essential. These changes go hand in hand with enhanced digitization and a wide range of personalized offerings to drive customer engagement and build loyalty.

As for KMG International, the key implications of increasingly stringent decarbonization regulations include the significant reduction in GHG emission allowances and higher carbon prices, higher costs for meeting the biofuel quota (RED II and then RED II once adopted) and customer demand for decarbonization, declining long-term fuel demand driven by

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the increase of electric alternatives by 2035, higher taxation of fossil fuels, especially following the introduction of the ETC system for road transportation.

### How does the Group plan to handle the "disruption" of its "conventional" operations by the new climate change regulations?

We are on the brink of an imminent and accelerated energy transition. There is a very ambitious journey ahead of us, having along the way, challenges and opportunities. We have embarked on a comprehensive process in defining our decarbonization strategy and setting realistic goals for our future operations, strategy which has been approved during the reporting period of current report, meaning beginning of 2022.

We will continue to accelerate the transformation of our gas stations into points of utility and services, although in the long run, partial transformation and optimization of the overall network are inevitable.

From our analysis, given the current asset infrastructure of the Group, we have limited (instead of marginal or insignificant) decarbonization options to reduce our carbon footprint by 2030. Petromidia is already one of the most efficient refineries in the region. The decarbonization solutions that we have identified for the refinery's assets include low carbon fuels used as raw materials, carbon capture and use, and storage energy efficiency. However, since this can only achieve a decrease by 6-8% in targets by the set deadline and considering that the impact of electricity production in cogeneration is significant, increasing emissions by 15-20%, we must continue to diversify our offer.

### How can KMG International transform its operational model to stay relevant in an energy transition environment?

The way forward for our organization, of course, involves a diversification of energy sources, such as electricity and biofuels, the latter being clearly seen as a key fuel in the transition to zero emissions.

As part of our long-term sustainability strategy, we have identified four strategic options in addressing climate change and energy transition in KMG International's operations. The first option is for the company to remain specialized in conventional oil & gas distribution, which would involve consolidating basic oil and gas activities and exploiting the full potential of the fossil fuel value chain and a diversification degree by 2030 below 5%.

As a second option, KMG applies a diversification rate of 5-15% by 2030 and becomes a diversified player in oil and gas production. 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 is for KMG International becomes 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.

Nevertheless, following diligent assessments and projections considering the risks and feasibility of each option, our objective is to become a diversified player in the distribution of oil and gas by 2030 and then make the transition to an energy supplier by 2035-2040. 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 and maximizing KMG International's exploration and production potential, relatively limited cost-effective decarbonization options leading to a reduction in the carbon footprint by 2030.

### What are KMG International's proposed solutions and priorities moving forward?

Our Sustainability Strategy and our commitments towards climate change mitigation will continue to guide our efforts. To those who may consider the pace of change we envision to be slow, we say that we have always been a careful and responsible citizen, considering the needs and impact on all our stakeholders. Thus, we believe that lasting progress comes from building upon past sustainability achievements, long-term commitment and resilience.

We have classified our future projects into medium and long-term initiatives, our main immediate priorities addressing the production of biofuels and the extension of the electrical energy value chain. Projects total approximately 600 million USD and they include the expansion of the Group's retail network, charging electric vehicles in own network, on-site generation, renewable energy production, biodiesel and bioethanol production.

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.



# INTRODUCTION

**About this report**  
**Material issues within a global context**  
**Sustainable Development Goals**

We embed sustainability into all our projects and operations, while we make sure we follow all rules and regulations in place, along with the highest standards and industry best practices. We are dedicated to increasing the transparency of our reporting and our efforts focus on making significant progresses to provide a better tomorrow for future generations.

<b>GRI</b>	<b>IPIECA</b>	<b>IR 3.36</b>
GRI 1 Foundation 2021 req. 1, 2	GOV-2 C3, A2	IR 3.54
GRI 2-3	<b>IR</b>	IR 5.6
GRI 2-5	IR 1.12	
GRI 2-29	IR 3.5	

## ABOUT THIS REPORT

As proof of our commitment to transparency we report metrics and performance data annually, thus, we can hold ourselves responsible for our progress and our stakeholders can hold us accountable.

This report seeks to inform a wide range of stakeholders, including our 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.

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. The 2021 edition of our Sustainability Report describes the practical actions we have taken to implement the 10 UNGC Principles and highlight the ways in which we address the UN Sustainable Development Goals (SDGs). The information on our contribution to the UN SDGs, including those prioritized by the Group, is marked in the Report with the relevant icons.

The data and information covered in this report represent our performance across all significant operations during the 2021 calendar year. These may include information from previous years that we considered relevant for understanding the information from the year covered by the reporting.

The 2021 KMG International Sustainability Report closely reflects the Group's activity against the backdrop of the events and evolutions shaping the reporting period. We look closely at Rompetrol Rafinare and its affiliated companies, as a listed company on the Bucharest Stock Exchange and significant in terms of processing units; we also zoom in on companies of relevance for our business and also falling under the incidence of the 2021 sustainability reporting directive – for instance Rompetrol Well Services, Rominserv.

This report describes our sustainability strategy and how it relates to our business and the interests of our stakeholders. The content focuses on the sustainability topics that were found to be most relevant, with dedicated sections detailing our performance and vision for improvement in each of these areas. For ease of review, we have divided these topics into clear chapters reflecting the key focus areas of our sustainability commitment, including People, Community support, Environmental performance, Supply chain, Corporate governance.

To ensure the highest level of data integrity, we maintain databases for safety and environmental incident tracking, greenhouse gas emissions, finance, and human resources. This data is collected, analyzed, and reviewed by subject matter experts within the organization and, in the case of some specific data, such as our greenhouse gas emissions, undergoes annual verification by an independent third party.

This report was prepared with reference to the 2021-updated Global Reporting Initiative (GRI) Standards, including GRI 11: Oil and Gas Sector 2021, although the latter is only effective as of 1 January 2023. It is also in full compliance with the Romanian nonfinancial reporting legislation – Ministry of Public Finance Orders No. 1938/2016 and No. 2844/2016.

Starting with the 2021 edition of our Sustainability Report, we enhanced our reporting by aligning our performance data with the recommendations of the standards most frequently referenced by our stakeholders, including investors, while also referencing relevant standards & industry guidelines aimed at enriching the reporting experience and increasing sustainability transparency.

As such, we also relied on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which are gradually being implemented, and followed industry best practices & reporting frameworks like:

- 2020 IPIECA voluntary guidance for the oil and gas industry;
- International Integrated Reporting Council (IIRC) <IR> Framework;
- SASB Sustainability Accounting Standards for the oil & gas sector;
- Climate Disclosures Standards Board (CDSB) Climate Change Framework (CCRF);
- Provisions of the non-binding guidelines on non-financial reporting.

## CSRD (draft)

On 21 April 2021, the European Commission published a proposal for a **Corporate Sustainability Reporting Directive (CSRD)**, which will amend the existing Non-Financial Reporting Directive (NFRD). The revised directive will support the European Green Deal - no net emissions of greenhouse gases by 2050. The 27 EU Member States will be expected to transpose the new directive into national law 18 months after entry into force. As a result, companies that fall within the scope of the directive will need to comply with the amended rules for fiscal year 2024.

## The EU taxonomy

The EU Taxonomy is the green classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes.

It 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.

For this reporting year, we identified our eligible activities, according to the Taxonomy Climate Delegated Act (which covers the first two environmental objectives) and assigned the related turnover, CAPEX and OPEX (see our Taxonomy Analysis).

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

This enhancement to our environmental, social and governance (ESG) reporting helps provide comparable and decision-useful information for investors and all other stakeholders.

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 also subject to an external assurance process by a Big4 auditor, EY Romania, in accordance with the ISAE 3000.

### TCFD

A set of reporting recommendations that enable companies to monitor and reduce the risks associated with climate change. It provides companies with a method for incorporating climate change into their business plans by integrating strategy and climate scenario analysis into the financial risks identified by the company.

### IPIECA

Sustainability Reporting Guidance for the Oil and Gas Industry (2020) by the International Petroleum Industry Environmental Conservation Association (IPIECA), the International Oil and Gas Producers (IOGP) Association and the American Petroleum Institute (API) is a robust industry-developed framework to help companies shape the structure and content of their sustainability reporting.

### IIRC

The <IR> Framework provides the integrated reporting framework to connect sustainability disclosure with financial disclosure, focusing on strategy, governance, performance, and prospects, while considering the external environment.

### SASB

Unlike the GRI, SASB standards identify sustainability-related risks and opportunities affecting a company, including its balance sheet, income statement, market valuation and cost of capital.

In June 2021, SASB and IIRC announced their merger to create the Value Reporting Foundation – together. The Integrated Reporting Framework and SASB Standards provide a more complete picture of long-term value creation while meeting investor needs for comparable, consistent, and reliable information.

### CDSB

The CDSB has developed a global framework for reporting and monitoring climate change actions: the CDSB Framework for reporting environmental & climate change information. This framework enables organizations to better understand how to report on environmental information related to natural capital (water, land, air, forests, minerals, biodiversity, and ecosystem health).

It's fully aligned with the TCFD and supports compliance with the EU's Corporate Sustainability Reporting Directive (CSRD).

<b>GRI</b>	GRI 3-1	IR 3.5
GRI 1 Foundation 2021 req. 1, 2	GRI 3-2	IR 3.17
GRI 1 Foundation 2021 req. 3-4	GRI 3-3	IR 3.36
GRI 1 Foundation 2021 req. 4-5	<b>IPIECA</b>	IR 3.54
GRI 2-3	GOV-2 C3, A2	IR 4.41
GRI 2-14	<b>IIRC</b>	IR 5.6
GRI 2-29	IR 1.12	

## MATERIAL ISSUES WITHIN A GLOBAL CONTEXT

The Group's overall approach to sustainability considers multiple factors with a high impact on our activity and, in turn, on our community and the society as a whole. These include the external trends influencing our business, from climate change to economic growth or technological disruption, the UN SDGs, along with the results of our internal risk assessment and our identified material topics. These are the elements that provide us the general directions that we should constantly follow and monitor in our approach.

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. As a major player in the oil & gas sector we face the challenge of addressing a wide range of external stakeholders with often diverging requirements, from regulatory bodies and state authorities to shareholders, employees, labor and trade unions, clients, opinion shapers, such as the media, and members of the community, either as individuals or as members of various organizations and associations.

The contents of this report reflect our material issues, identified by using relevant frameworks and standards, including GRI, TCFD, IR, SASB, CDSB, IPIECA. 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.

Our approach regarding the presentation of material impacts and sustainability performance is to publish relevant information in an integrated and comprehensive manner, so that it is easily accessible to our stakeholders.

## Materiality assessment

An important part of our understanding of material topics is our proactive and ongoing engagement with stakeholders. Through evaluation of internal and external stakeholder perspectives and a comprehensive mapping exercise with our sustainability reporting team, our list of material aspect is constantly refined to reflect our highest-priority topics using a dedicated matrix.

For this reporting cycle, given our more in-depth approach and extended referencing, we also refined our materiality assessment process, which also included regrouping and reclassifying our material topics.

This internal analysis resulted in the selection of 22 topics relevant to KMG International. These were in turn grouped into 4 areas and later on 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.

Consistent with reporting guidance and frameworks referenced, we prioritized issues important to our stakeholders when developing the content for our sustainability report by using a high-medium-low type of scale that reproduced the stakeholders' view on the indicators. The prioritization, which is reflected by our Materiality Matrix, was done by scoring the two elements of the analysis, the relevance of the topics to stakeholders and their impact on the Group.

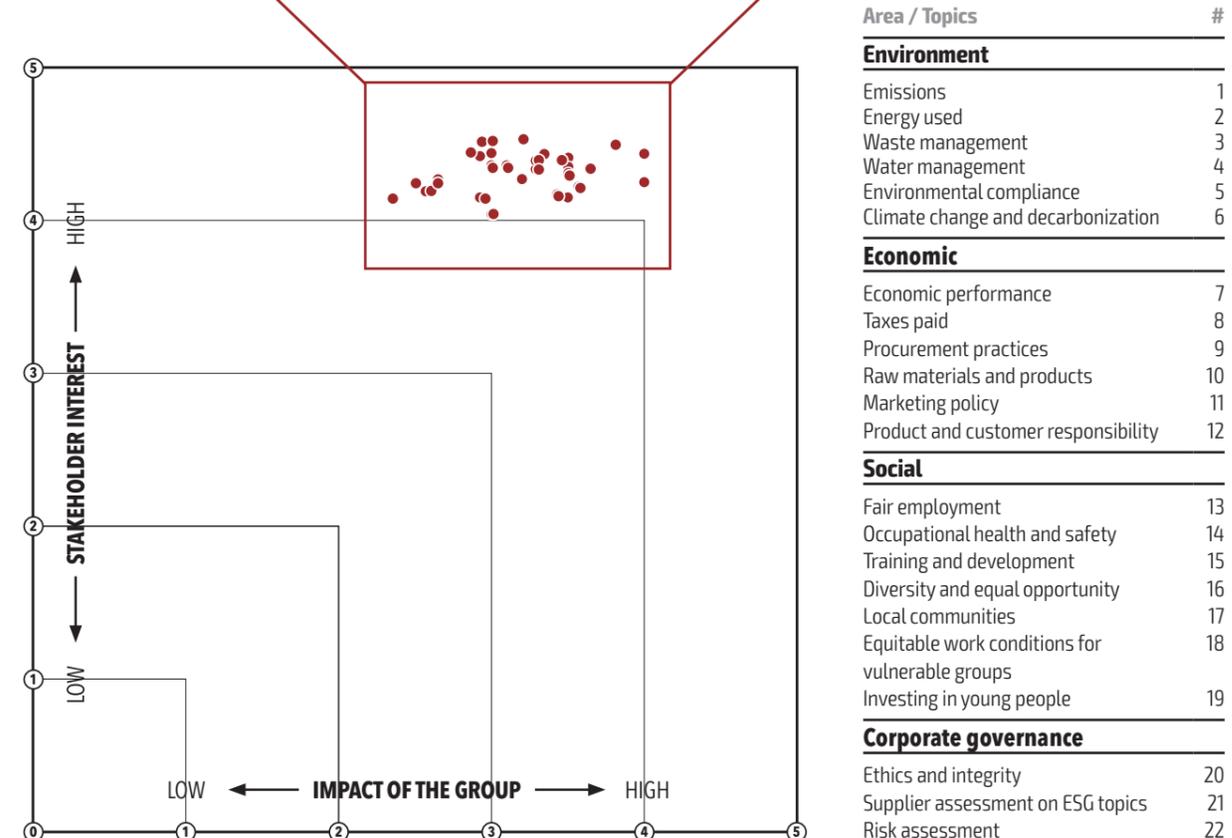
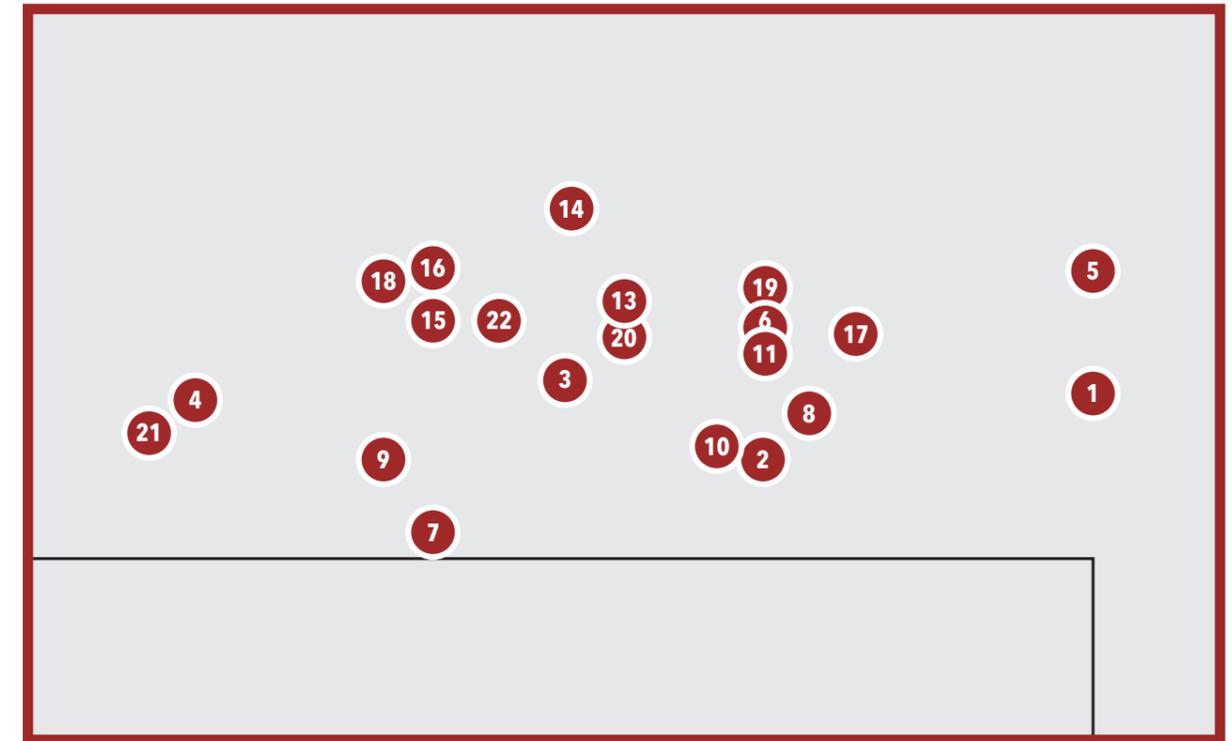
Material topics of highest combined importance are grouped in the top-right corner of the graph and will be analyzed in more detail throughout the report.

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.

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.

Every year, we review our Materiality Assessment to make sure we continue to focus on the topics of most interest to our stakeholders and relevance to our business success; our report disclosures are thus updated accordingly.

## Materiality matrix



## Stakeholder engagement

We set the priorities that underpin our strategy, commitment and reporting through a structured materiality analysis process and the continuous and direct involvement of our stakeholders. Throughout the years, we have developed a continuous engagement process with our stakeholders and we are constantly working to build trust. Periodically, we evaluate our stakeholders to identify any changes that may arise as a result of new opportunities, changes or challenges that we may be facing.

In 2021, we conducted an assessment process using an online questionnaire aimed at identifying and classifying key stakeholder groups based on their interest in our organization and their influence on our organization. Colleagues from various departments including HR, HSE, Legal, Compliance, Marketing etc. were included in this process, to ensure we have a full grasp of our stakeholders' positioning.

As part of our Materiality Assessment process, and in line with the GRI Principles of Stakeholder Inclusiveness, we have identified several internal and external stakeholders including employees, business partners, clients, local communities, local institutions, media, NGOs, public authorities, regulatory bodies, students and academia, suppliers, trade unions.

In order to be constantly involved with stakeholders we have developed tailored communication mechanisms for each relevant group as a way to identify our material topics, to understand how we should tackle the wide variety of challenges and to come up with the right answers for different needs. We gather opinions and advice from our stakeholders in various ways, including formal and informal meetings, surveys, and research. Their feedback and input help us ensure that coverage is balanced, relevant and complete.

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.



SECTOR	APPROACH
<b>REGULATORY</b> 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.
<b>MARKET</b> 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.
<b>INDUSTRY</b> Professional associations Suppliers Students / academia	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.
<b>SOCIETY</b> 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.**

Achieving the SDGs requires action by governments, non-governmental organizations, and the private sector. As a responsible corporate citizen, we are committed to leave our mark, by harmonizing the 2030 Agenda's principles with our long-term sustainable development strategy.

Of the total of 17 SDGs, the following are particularly relevant to KMG International, capturing the specific of our activities, operation principles and locations.

### Goal 3: Good health and well-being

Health and well-being represent top priorities for KMG International, with regard to both employees and the communities we operate in. Not only do we have strict health and safety work procedures in place, but we also carry out customized internal well-being programs addressing emotional and social, physical, and financial well-being. Furthermore, 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 consistent investments in healthcare-related projects across the country. See: **Community**

### Goal 4: Quality education

Investing in education as well as personal and professional development is embedded into our business strategy and part of our mission to nurture the growth of our employees and communities. Beyond our annual internship program, which has been running for more than a decade, we support organizational growth through dedicated development, life-long learning, and career progression programs, along with investments and sponsorships addressing community education needs. See: **Community, People**

### Goal 5: Gender equality / Goal 10: Reduced inequalities

Gender equality and an end to discrimination against women are both basic human rights and are also 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. See: **Community, People**

### Goal 6: Clean water and sanitation

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. See: **Environment**



### Goal 7: Ensure access to affordable, reliable, sustainable and modern energy

By environmental policy, we undertake reducing consumption of resources by using them in an effective way and by changing old, high energy consumption equipment with modern low-power equipment. Moreover, we have taken on implementing new lower-carbon technologies and sources of green energy. See: **Environment**

### Goal 8: Decent work and economic growth

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. We assess those we work with to ensure they adhere to principles laid out in our Code of Ethics and Business Conduct. See: **Introduction, People**

### Goal 9: Industry, innovation, and infrastructure

We are constantly investing in the development of our operations, in view of building 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. See: **Introduction**

### 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. See: **Environment, Marketplace**

### Goal 13: Climate action

We continue to work to manage greenhouse gas emissions from our operations, in strict compliance with national and international regulations. Our efforts are focused on reducing our environmental footprint year on year. See: **Environment**

### Goal 14: Life below water / Goal 15: life on land

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 situated, and cares about the very active wildlife populating the area. For each new project, the impact of the refining activity on biodiversity is analyzed and assessed thoroughly. See: **Environment**

### Goal 16: Peace, justice and strong institutions

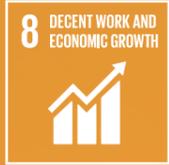
We are aware of our potential impact as a major oil & gas player. We have policies and corporate values committed to human rights and we constantly assess the human rights impacts specific to the local environment and take steps to address these issues in our activities and within our supply chain. We 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, undertaken in accordance with formal grievance-handling procedures required by the regulatory authorities. See: **Introduction, Community, Marketplace**

### Goal 17: Partnerships for the goals

The principles set in the 2030 Agenda have been undertaken by the Group and they are embedded into our business principles and strategy. See: **Approach**



SUSTAINABLE DEVELOPMENT GOALS



# PROFILE

- Operations overview
- Brands
- Compliance
- Memberships and affiliations

# OPERATIONS OVERVIEW

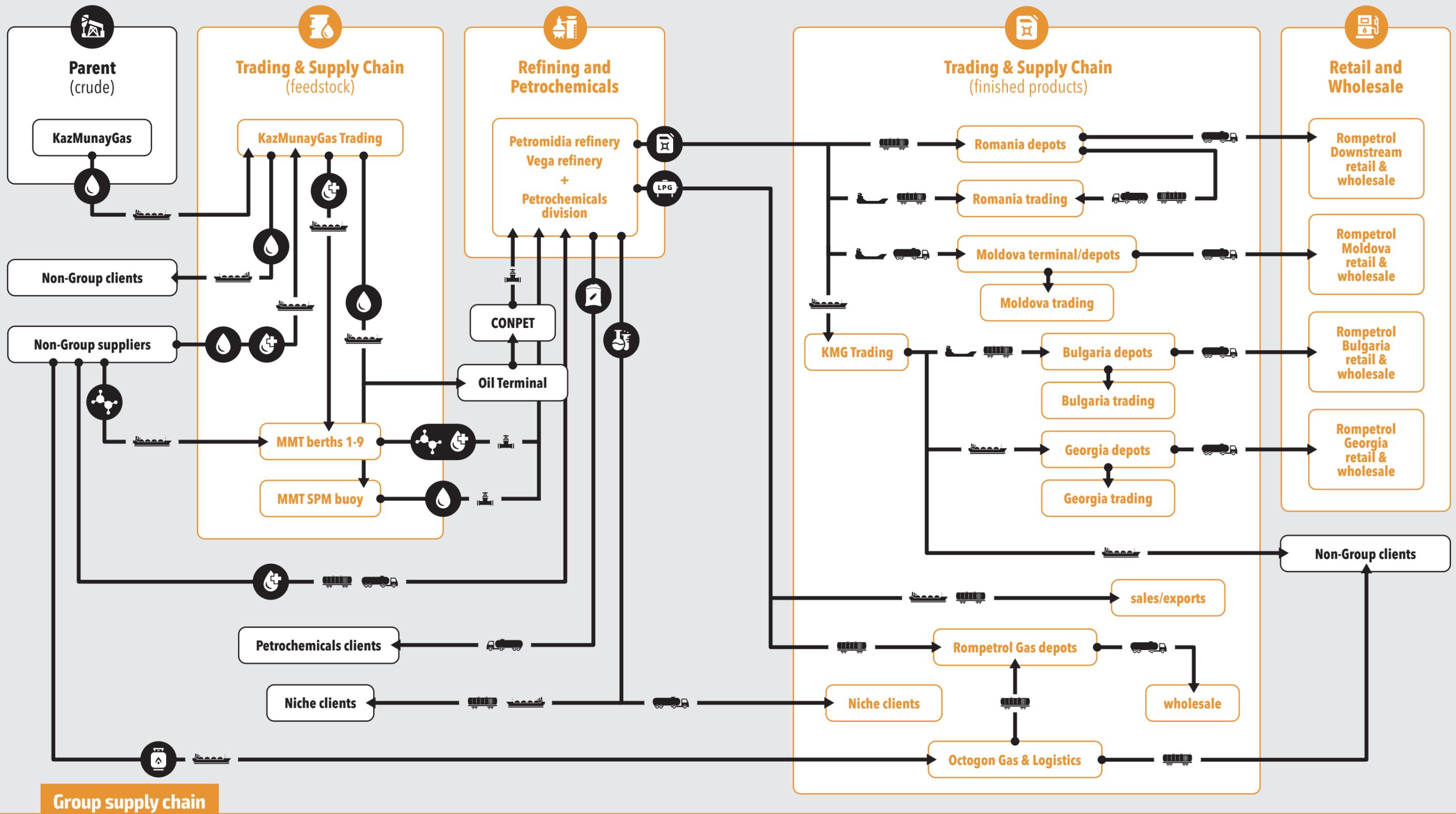


GRI  
GRI 2-1  
GRI 2-6

**Countries of operations and main companies**

By the end of 2021, the Midia Marine Terminal offshore team had unloaded **597 tankers** with a volume of **50.7 million tons** of crude since 2009.

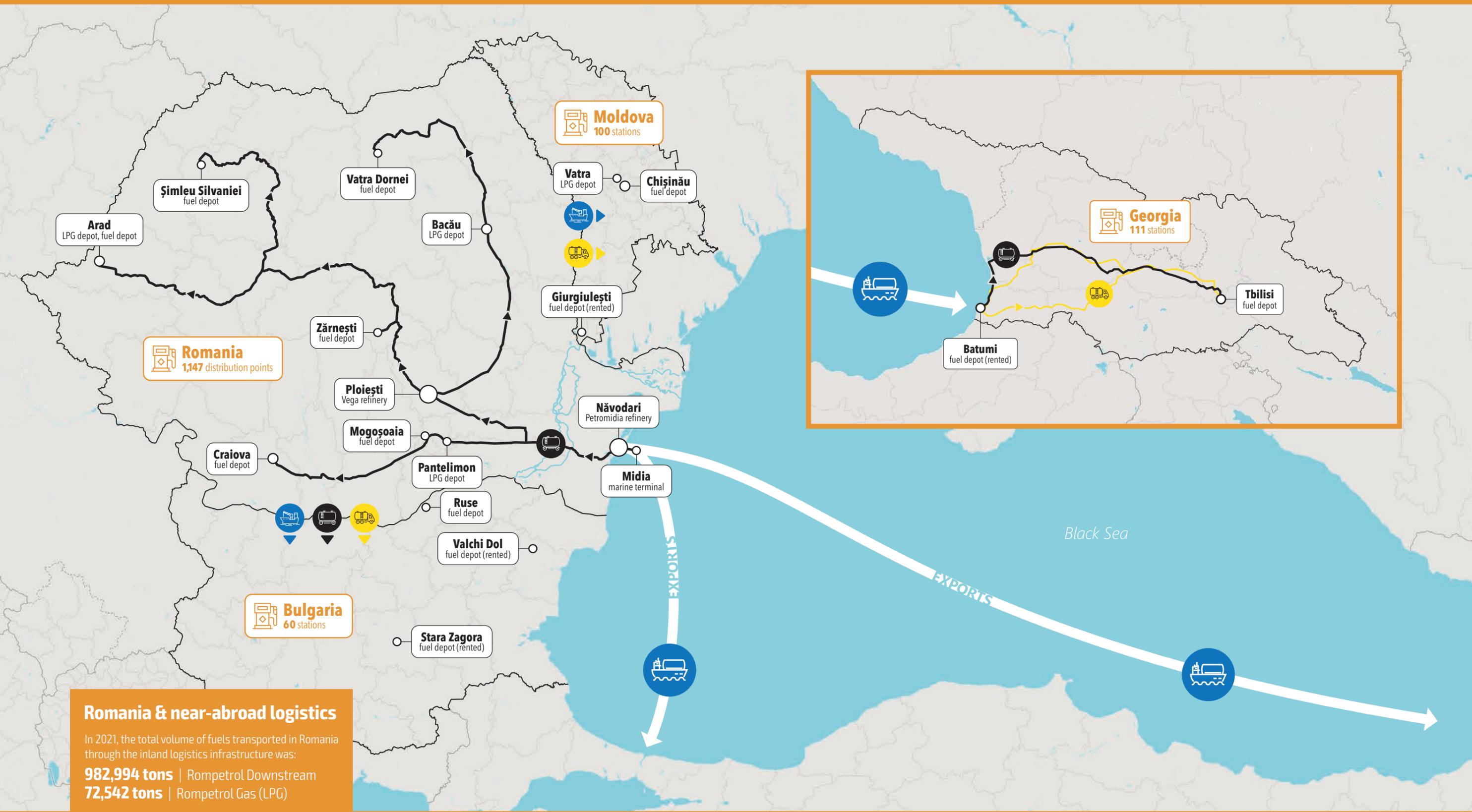
- |   |   |  |   |  |   |  |
|---|---|--|---|--|---|--|
| <b>1 Gibraltar</b><br>Byron Shipping LTD                              | <b>3 France</b><br>Rompetrol France SAS<br>Dyneff SAS | <b>5 Switzerland</b><br>KMG Trading AG | <b>7 Republic of Moldova</b><br>Rompetrol Moldova SA                | <b>9 Romania</b><br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rompetrol Downstream SRL<br>Rompetrol Petrochemicals SRL<br>Rompetrol Gas SRL<br>Rom Oil SA | <b>10 Turkey</b><br>TRG Petrol Ticaret AŞ | <b>12 Republic of Kazakhstan</b><br>NC KazMunayGas JSC (parent)<br>KMG Rompetrol SRL rep. office<br>Rominserv SRL branch |
| <b>2 Spain</b><br>Dyneff Espagna SL<br>Dyneff Gas Stations Network SL | <b>4 The Netherlands</b><br>KMG International NV      | <b>6 Libya</b><br>OEBS SA branch       | <b>8 Bulgaria</b><br>Rompetrol Bulgaria EAD<br>Rominserv SRL branch | <b>11 Georgia</b><br>Rompetrol Georgia LTD   |   |  |



Group supply chain

CRUDE 
 OTHER FEEDSTOCK 
 ETHYLENE 
 FUELS 
 LPG 
 PROPANE

NICHE PRODUCTS 
 **Petromidia** | Jet A1, FCC residue, Coke, Sulphur 
 **Vega** | n-Hexane, Eco-solvents, Naphta, White Spirit 
 **PETROCHEM PRODUCTS** | Heating oil, Bitumen, Fuel oil 
 **Vega** | PP, LDPE, HDPE



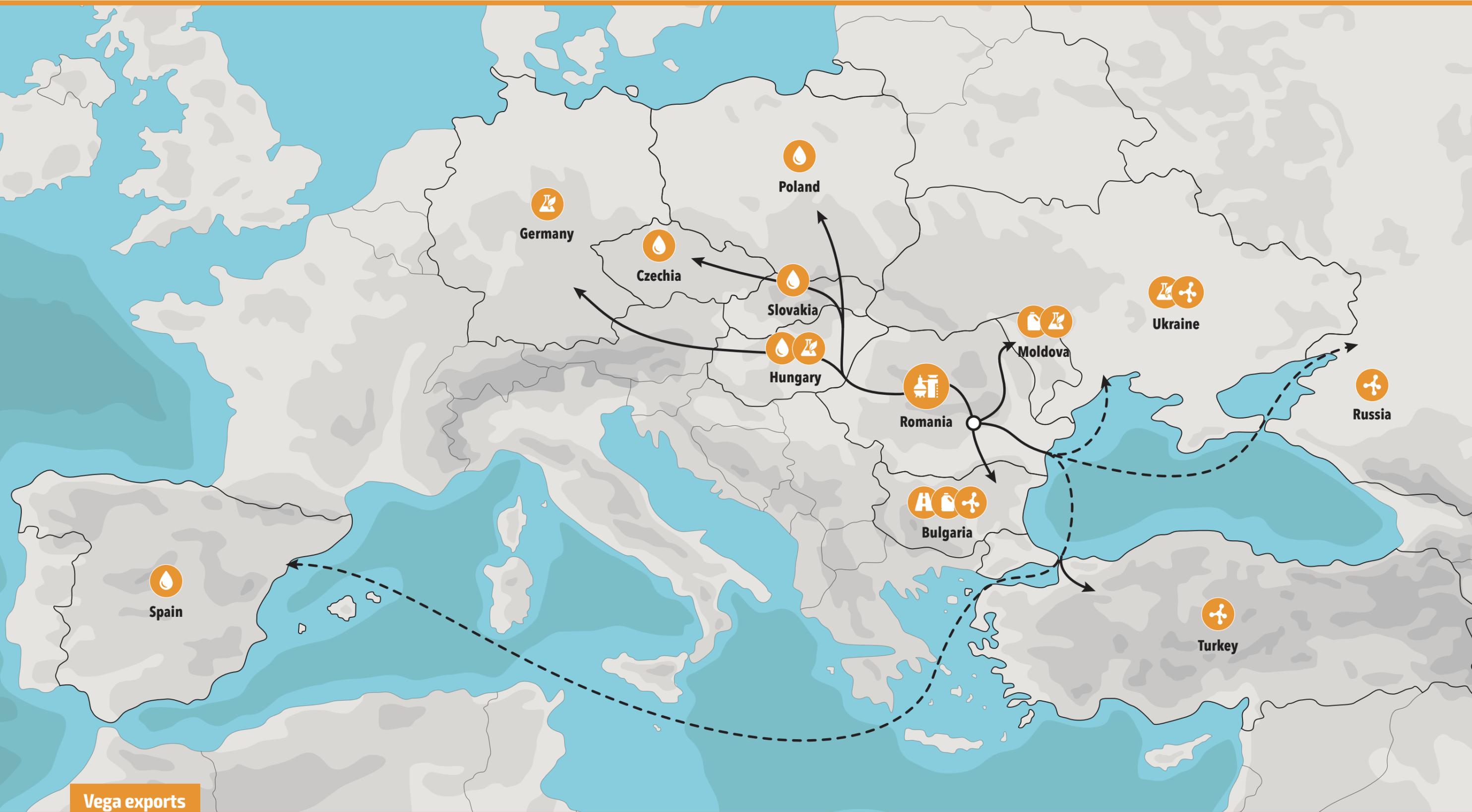
**Romania & near-abroad logistics**

In 2021, the total volume of fuels transported in Romania through the inland logistics infrastructure was:

**982,994 tons** | Rompetrol Downstream  
**72,542 tons** | Rompetrol Gas (LPG)

BY RIVER  
 BY RAIL  
 BY ROAD  
 BY SEA

**Rompetrol Downstream (Romania)**  
 165 CODO, COCO stations  
 129 DODO stations  
 141 DOEX stations  
 512 cuves  
 200 other



Vega exports

-  NAPHTA
-  N-HEXANE
-  ECO-SOLVENTS
-  WHITE SPIRIT
-  BITUMEN



**Petromidia exports**  
 In 2021, we had the first multi-delivery supply Diesel component Batumi - Midia - Rompetrol Moldova - Rompetrol Bulgaria with a 30,000-ton vessel.

- PETROLEUM
- GASOLINE
- DIESEL
- PETROLEUM COKE
- SULPHUR

## BRANDS



**Rompetrol is the first Romanian brand with an international expansion.**

### The Corporate Brand

Rompetrol represents the knowledge of the public about all Group operations and brand communications, visual signs and symbols of the company and Group portfolio of trademarks. KMG International Group's branding strategy is to use family brands under one corporate brand umbrella. Corporate Umbrella Branding is used to provide uniformity to all Group sub-brands, products and services, trademark portfolio. At the same time, by grouping all portfolio trademarks under one single brand umbrella makes them more easily identifiable, hence more marketable.

### The Trademark Portfolio

It represents intellectual property assets owned by KMG International Group 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 cover market demand in the region, based on market and consumers needs and expectations. The portfolio trademarks are grouped by business lines:

### Retail portfolio



**Romp petrol** gas station is the brand we use to distribute and promote our retail products & services on four European markets: Romania, the Republic of Moldova, Bulgaria, and Georgia.

**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** 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 at Rompetrol gas stations in Romania, Bulgaria, Moldova, and Georgia.

**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** 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. It is a retail system especially created for Rompetrol, an innovation in oil&gas category not only in Romania.

- **Fill & Go Personal** (Fill&Go Debit, Fill&Go Credit) is designed for individual customers and gives them a fast and efficient fueling experience. This is the only fuel card that allows a monthly payment. Integrated with Rompetrol Go, it allows customers to earn points by using their Fill&Go cards.

**To ensure the safety of our customers during these challenging times, we have launched a unique concept on the market - "ZERO CONTACT", through which our customers can make an online request for a Fill & Go fuel supply card, can refuel directly at the pump, and can also pay current bills online.**

- **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).

**Romp petrol 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.

**Romp petrol Go mobile app** is the first app in the oil and gas landscape that offers drivers and passengers innovative features like: the first virtual card for earning 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 App Store and Google Play.

## Refining and Petrochemicals portfolio

**Petromidia Refinery** is the largest Romanian refinery and one of the most modern refineries in Southeast Europe with a Nelson Index of 10.5 in 2021. 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** 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.

- **Jet1 Aviation fuel** - Rompetrol produces enhanced fuel for turbine-powered aircrafts, with antistatic properties and able to sustain lower temperatures, in line with the international regulations, used for civil and military aviation. Rompetrol is the biggest producer of jet A1 aviation turbine fuel in Romania. Petromidia supplies jet fuel to the Romania Ministry of Defense.
- **Coke** is a carbon-rich solid final product resulting from refinery processes. Rompetrol produces coke for industrial and commercial applications (Green Petroleum Coke, Sorted petroleum coke for domestic use). It can be a viable alternative to wood heating.
- **Bitumen** - Vega Refinery is the only bitumen producer in Romania, with over 90 years of experience in this field. It produces a wide range of bitumen types, 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 (Bitumen D25/40, D50/70, D70/100, D160/220; Eurobitumen 25/55, 45/80; Citom, Citom G).

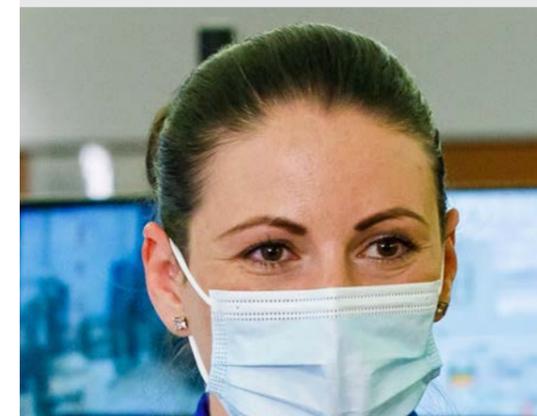
**USD 7 million were invested for the construction of the first polymer-modified bitumen installation in Romania. The capacity of the installation is 66,000 tons/year of bitumen, modified bitumen with polymers and special bitumen.**

- **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. The Petrochemicals Division produces more than 30 special niche varieties with added value.

The company's product portfolio features 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 Petrochemicals Division** has developed 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

**Rominserv** is the first Romanian company to integrate 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.

**Romp petrol Well Services** – with its 70 years of experience, is one of the leading oil and gas services companies in Romania and CEE region. 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.

**Romp petrol Quality Control (RQC)** is one of the top companies on 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, 18001 accredited. RQC has three business lines fully covering needs in terms of lab testing: petroleum product analysis, petrochemical products analysis, environmental analysis.



## Trading portfolio

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

**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.



<b>GRI</b>	GRI 3-3	GRI 11.14.1
GRI 2-15	GRI 205-1	GRI 11.20.2
GRI 2-16	GRI 205-2	<b>IPIECA</b>
GRI 2-23	GRI 205-3	GOV-1 C2, A2, A3
GRI 2-24	GRI 406-1	GOV-2 C3, A2
GRI 2-25	GRI 11.10.1	GOV-3 C1, C3, C4, A1
GRI 2-26	GRI 11.11.1	SOC-8 C1, A1, A2, A3, A4
GRI 2-27	GRI 11.11.7	
GRI 2-30	GRI 11.12.1	

## COMPLIANCE

In all our operations, we apply fair labor practices and abide by all applicable workplace, employment, privacy, and human rights legislation including support of the principles of the Universal Declaration of Human Rights.

Regarding ethics, human rights, advice-seeking and grievance mechanisms, anti-corruption & anti-bribery, risk management, KMG International has policies in place that apply to all subsidiaries within our organization, in Romania and other countries of operations. These policies are applicable to all employees and stakeholders with direct relation to KMG International, treating all possible concerns raised in a prompt, professional and objective manner.

### Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct aims to promote ethical values and principles within KMG International and its affiliated companies in order to support and protect the Group's reputation. It is approved at the highest level of authority: KMG International Board of Directors.

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

**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 on behalf of the Group.

### The Compliance Department and Internal Control Department manage 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
- 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.

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.

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

- 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.

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.

KMG International, through its procurement process, applies pre-qualification activity, bidding criteria, and screening criteria consistent with the expectations stipulated in the Business Conduct and Ethics Code.

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 including that they respect labor practices.

### Communication & training

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

Training on the Business Conduct and Ethics Code are performed through dedicated modules to each targeted group. Also, at the moment of hiring, each employee signs a statement that he/she comply with the Code. On a separate basis, during induction program, the employees are accommodated with the principles set within the Business Conduct and Ethics Code.

As part of the induction process, the Compliance Department provides training on ethical principles: Equal Chances, Competition Compliance Highlights, Managing Conflicts of Interest, Gifts, Insider Training, Using Confidential Information, Social Media, Channels to be used to report misconduct.

### Advice and grievance mechanisms

We encourage our employees and collaborators to report any breaches of the Code and possible ethical issues – whether these relate to them, their direct reports, line managers or others. The Compliance Department has to be contacted for any ethical issues or concerns that employees may have. The concern will be treated in a strictly confidential manner.

In this regard, 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 corporate ethics and human resources departments. Concerns about unethical or unlawful behavior and matters related to integrity can also be reported directly to our Compliance Department.

### Supplier Code of Conduct

KMG International's Supplier Code of Conduct has been developed for the purpose of ensuring that KMG International and all its subsidiaries suppliers are in full compliance with all applicable national

Our procedure for reporting grievances or seeking advice begins with the employee seeking guidance from their immediate supervisor. If he or she can not address the issue, they then go to their next level manager. If they are not able to handle the problem, then functional teams such as HR and compliance departments will step in. However, if any persons in this chain of command are part of the problem, there are dedicated email addresses (and also external emails) made available to each employee for them to report concerns about unethical or unlawful behavior. All reports are treated in a strictly confidential manner, without fear of retaliation. We provide regular training on this process so that employees know how to access the reporting mechanisms.

The overall responsibility for seeking advice mechanisms is assigned to HR, Compliance, and Internal Control 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, Internal Control Department for topics pertaining to conflicts of interests.

**Throughout the January - December 2021 period the following grievances<sup>1</sup> were received and investigated:**

- **37 cases** related to potential conflict of interest received on Internal Control Department e-mail address;
- **20 concerns** received through Whistleblower Channel;
- **6 complaints** received through the other mechanisms for seeking advice.

1. 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. In 2021 we had 2 community grievances - one in Ploiești for strong smells, and one in Blejoi commune for dust, during the works at Vega lagoons.

## 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.

This policy was communicated and applies to all KMG International Group Companies (Subsidiaries) and its employees. Moreover, the policy creates the means to also enable collaborators/suppliers/clients to raise concerns/complaints through the whistleblower channel. Our collaborators/suppliers/clients can access this reporting channel using our company websites: [www.rompetrol.com](http://www.rompetrol.com) / [www.rompetrol.ro](http://www.rompetrol.ro) / [www.rompetrol-rafinare.ro](http://www.rompetrol-rafinare.ro)

A dedicated channel (e-mail address) is used by employees and business partners to report concerns about unethical or unlawful behavior and matters related to integrity, in a strictly confidential manner. The identity of the sender remains anonymous (if our employees wish to keep their identity confidential) and the e-mail address is accessed only by the Internal Control 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.

During the reporting period (January - December 2021) 20 concerns were received through the whistleblower channel. 9 were in the area of expertise of the Internal Control Department and investigated according to our Whistleblower Policy. For 6 of them the investigation was finalized, and the raised concerns were not confirmed, upon the completion of our internal investigation (the rest of 3 raised concerns are still in the investigation process). The other 11 concerns received were transferred to the Internal Audit Department for investigation according to their specific and decision of KMG Board of Directors.

## Other Advice Mechanisms

- Direct Supervisor
- Internal Control Department (internalcontrol@rompetrol.com) - advice for ethics, conflicts of interest's topics. The advice is treated in a confidential manner.
- Group Human Resources Department

## Commitment to customers

We take pride in being a customer-oriented business, as we place the customer at the center of our business. Thus, we are committed to:

- Cooperate with the public authorities and NGO's 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.

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 the appropriate Company's products and services.

## Commitment to shareholders and stakeholders

We have achieved our success because we are a law-abiding corporate citizen. Thus, we comply with all applicable regulations and legal requirements whenever and wherever we operate. We are committed to conducting our business fairly, honorably, with integrity and honesty and in compliance with all applicable laws, and we are requesting the same approach from our partners.

We do business in a transparent manner and ensure timely, reliable, and relevant information disclosure. We keep accurate financial records, as required by acceptable accounting principles and

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

We engage only in fair competition; we do not tolerate conflict of interests and all our activities must be undertaken for the best interest of the Group. Furthermore, 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.

## Conflict of Interest Procedure

Group employees and collaborators must be loyal to the Company and avoid situations in which their personal or financial interest may conflict with those of the KMG International or with any of its companies.

KMG International Conflict of Interest Procedure sets out to establish and provide our employees with the necessary resources in order to enable them to identify and properly address potential conflict of interest situations (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 and properly manage conflicts of interests and their occurrence.

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.

The procedure was communicated and applies to all Group employees and/or collaborators.

The Group has a straightforward policy in respect to the confidentiality of its information and intellectual propriety. The Group promotes the transparency of its activities and business strategies with employees and concerned parties, while maintaining strict governance over what should or should not be disclosed outside the Company.

Employees are fully responsible for the confidentiality of the information they are entrusted with. The employees must not disclose confidential information to third parties (unless it is legally required) or to other employees (if they are not entitled to it) and they must ensure that information is accessible only to those

authorized to have access. Also, employees are not entitled to contact representatives from the media on their own, unless they are authorized to do so.

The difference between confidential / restricted information and public information is detailed (but not limited to) in the Confidentiality and Non-Disclosure Agreement, which every employee has to sign upon employment.

Employees are encouraged to report any concerns regarding potential conflict of interest directly to Internal Control Department at:

**internalcontrol@rompetrol.com**

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

Valid or proofed concerns are subject to a review of the Ethics Commission, which analyzes the matters and may take corrective action, if necessary.

## Anti-Bribery and Anti-Corruption Policy

Our Anti-Bribery and Anti-Corruption Policy promotes integrity, accountability, and proper management of the business in an ethical and transparent manner. It is the only way to do business and going forward our employment agreements and internal documents now have informative amendments on anti-corruption topics.

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.

KMG International's Anti-Bribery and Anti-Corruption Policy is communicated, easily accessible on the Corporate Intranet and applicable to all Group entities, employees, business units and collaborators.

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 professionally and objectively manner maintain the confidentiality of the information provided.

The Internal Control Department has in place 3 internal regulations to prevent the risk of bribery and corruption at the level of KMG International Group, which include the Anti-Bribery and Anti-Corruption Policy, the Conflict of Interest Procedure, and the Whistleblower Policy.

These were communicated and are applicable to all Group entities, employees, business units and collaborators.

Training on anti-corruption issues is delivered during the induction training for new employees. Also, specific awareness campaigns on Anti-Bribery and Anti-Corruption topics are performed regularly. In 2021, a project which included an Anti-Bribery and Anti-Corruption Risk and Control Assessment was initiated (to be completed by June 2022). The project 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 (selling /acquisition of non-core assets)

### The assessment mainly included:

- Interviews with dedicated employees from each specific business area to evaluate the current level of control on Anti-Bribery and Anti-Corruption Risks. During this interview 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.

## Labor practices

We are an equal opportunity employer, committed to respect all applicable human rights, civil rights, and labor laws. We do not tolerate any form of abuse, harassment, or discrimination in any Group workplace. We continuously strive to better ourselves in this respect as we feel we owe it to our people, our stakeholders, and our communities.

### Non-discrimination and equality

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

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 is committed to fostering a workplace conducive to open communication regarding the Group's business practices. The Group aims to protect anyone raising a reasonable concern / complaint against unlawful retaliation and discrimination for having properly disclosed or reported illegal or unethical conduct. Thus, any repressive action against an employee for addressing a problem or raising a pertinent ethical question is

forbidden. Policies and procedures that aim to secure non-retaliation, non-discrimination and confidentiality when addressing grievances managed by Internal Control Department include the Whistleblowing Policy and the Conflict of Interest Procedure.

### 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. During our 2021 operations 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 respects all minimum age laws in countries where it operates. KMG has never and will never resort in any way to hiring children or putting them in working relations with our Group.

### 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.



GRI  
GRI 2-2B  
IPECA  
GOV-5 A3



## MEMBERSHIPS AND AFFILIATIONS

KMG International is associated with various initiatives and organizations, primarily to connect with industry peers and share expertise in business, technical and industry best practices.

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

As all industry players, KMG International is looking towards decarbonization direction, that will ensure our business adapts to current global context and trends. In Romania, KMG International experts are involved in different Task Forces/Committees/Working Groups set up at associations' level for debating Fit for 55 package legislation and contribute to preparation of documents which support the authorities in their negotiation with European Commission.

Part of the business associations where the Group is present in Romania and Near Abroad countries are listed below:

### Romania

#### FIC - Foreign Investors Council

Considers that the dialogue between policy makers and the foreign investment community lies at the very heart of successfully improving the climate for investment, while stimulating the development of the Romanian economy.

#### AMCHAM Romania - American Chamber of Commerce in Romania

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.

#### NRCC - Netherlands Romanian Chamber of Commerce

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.

#### 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, the participation in European partnerships, 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.

### 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 into Moldova and represents a platform for development and attraction of Romanian investments in national economy.

#### Georgia

##### Association of Oil Products Importers and Distributors

The main goal of the association is to monitor and analyze the oil market, to protect the interests of its members and also to cooperate with legislative and executive powers for the continuous improvement of the oil sector.

##### 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. 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.

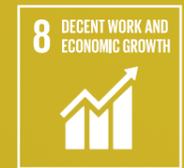
#### Bulgaria-Kazakhstan Business Association

Aims to provide comprehensive assistance for the promotion and expansion of trade, economic and scientific-technical cooperation between business organizations of the Republic of Bulgaria and the Republic of Kazakhstan.

#### Bulgarian Chamber of Commerce and Industry

Local organization of businesses and companies in Sofia with the intention to develop and further the interests of local companies and businesses in Bulgaria.

SUSTAINABLE DEVELOPMENT GOALS



# APPROACH

## Mapping our sustainable development risks Taxonomy analysis

<b>GRI</b>	GRI 11.21.4	EM-SV-160a.2
GRI 201-2	GRI 11.21.5	REQ-03 (partially)
GRI 205-1	GRI 11.9.4	GOV-1 C3 (partially)
GRI 207-1	<b>IR</b>	GOV-2 C2
GRI 207-2	IR 4.24	CCE-1 A3
GRI 403-2	<b>SASB</b>	CCE-2 C1, C2 (partially)
GRI 11.20.2	EM-SV-110a.2	SHS-7 C3, A2

## MAPPING OUR SUSTAINABLE DEVELOPMENT RISKS

Given the specific of our activity, KMG I Group is exposed naturally to a high variety of risks, by operating in a highly volatile and extremely complex and dynamic industry. Against the backdrop of the increased unpredictability experienced over the past years, further emphasized by the COVID-19 pandemic, the Group has implemented a diligent Corporate Risk Management System (CRMS).

### Risk Management process

Risk management processes within KMG I 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 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 I Group, along with the implementation of cost-effective mitigation measures.

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.

### 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

In 2021, all risk management policies and procedures were reviewed and updated.

- 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 KMG I Group. Also, the department is responsible for ensuring the monitoring of systematic risk exposure and providing regular risk reporting at all levels of authority, as well as developing mitigations 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.
- The governance structure of the Group also includes a **Risk Management Committee**, chaired by KMG I 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.

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/ 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.

**From an organizational perspective, KMG International operates under the 3-lines-of-defense model:**

**1st** - Operational managers who 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 Controls functions which 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 that 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 KMG International long-term sustainability and decreases the uncertainty over the Group's strategic objectives and financial targets:

- 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)
- Safety and Operational Risks include 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
- Market and Financial Risks including mainly risks related to adverse evolution of exchange rate, interest rate, prices of commodities, credit, liquidity, capital, and financial stability

**Analysis of major risks**

**Strategic risks**

KMG International 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. Thus, both the internal and the external environment of the Group are constantly and consistently monitored to capture significant evolutions that might impact the achievement of our objectives.

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** 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**, given the second pandemic year, coupled with increasing prices for gas, energy, and utilities, continued to be volatile. Regular updates are made to the forecast of business results and cash flows and, where necessary, investment priorities are rebalanced.

**c. Climate change**  
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. 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.

KMG International Group has developed a comprehensive Decarbonization Strategy with clear directions through which we are seeking to find economically viable solutions to reduce emissions. A climate risk framework including policies and regulations, as well as inclusion of sustainability aspects in the current risk management system are directions which KMG International Group wants to further consolidate in the future.

In 2022, the Group plans to expand its risk management strategy to include a Climate Risk Management Framework which will refer to all relevant aspects, from the environmental impact itself, to financial implications and other risks and opportunities due to climate change, the latter not being yet fully assessed in its dedicated policies in this regard.

Nevertheless, the Group is constantly monitoring its gas emissions and has implemented a series of projects to improve, capture and limit the emissions of SO<sub>2</sub>, NO<sub>x</sub>, CO, and dust in its operations. Moreover, KMG International Group invests in ample decontamination projects (Vega Lagoons, Vadu etc.).

The use of biocomponents in our products is in full compliance with legislative requirements and the company has aligned to the general trend of using biofuels as one of the key solutions to decarbonizing the transportation sector.

Furthermore, KMG International has adhered to the European Union's initiative meant to protect the environment by reducing carbon emissions and is actively monitoring the compliance status of CO<sub>2</sub> Certificates. The company is also monitoring the price risk from European Emission Allowances and the financial implications of carbon emissions trading obligations, taking constant measures to implement appropriate trading, and hedging instruments.

**Safety and operational risks**

**a. Industrial Health, Safety and Environmental (HSE)**

The nature of the Group's activities exposes us and the communities in which we work to an extensive variety of significant health, safety and environmental risks that could have negative impacts on people, communities, environment and assets and result in legal actions and liability, unplanned business disruptions, increased costs, damage to our reputation and potentially withdraw of our license to operate.

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.

Our integrated Risk Management System establishes clear rules and principles which govern key risk management activities 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.

- The HSE risk is treated as a high priority by the Group, given the nature of our activity. In 2021 this was more evident than during previous years, when, aside from the normal business challenges, a critical incident (whose causes are still under investigation by experts) took place on the production platform. This resulted in an explosion and subsequent fire, which led to human casualties and asset damage.

Additional risks were brought on by the COVID-19 pandemic. All measures were taken to protect the health and safety of our employees. Throughout all available communication channels, KMG International continues to disseminate relevant information concerning appropriate infection prevention and control practices, particularly in case of any symptoms observance.

As per internal policies of the KMG International Group, preventive measures have been implemented ever since the debut of the pandemic (limited or forbidden local or international business travel, flexible working schedule, work-from-home, online meetings, cancellation of corporate events, body temperature monitoring, specific disinfectant solutions provided, rules & protocols in line with local applicable regulations). Employee testing, both RT-PCR and antigen, continues across all Group entities. Also, rapid tests were distributed to key operations in order to frequently check key personnel health status (refineries, depots, and gas stations). Business lines/ units continue to follow and update contingency plans. Workplaces sanitation with biocides is regularly performed.

The crisis management procedures in place at Group level allowed the necessary measures to be implemented immediately and thus limit losses as much as possible. Following this incident, the Group further strengthened its safety and security policies and protocols.

- Environmental Risks are strictly monitored, and a special emphasis is given to environment protection activities. KMG Group is committed to comply with all environmental laws and regulations. Ensuring compliance with environmental obligations puts a lot of pressure on the Group's risk profile. In order to mitigate this risk, the Group made a lot of investments 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.

In terms of Critical Incident Risk Management, specific processes and procedures are included in KMG International Group's Crisis Management Policy, Procedure for the treatment of realized risk events – and its Corporate risk management policy, which define the high-impact potential risks, key risk indicators, monitoring, management systems and controls.

#### **b. IT infrastructure and Cybersecurity**

The Group operations are heavily dependent on IT systems and the electronic management of information. This was obvious especially since the debut of the pandemic, with most of employees working from home. The need for digitalization and reliable infrastructure was accelerated in this context but could already be noticed in the usual business context when increasing digital interactions with customers, suppliers and consumers placed even greater emphasis on the need for secure and reliable IT systems and infrastructure, along with the careful management of information. The switch to new working conditions generated by the pandemic was made without incidents and all our IT systems and capabilities supported the continuity of our business without any material impact.

Key hardware components that run and manage key operating data are backed up with separate contingency systems to provide regular back-up copy should it ever be required. We maintain a Group-wide system for the control and reporting of access to our critical IT systems. This is supported by an annual access controls' testing program. There are policies covering the protection of both business and personnel information, as well as the use of

IT systems and applications by our employees. Furthermore, the Group also has specific disaster recovery plans in place.

Our employees are trained to understand these requirements. We have standardized ways of hosting information on public websites and have systems in place to monitor compliance with appropriate privacy laws and regulations, and with Group policies. When IT services are provided by external suppliers strong contractual clauses are in place in order to ensure quality of services provided and data protection.

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 misbehavior, 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.

The Group has focused on investing in detection and protection systems against these kinds of attempts. This risk is considered to have moderate potential impact on overall Group results.

#### **c. Legal and Compliance**

The Group is committed to ensure compliance with laws and regulations 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. Legal and regulatory specialists are constantly involved in monitoring and reviewing Group practices to provide reasonable assurance that the Group is in full compliance with all relevant laws and legal obligations, to actively monitor proposed changes in the legislation, and to ensure these are considered into future business plans.

The Group has zero tolerance to fraud, bribery and corruption acts or dealing with counterparties

on International Sanctions lists. It has implemented strong controls in order to ensure that such a risk will not materialize, controls that were reviewed and updated in 2021.

#### **d. Production and Non-production Assets**

KMGI is managing large scale assets and has implemented systematic and coordinated activities and practices through which it manages the assets, as well as their associated performance, risks and expenditures over their life cycles, according to Group strategy and organizational requirements. The assets are prioritized considering their criticality and a maintenance plan has been developed and is periodically monitored and updated. Key assets are fully insured and the Group is protected in the event of a large-scale safety or environmental incident.

#### **e. Supply Chain and Logistics**

Our business is dependent on timely supply, efficient production, and effective distribution of products to customers. This risk is considered as having a medium impact to the overall Group activities.

For mitigating this risk, plans were developed 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 was allocated to aid supply chain and logistics process with constant funding of storage, measurement and transportation facilities maintenance and improvement. Throughout the pandemic measures have been taken to ensure timely supply of products while monitoring performance and limiting potential of out of stock situations. External negative impacts were balanced and properly managed in order to limit the adverse impacts on the company.

#### **f. Customer relations**

Customer relations can affect the Group's ability to obtain better pricing and 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 have been carried out to optimize ordering, controlling and stock management processes, to ensure effectiveness of internal processes and better controls. The company continued its network expansion plans and implemented special measures to ensure customer protection and safety during the pandemic.

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

### **Market and Financial Risks**

Our financial performance is impacted by 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, prices for our products.

#### **a. Commodity Price**

The Group is affected by the volatility of crude oil, oil products and refinery margins. Commodity price risk is considered to have a high potential impact on overall Group results. In order to protect the company against the volatility of oil prices, a hedging program for Rompetrol Rafinare has been implemented since 2011.

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 will not affect the cash-flow.

The retail activity of the Group is also exposed to commodity price risk due to time effect 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 ICE Exchange.

**The Refining activity of the Group is exposed to the increase of the prices of EUA certificates. Rompetrol Rafinare CO<sub>2</sub> emissions are offset with EUA certificates. As a mitigation measure, the big part of EUA certificates deficit for the first part of phase IV (1,538,628 CO<sub>2</sub> certificates) was hedged during 2021.**



#### EU Allowances (CO<sub>2</sub> certificates)

The EUA price had an upward trend throughout 2021, from EUR 33 to EUR 89 / EUA, with a correction in December when settled at the level of EUR 80 / EUA. The main factors that lead to this price hike were:

- Political pressure from the European Commission, strongly encouraging the reduction of CO<sub>2</sub> emissions in order to reach Paris 2050 directive;
- The EU Commission published the "Fit for 55" proposal in July. Updates were to ensure that the ETS remains in line with the increased EU-wide target of reduction in emissions by 55% in 2030 from the 1990 levels;
- An increase in interest for this asset from speculators who bought big amounts of EUA Futures contracts. Financial players have identified European carbon emissions trading as a guaranteed hedge against inflation risk which is fueling a positive strength for this asset;
- News that EUA ETS linear reduction factor (LRF) likely is to rise in 2023-24 to 4.2% from the current 2.2%, meaning fewer EUA will be available in the market;
- European gas prices have reached successive highs, pulling EUAs up.

#### b. Interest Rate

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

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.

#### d. Credit

Credit Risk is the potential loss that may occur due to failure of customers to meet the contractual payment obligation. The nature of KMG 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. Due to the pandemic, which altered the external environment and negatively affected several industries, additional measures and monitoring activities have been implemented, credit limits have been reviewed or decreased and additional guarantees have been requested.

#### e. Liquidity

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. The risk is 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. Pressure was put on liquidity in 2021 also due to adverse macroeconomic conditions and the unfortunate incident in production, but proper cash management measures were implemented both in operational and financial areas. The existing favorable legislation related to COVID-19 in Romania, which allowed some taxes to be postponed, very close monitoring of overdues and commercial negotiation in order to avoid collection deterioration and increase of some facilities allowed the company to mitigate this risk in order to avoid any material liquidity incidents.

#### f. Capital and financial stability

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 in the predetermined limits.

#### g. Investment projects risks

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 performance of investment projects and in 2021 we improved our framework of managing risks inside investment projects.

#### h. Tax

KMG International has implemented a Task Risk Register according to which the following risks are regularly monitored:

- risk of failure to comply with existing tax legislation;
- interpretation of tax legislation by tax authorities during tax audits that might generate additional fines;
- changes in tax legislation and the way the Group is ensuring compliance with new legislative requirements.

Measures are taken constantly to assess and update the management and control of tax risk, including:

- constant monitoring of legal provisions on excise duty regime;
- compliance with internal working procedures in operational activities;
- automating SAP ERP system of issuing fiscal documents;
- correspondence and continuous communication with fiscal authorities for the clear interpretation of fiscal regulations;
- continuous training of employees;
- in-depth analysis of cross-border transactions concluded by EU group entities (Romania, Bulgaria, Netherlands).



## TAXONOMY ANALYSIS

The information in this section complies with the simplified reporting requirements under Art. 8 of the Regulation on taxonomy and art. 10 para. (2) in art. 8 of the Delegated Act (Commission Delegated Regulation (EU) 2021/2178).

Therefore, in-scope entities of KMG International NV identified and core activities for each are below:

- Rompetrol Rafinare SA performs production operations of oil products and petrochemicals at the following facilities:
  - Petromidia Refinery (gasoline, diesel, jet fuel);
  - Vega Refinery (n-hexane, bitumen, solvents, heating oils, additives);
  - Petrochemicals Division (HDPE, LDPE, PP).
- Rompetrol Well Services SA 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.

- Rominserv SRL provides industrial maintenance services, industrial project management and technical and technology development services.

### Article 8 Taxonomy Regulation

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

In the following section, we as a non-financial undertaking present the share of our turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting period 2021, which are associated with Taxonomy-eligible economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

### Proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in total turnover, CAPEX and OPEX, per each entity under NFRD

	Total (RON)	Proportion of taxonomy-eligible economic activities	Proportion of taxonomy-non-eligible economic activities
<b>Rompetrol Rafinare SA</b>			
Turnover	12,149,617,467	0.53%	99.47%
Capital expenditure (CAPEX)	192,652,028	12.60%	87.40%
Operating expenditure (OPEX)	581,083,162	38.90%	61.10%
<b>Rompetrol Well Services SA</b>			
Turnover	44,230,468	5.00%	95.00%
Capital expenditure (CAPEX)	9,894,732	0.00%	100.00%
Operating expenditure (OPEX)	26,346,026	4.70%	95.30%
<b>Rominserv SRL</b>			
Turnover	330,969,320	100.00%	0.00%
Capital expenditure (CAPEX)	2,650,954	100.00%	0.00%
Operating expenditure (OPEX)	317,590,636	100.00%	0.00%

We have examined the relevant economic activities eligible for taxonomy on the basis of our activities and assigned them to the following economic activities in accordance with Annexes I and II to the Delegated Climate Act. The table below indicates for which environmental objective the activities qualify as eligible.

## Taxonomy-eligible economic activities

Description <sup>1</sup>	Legal entity	Climate change mitigation	Climate change adaptation
<b>Manufacturing of organic basic chemicals</b>			
<p>Manufacture of: high value chemicals (HVC): (i) acetylene; (ii) ethylene; (iii) propylene; (iv) butadiene.</p> <p>Aromatics: (i) mixed alkylbenzenes, mixed alkyl-naphthalenes other than HS 2707 or 2902; (ii) cyclohexane; (iii) benzene; (iv) toluene; (v) o-Xylene; (vi) p-Xylene; (vii) m-Xylene and mixed xylene isomers; (viii) ethylbenzene; (ix) cumene; (x) biphenyl, terphenyls, vinyltoluenes, other cyclic hydrocarbons excluding cyclanes, cyclenes, cycloaterpenes, benzene, toluene, xylenes, styrene, ethylbenzene, cumene, naphthalene, anthracene; (xi) benzol (benzene), toluol (toluene) and xylol (xylenes) (xii) naphthalene and other aromatic hydrocarbon mixtures (excluding benzole, toluole, xylole).</p> <p>vinyl chloride; styrene; ethylene oxide; monoethylene glycol; adipic acid.</p> <p>The economic activities in this category could be associated with NACE code C20.14 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.</p> <p>An economic activity in this category is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.</p>	Rompetrol Rafinare SA	<input checked="" type="checkbox"/> T	<input type="checkbox"/>
<b>Afforestation</b>			
<p>Establishment of forest through planting, deliberate seeding or natural regeneration on land that, until then, was under a different land use or not used. Afforestation implies a transformation of land use from non-forest to forest, in accordance with the Food and Agriculture Organisation of the United Nations ('FAO') definition of afforestation(1), where forest means a land matching the forest definition as set out in national law, or where not available, is in accordance with the FAO definition of forest(2). Afforestation may cover past afforestation as long as it takes place in the period between the planting of the trees and the time when the land use is recognised as a forest.</p> <p>The economic activities in this category could be associated with NACE code A2 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. The economic activities in this category are limited to NACE II 02.10, i.e. silviculture and other forestry activities, 02.20, i.e. logging, 02.30, i.e. gathering of wild growing non-wood products and 02.40, i.e. support services to forestry.</p>	Rompetrol Rafinare SA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> E
<b>Freight rail transport</b>			
<p>Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads.</p> <p>The economic activities in this category could be associated with several NACE codes, in particular H49.20 and N77.39 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.</p> <p>Where an economic activity in this category does not fulfil the substantial contribution, criterion specified in point (a) of this Section, that activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852, provided it complies with the remaining technical screening criteria set out in this Section.</p>	Rompetrol Rafinare SA	<input type="checkbox"/> T	<input checked="" type="checkbox"/>
<b>Installation, maintenance and repair of energy efficiency equipment</b>			
<p>Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment.</p> <p>The economic activities in this category could be associated with several NACE codes, in particular F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.</p> <p>An economic activity in this category is an enabling activity as referred to in Article 10(1), point (i), of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.</p>	Rompetrol Rafinare SA	<input checked="" type="checkbox"/> E	<input checked="" type="checkbox"/>

Description <sup>1</sup>	Legal entity	Climate change mitigation	Climate change adaptation
<p><b>Professional scientific and technical activities</b></p> <p>Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the direct air capture of CO2 in the atmosphere.</p> <p>The economic activities in this category could be associated with several NACE codes, in particular M71.1.2 and M72.1 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.</p> <p>An economic activity in this category is an enabling activity as referred to in Article 10(1), point (i), of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.</p>	<p>Rominserv SRL Rompetro Well Services SA Rompetro Rafinare SA</p>	<p>☑ E</p>	<p>☑</p>

Sect. 1.2.2.2 (c) of Annex I to the Art. 8 Delegated Act (no double counting in case of contribution to multiple objectives)

1. [https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity\\_en.htm?reference=3.6](https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity_en.htm?reference=3.6)

From our analysis the following activities are eligible as follows: For **Manufacturing of organic basic chemicals**, we have allocated CAPEX for the following projects/activities at Rompetrol Rafinare:

- Execution of connection pipe between D209 to F911
- Revamp 220F1 backwash system – MHC Unit

Rompetro Rafinare identified also eligible turnover (sale of HVC) and eligible OPEX (cost of personnel, environment and other external direct costs) allocated based on the eligible turnover share of Manufacture of organic basic chemicals (HVC). Therefore, eligible OPEX includes the maintenance component and the cost with salaries of the personnel working on the HVC lines (ethylene and propylene production).

Our project through which we plant and grow forests on unproductive public land, represents our OPEX Investment in **Afforestation** by Rompetrol Rafinare, directly or through affiliated companies.

For **Freight rail transport**, Rompetrol Rafinare have allocated OPEX and CAPEX to repair impervious blanket in railway ramp in Craiova depot (The project purpose is to replace the showcases refrigerated in the gas stations with more than 12 years old, in order to bring the gas stations network on optimal operational technical parameter).

For **Construction and Real Estate**, Rompetrol Rafinare have allocated CAPEX for the following projects/activities:

- Replacement of showcases refrigerated
- Replace RVI LED
- Air conditioner equipment in gas stations
- Replaced LES (underground electrical line) 110kV in oil with dry cable between SRA and UT Midia
- Replace the electric infrastructure Petromidia Data Centre

- Replacement of electrical equipment in the power station 110 G1Towers; 6kV circuit breakers, TGD (general switchboard) TCC (panel current continuous supply) and TII (illuminated indoor panel)
- Emergency acquisition for two air condition for AMC steam cracker

In relation to **Professional, scientific and technical activities** - Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the direct air capture of CO2 in the atmosphere.

- **Rominserv** performs a series of professional activities with 100% of its turnover as eligible for professional services performed on behalf of its customers, including
- **Rompetro Rafinare** who has allocated CAPEX for the following activities:
  - Regeneration of F211 AB dryers with nitrogen steam cracker
  - Upgrade 130-K1
  - Replacement of the steam generator coil from 120H1 furnace, while
- **Rompetro Well Services** allocated 5% of its total turnover to eligible professional services, for its professional modeling of solutions – software based, which was based on an estimated average share on the market between the cost of professional design for optimization of cementing – stimulation works and the actual execution of works. The OPEX allocated to professional services includes the salaries of such professionals and software costs.

## Taxonomy-eligible CAPEX and OPEX

The key performance indicators (“KPIs”) include the turnover KPI, the CAPEX KPI and the OPEX KPI. For the reporting period 2021, the KPIs have to be disclosed in relation to our Taxonomy-eligible and Taxonomy-non-eligible economic activities (Art. 10 (2) of the Art. 8 Delegated Act).

### Sect. 1.2.1 (a), (b) of Annex I to the Art. 8 Delegated Act

The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act. We determine the Taxonomy-eligible KPIs in accordance with the legal requirements and describe our accounting policy in this regard as follows:

#### Turnover KPI

Definition - The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1.1.2021 to 31.12.2021.

For each in-scope entity: The KPI denominator of the turnover is based on the net turnover according to the Profit and Loss Account (F20), row 1 (Net turnover).

The KPI numerator of turnover is defined as the net turnover derived from products and services associated with economic activities eligible for taxonomy.

#### CAPEX KPI

Definition - The CAPEX KPI is defined as the CAPEX (numerator) eligible for taxonomy divided by the total CAPEX (denominator - Statement of fixed assets (F40), column 2 - Increases 2021), which for in-scope entities- Rominserv and Rompetrol Well Services. In the case of Rompetrol Rafinare, CAPEX total costs were adjusted to include technical equipment costs, fixed assets costs, and advanced payments for fixed assets in FY 2021.

#### OPEX KPI

Definition - The OPEX KPI is defined as OPEX (numerator) eligible for taxonomy divided by the total OPEX (denominator - Profit and Loss Account (F20), Staff costs, external costs - Accounts 611, 612, 624, 628, see Balance at 31.12.2021), environmental costs, for each in-scope entity.

Total OPEX consists of non-capitalized direct costs related 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.





# GOVERNANCE

**KMG International NV**  
**Rompetrol Rafinare SA**  
**Rompetrol Well Services SA**  
**Rominserv SRL**

Our Corporate Governance system is constantly updated to reflect organizational changes as well as our alignment to global benchmarks and best practices in the extremely dynamic sector that we conduct our operations.

**The current Sustainability Report brings an overview performance of KMG International, with a zoom on the two listed companies (Rompetrol Rafinare, Rompetrol Well Services), as well as on Rominserv.**

GRI GRI 2-6  
GRI 2-1 IR  
GRI 2-2 IR 4.4

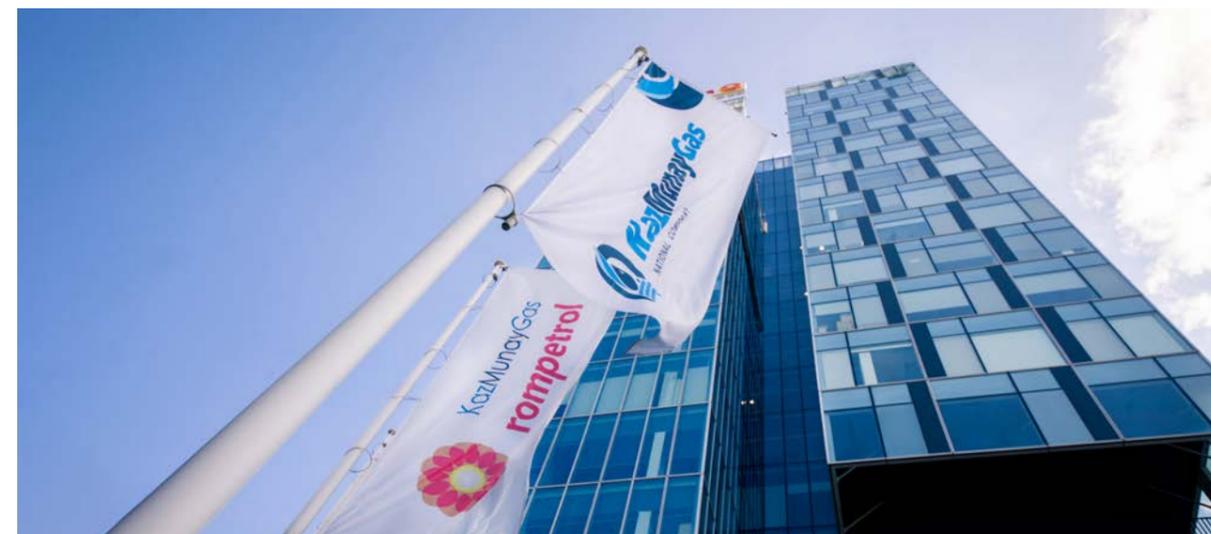
## KMG INTERNATIONAL NV

### Operational Profile

KMG International NV (formerly named The Rompetrol Group NV) is a company incorporated and operating under the laws of The Netherlands, having its headquarters located in Amsterdam, The Netherlands. KMG International NV 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. The KMG International Group's activities are primarily concentrated in the refining, retail, marketing, and trading areas. The Group conducts additional operations in the exploration and

**Countries where the Group has subsidiaries:**

- The Netherlands
- Romania
- Republic of Kazakhstan
- Switzerland
- Bulgaria
- Republic of Moldova
- Georgia
- Turkey
- France
- Spain
- Libya
- Gibraltar



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 NV (formerly named The Rompetrol Group NV) was incorporated in November 1999, its entire issued capital being 100% held by National Company "KazMunayGas" JSC since 9 May 2016.

As of December 2021, the KMG International Group comprised 54 entities (sub-divided into 45 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). There were no significant changes in the Group or its subsidiaries' composition during 2021.

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, and by Law no. 297/2004 and Law no. 24/2017 regarding the stock market (the latter two being applicable to listed companies).

## Legal entities

**KMG International NV**  
public limited liability company - Amsterdam, The Netherlands

PG. 60 ▼ **Rompetrol Rafinare SA**  
joint stock company - Năvodari, Romania

PG. 64 ▼ **Rompetrol Well Services SA**  
joint stock company - Ploiești, Romania

PG. 66 ▼ **Rominserv SRL**  
limited liability company - Bucharest, Romania

**KMG Rompetrol SRL**  
limited liability company - Bucharest, Romania

**Oilfield Exploration Business Solutions SA**  
joint stock company - Bucharest, Romania

**Rompetrol Downstream SRL**  
limited liability company - Bucharest, Romania

**Rompetrol Financial Group SRL**  
limited liability company - Bucharest, Romania

**Rompetrol Petrochemicals SRL**  
limited liability company - Năvodari, Romania

**Rompetrol Quality Control SRL**  
limited liability company - Năvodari, Romania

**Rompetrol Gas SRL**  
limited liability company - Bucharest, Romania

**Rom Oil SA**  
joint stock company - Zărnești, Romania

**Midia Marine Terminal SRL**  
limited liability company - Năvodari, Romania

**Byron Shipping SRL**  
limited liability company - Năvodari, Romania

**Rompetrol Logistics SRL**  
limited liability company - Ploiești, Romania

**Global Security Sistem SA**  
joint stock company - Bucharest, Romania

**Rompetrol Energy SA**  
joint stock company - Năvodari, Romania

**KMG Rompetrol Services Center SRL**  
limited liability company - Bucharest, Romania

**Rompetrol Drilling SRL**  
limited liability company - Ploiești, Romania (activity suspended until 15 April 2024)

**KMG Rompetrol Development SRL**  
limited liability company - Bucharest, Romania

**ÎM "Rompetrol Moldova" SA**  
joint stock company - Chișinău, Republic of Moldova

**Rompetrol Georgia LTD**  
limited liability company - Tbilisi, Georgia

**Rompetrol Bulgaria JSC**  
joint stock company - Sofia, Bulgaria

**KazMunayGas Trading AG**  
joint stock company - Lugano, Switzerland

**TRG Petrol Ticaret Anonim Şirketi**  
joint stock company - Istanbul, Turkey

**Byron Shipping LTD**  
limited liability company - Gibraltar

**Fondul de Investiții în Energie Kazah-Român SA**  
joint stock company - Bucharest, Romania

## Branches and joint ventures

**Rompetrol France SAS**  
simplified joint stock company - Montpellier, France

**Dyneff SAS**  
simplified joint stock company - Montpellier, France

**DPPLN SAS**  
simplified joint stock company - Port-La-Nouvelle, France

**Dyneff Retail SAS (frm. Terminal Midi Pyrenees)**  
simplified joint stock company - Montpellier, France

**EPPLN SAS**  
simplified joint stock company - Port-La-Nouvelle, France

**Dyneff Espana SL**  
limited liability company - Girona, Spain

**Dyneff Gas Stations Network SL**  
limited liability company - Girona, Spain

**Dyneff Trading SL (frm. Bioneff SL)**  
limited liability company - Girona, Spain

**ETS ROSSIGNOL SAS**  
simplified joint stock company - Route de Saint Juéry, 48310 Fournels, France

**Bio Advanced Energy SAS**  
simplified joint stock company - Montpellier, France

**Depot FOS SA**  
joint stock company - Fos Sur Mer, France

**Depot Rhone (SPR SA)**  
joint stock company - Courbevoie, France

**Boissonnade Combustibles SAS**  
simplified joint stock company - Mende, France

**"Paul ORRIOLS" Combustibles de Cerdagne SAS**  
simplified joint stock company - Bourg-Madame, France

**PLANTIER SAS**  
simplified joint stock company - Florac-Trois Rivières, France

**NATGAS France SAS**  
simplified joint stock company - Paris, France

**ANEQ SAS**  
simplified joint stock company - Baillargues, France

**ORCEYRE SAS**  
simplified joint stock company - La Chapelle-Laurent, France

**Uzina Termoelectrică Midia SA**  
joint stock company - Năvodari, Romania

**Benon Rompetrol LLC**  
joint venture - Oman

**Oilfield Exploration Business Solutions SA**  
Libya Branch

**KMG Rompetrol SRL**  
Representative Office - Kazakhstan

**Rominserv SRL**  
Kazakhstan Branch

**Rominserv SRL**  
Bulgaria Branch

**KazMunayGas Trading AG**  
Representative Office - Odessa, Ukraine

These lists include only entities still operational at the end of 2021. For a detailed list of all legal entities and their shareholding structure, see Appendices, pages 182-183.

GRI	GRI 2-18
GRI 2-9	GRI 2-19
GRI 2-10	GRI 2-20
GRI 2-11	IR
GRI 2-12	IR 4.4
GRI 2-13	IR 4.8
GRI 2-15	IPIECA
GRI 2-16	GOV-1 C1, C5, A1
GRI 2-17	GOV-4 C1

## Management

### Nomination and 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 in order 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 directors 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 are 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.

## 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 Sole Shareholder of KMG International N.V. is National Company 'KazMunayGas' JSC.

The Board of Managing Directors is composed of a number of 8 (eight) managing directors, of which 1 (one) executive managing director (CEO) and 7 (seven) non-executive managing directors.

The composition of KMG International N.V. Board of Managing Directors, as of December 2021, was:

- Mr. Daniyar Berlibayev**  
Chairman  
(Chief Oil Transportation, International Projects and Saryarka Pipeline Construction Officer for NC KazMunayGas JSC)
- Beimbet Shayakhmetov**  
Chief Executive Officer
- Mr. Dauren Karabayev**  
non-executive managing director  
(Chief Financial Officer and Deputy Chairman of the Management Board for Economics and Finance of NC KazMunayGas JSC)
- Mr. Azamat Zhangulov**  
non-executive managing director  
(Director for Corporate Development and Investment Management Director of National Company KazMunayGas JSC)
- Mr. Johan Frederik Lodewijk Frowein**  
independent non-executive managing director
- Mr. Emile Eduard Wolff**  
independent non-executive managing director
- Mr. Ramon Diego Mendes de Leon**  
independent non-executive managing director
- Mr. Arman Saulebay**  
non-executive managing director  
(Managing Director at KazMunaiGaz Finance Sub BV)

The managing directors are appointed by the general meeting of the sole shareholder. The Chairman of the Board of Directors is Mr. Daniyar Berlibayev, also representative of the sole shareholder, NC KazMunayGas JSC.

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.

The unified management system existing at the level of KMG International N.V. is mirrored at the level of 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/Sole Shareholder	
Board of Directors	Sole Director
General Manager and Finance Manager	

### Board of Managing Directors

The KMGI Board of Managing Directors consists of eight members, of which one executive member and seven non-executive members. The non-executive managing directors include three independent directors.

Independent members are of paramount importance from the Corporate Governance perspective, as they provide well-grounded opinions in their area of expertise in support of management decisions, also offering an increased protection of the interests of shareholders and other stakeholders, as well as an adequate guarantee for third parties.

The sole shareholder has appointed three 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 KMGI 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 KMGI Board members relevant to the impacts of the organization:

- Legal & Corporate Governance
- Engineering
- Technical maintenance
- Economics & Finance
- Innovations & IT systems
- Investment, project, retail, marketing management
- Strategic development
- Post-merger integration, innovation, business management & 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 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 acts:

- transfer (at the market value) of all, or a material part, of the company's or any affiliate's properties or assets in a single transaction, or a series of related transactions, exceeding a total value of USD 20 M;
- enter or terminate any agreement or series of related agreements with a third party with a value exceeding USD 20 M other than any agreements for crude and/or oil products supply, any bank loan facilities and labor contracts;
- enter or terminate any agreement or series of related agreements with a third party and/or affiliate with a value exceeding USD 50 M for any agreements for crude and/or oil products supply;
- enter or to terminate any loan facilities with a bank or any other financial institution with a value exceeding USD 10 M;
- enter or terminate any agreement with affiliates with a value exceeding USD 20 M other than any agreements for crude and/or oil products supply;
- approve an 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;
- give a prior written consent concerning pledge of any Company's or its affiliates assets exceeding a total value of USD 10 M;

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

**KMG International** started to work on its Decarbonization Strategy in order to design the future evolution of the Group as an organization, in line with the current regulatory trends, with care for the environment and the consumers, and also to identify the most effective ways to mitigate the negative financial impact of climate change effects, to be able to deliver long-term value to its stakeholders.

This strategy applies to all member companies, including Rompetrol Rafinare, Rompetrol Well Services and Rominserv, all each of them with a consistent role to play.

#### The Board of Managing Directors shall require the approval of the General Assembly:

- 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 three hundred million United States Dollars (USD 300,000,000);
- enter into or to terminate any agreement with a third party for a term exceeding two (2) years or representing a value exceeding three hundred million United States Dollars (USD 300,000,000), other than any agreements for crude oil supply;

- take or dispose of (at market value) in a single transaction a participation in the capital of a company with a value exceeding three hundred million United States Dollars (USD 300,000,000);
- 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 seven Senior Executives 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.

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 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.

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.

#### Audit Committee (as of December 2021):

**Mr. Ramon Diego Mendes de Leon (Chairman)**  
**Mr. Emile Eduard Wolff**  
**Mr. Marat Serikbayev**  
**Mr. Dauren Karabayev**

#### Appointment and Remuneration Committee (as of December 2021):

**Mr. Johan Frederik Lodewijk Frowein (Chairman)**  
**Mr. Ramon Diego Mendes de Leon**  
**Mr. Azamat Zhangulov**  
**Mrs. Gina Cruceru**

#### Strategy and Innovation Committee (as of December 2021):

**Mr. Azamat Zhangulov (Chairman)**  
**Mr. Johan Frederik Lodewijk Frowein**  
**Mr. Emile Eduard Wolff**  
**Mr. Alexey Golovin**

#### Finance and Investment Committee (as of December 2021):

**Mr. Ramon Mendes de Leon (Chairman)**  
**Mr. Azamat Zhangulov**  
**Mr. Askar Abilov**  
**Mr. Alexey Golovin**  
**Mr. Johan Frederik Lodewijk Frowein or**  
**Mr. Emile Eduard Wolff (alternatively)**

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

### Operational Profile

Romp petrol Rafinare SA is a joint stock company, part of the KMG International NV Group, managed in a one-tier management system, incorporated and operating under the laws of Romania, having its headquarters located in Năvodari, Constanța County, Romania (215 Năvodari Blvd., Administrative Pavilion). In accordance with the provisions of the Articles of Incorporation of Rompetrol Rafinare SA, the main field of activity is manufacturing of the products obtained from the processing of crude oil.

Romp petrol Rafinare SA is the most important asset of KMG International NV in Romania, with a significant economic impact and contribution to energy security. The Company has an experience of more than 40 years in the field of petroleum products manufacturing and a history going back to 1979, when its first unit, the AD unit (atmospheric distillation unit) was commissioned.

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

KMG International NV, the holding company of the KMG International Group, holds directly or indirectly a 54.58% share in Rompetrol Rafinare SA. The Romanian State, represented by the Ministry of Energy, holds 44.6959% of Rompetrol Rafinare shares, while the remaining shares represent the free float shares traded on the main market 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 and Regulations applicable to stock exchange listed companies and as well as the Procedures and Policies applicable at Company level and the KMG International NV Group.

Romp petrol Rafinare SA develops its activity either directly or by means of related entities in Romania, Switzerland, Bulgaria, Republic of Moldova, Turkey, etc. As of December 2021, Rompetrol Rafinare SA has 5 directly controlled subsidiaries in Romania, 2 indirectly controlled subsidiaries in Romania and 2 (two) working points located in Năvodari, Constanța County, Romania and Ploiești, Prahova County, Romania.

### Legal entities

At present, Rompetrol Rafinare SA holds the controlling stake in the following companies:

#### Directly:

- Romp petrol Logistics SRL** (with registered office in Ploiești, 7 Basarabilor St., Prahova County, registered with the Trade Register under number J29/2556/16.09.2008, having Tax Identification Number RO 14156698). The main business object of Rompetrol Logistics SRL is "Freight rail transport" - NACE code 4920.  
**66.1911% direct participation**
- Romp petrol Petrochemicals SRL** (with registered office in Năvodari, 215 Năvodari Blvd., Administrative Pavilion, room 21, registered with the Trade Register under number J13/2681/09.12.2002, having Tax Identification Number RO15077797). The main business object of Rompetrol Petrochemicals SRL is "Manufacture of plastics in primary forms" - NACE code 2016.  
**100% direct participation**
- Rom Oil SA** (with registered office in Zărnești, 1 Mare St. 1, ground floor, Brașov County, registered with the Trade Register under number J8/549/13.05.1998, having Tax Identification Number RO 10600770). Starting with 2017, the main business object of Rom Oil SA is "Renting and operating of own or leased real estate" - NACE code 6820.  
**99.9998508% direct participation**
- Romp petrol Quality Control SRL** (with registered office in Năvodari, 215 Năvodari Blvd., Administrative Pavilion, 2nd floor, room 220, Constanța County, registered with the Trade Register under number J13/6775/22.06.2004, having Tax Identification Number RO16542407). The main business object of Rompetrol Quality Control SRL is "Technical testing and analysis" - NACE code 7120.  
**70.91% direct participation**
- Romp petrol Downstream SRL** (with registered office in Bucharest, City Gate Northern Tower, 3-5 Presei Libere Sq., 2nd floor, registered with the Trade Register under no. J40/1716/24.02.2000, having Tax Identification Number RO12751583). The main business activity of Rompetrol Downstream SRL is "Retail sale of automotive fuel in specialized stores" - NACE code 4730.  
**99.994688898% direct participation**

### Indirectly

- Global Security Sistem SA** (with registered office in București, 1 Constantin Căpitanu St., District 1, registered with the Trade Register under number J40/10517/25.11.1999, having Tax Identification Number RO12452549). The main business activity of Global Security Sistem SA is "Private security activities" - NACE code 8010.  
**51% stake held by Rompetrol Logistics SRL**
- Romp petrol Gas SRL** (with registered office in București, 3-5 Presei Libere SQ, City Gate Northern Tower, 5th floor, rooms 4-5 5, District 1, registered with the Trade Register under number J40/11389/12.07.2006, having Tax Identification Number RO18846690). The main business activity of Rompetrol Gas S.R.L. is "Wholesale of solid, liquid, and gaseous fuels and related products" - NACE code 4671.  
**100% stake held by Rompetrol Logistics SRL**

### Working points

- Romp petrol Rafinare - Work Point Petromidia Refinery** - located in Năvodari, no. 1 – 283 Năvodari Blvd., Constanța County, and
- Romp petrol Rafinare - Work Point Vega Refinery** - located in Ploiești, 146 Văleni St., Prahova County.

### Management

The management system of Rompetrol Rafinare 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 Shareholders of Rompetrol Rafinare SA are: KMG International NV, which holds directly or indirectly 54.58% of its shares, the Romanian State, represented by the Ministry of Energy, which holds 48.6959% of shares, and other shareholders (legal entities and natural persons) holding less than 0.8% of the equity.

### The General Meeting of the 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 the 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 the Shareholders ("EGMS")

The EGMS has the following tasks:

- to change the Company's legal form;
- to move the headquarters of the company;
- 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 or split the company;
- to dissolve the company;
- to convert shares from one category to another;
- to convert one category of bonds into another or into shares;
- to issue bonds;
- to make any other change to the Articles of Incorporation or any other decision for which the extraordinary general meeting 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.

## Board of Directors

Is appointed for a 4-year mandate by Ordinary General Meeting of Shareholders and composed of a number of 5 (five) directors, of which 1 (one) is the Chairman of the Board. The current mandate of the directors runs until April 2022.

During 2021 of the 5 members of the Board of Directors, 3 were representatives of the main shareholder - KMG International N.V. (of whom one was executive starting with October 1st, 2020) and 2 representatives of the significant shareholder of the Romanian State through the Ministry of Energy (both directors are non-executive).

### Board of Directors (as of December 2021):

**Mr. Yedil Utekov**  
non-executive director and Chairman of the Board of Directors  
(Chief Officer Production and Industrial Services, KMG International NV)

**Mr. Alexey Golovin**  
non-executive director  
(Chief Officer Corporate Services, KMG International NV)

**Mr. Felix Crudu-Teşloveanu**  
executive director and General Manager of Rompetrol Rafinare SA

**Mr. Nicolae Bogdan Codruț Stănescu**  
non-executive director

**Mr. Bogdan Cătălin Steriopol**  
non-executive director

### Competencies of Rompetrol Rafinare SA Board members relevant to the impacts of the organization:

Legal & Corporate Governance

Engineering

Technical maintenance

Economics

Investments, projects

Strategic development

Marketing, Management & Consumer behavior

Risk management and transformation

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 NV.

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.

The duties of the Board of Directors of Rompetrol Rafinare SA, according to the Articles of Incorporation and Organizational and Operational Regulation of Board of Directors are the following:

- 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:
  - USD 50,000,000 as regards the legal documents having as object the supply of crude oil, respectively the distribution of refined products;
  - USD 20,000,000 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 duties may not be delegated to the 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 SA, through the 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, such as the Audit Committee and the Strategy Committee.

### Audit Committee (as of December 2021):

**Mr. Dan Alexandru Iancu (Chairman)**  
**Mr. Alexey Golovin**  
**Mr. Nicolae Bogdan Codruț Stănescu**

### Strategy Committee (as of December 2021):

**Mr. Yedil Utekov (Chairman)**  
**Mr. Alexey Golovin**  
**Mr. Nicolae Bogdan Codruț Stănescu**

## General Manager and Finance Manager

As of December 2021, General Manager of Rompetrol Rafinare SA is Mr. Felix Crudu-Teşloveanu and Finance Manager is Mrs. Ramona-Georgiana Gălăţeanu. The current mandate of the Executives Managers runs until April 2022 (correlated with the term of the directors who appointed them).

Rompetrol Rafinare 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 Rafinare 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.

## ROMPETROL WELL SERVICES SA

### Operational Profile

Rompetrol Well Services SA is a joint-stock company part of the KMG International NV Group, incorporated and operating under the laws of Romania, having its headquarters located in Ploiești, Prahova County, Romania.

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.

The Company was incorporated March 5th, 1991, and has as majority shareholders KMG International NV, which holds 73.0111% of its share capital, as minority shareholder ING Luxembourg KJK Balkan Holding SARL, which holds 10.6797% of its shares, and other shareholders, with 16.3092% of its shares.

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 NV Group.

### Working points

- Rompetrol Well Services SA working point Mediaș, headquartered in Mediaș, Sibiu County;
- Rompetrol Well Services SA working point Târgu Cărbunefi, based in Târgu Cărbunefi, Gorj County;
- Rompetrol Well Services SA working point Cămpina, based in Cămpina, Prahova County;
- Rompetrol Well Services SA working point Moinești, based in Moinești, Bacău County;
- Rompetrol Well Services SA working point Videle, based in Videle, Teleorman County;
- Rompetrol Well Services SA working point Mihăești, based in Mihăești, Vâlcea County.

### 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 Managing Directors General Manager and Finance Manager

The Ordinary General Meeting is held at least once a year, in observance of the law, and is entrusted with the following main powers:

- 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;
- to elect and dismiss the company's Directors;
- to appoint and set the minimum duration of the financial audit contract, as well as to revoke the financial auditor;
- to fix the Directors' remuneration for each current financial year;
- to assess the Directors' management activities;
- to 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;
- to establish the income and expenditure budget and, if the case may be, the activity schedule for the next financial year;
- to decide the pledging, the leasing, or the closing down of one or several of the company's working facilities;
- to approve the maximum limits of the managers' remuneration, if the law provides for such approval.

The Extraordinary General Meeting is entrusted with the following powers:

- the change of the company's legal form;
- the relocation of the company's headquarters;
- the change of the company's business activity;
- the opening or closing down of secondary offices: subsidiaries, agencies, outlets or other such facilities with no legal personality, unless the Articles of Association stipulates otherwise;
- the extension of the company's duration;
- the increase of the share capital;
- the decrease of the share capital or its replenishment through the issue of new shares;
- the merger with other companies or the company's division;
- the company's early dissolution;

- the conversion of shares from one category to the other;
- the conversion of a category of bonds into another category or into shares;
- the issue of bonds;
- to approve the acceptance/signing on behalf of the company of the legal documents for matters exceeding USD 10,000,000;
- any other 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 a number of 5 (five) managing directors, of which 1 (one) is the Chairman of the Board.

### Board of Managing Directors (as of December 2021):

- Mr. Yedil Utekov**  
Chairman  
(Chief Officer Production and Industrial Services, KMG International NV)
- Mr. Ștefan Georgian Florea**  
executive managing director (General Manager)
- Mrs. Olga Turcanu**  
managing director (Finance manager BU non-core)
- Mr. Laurențiu-Mădălin Colțănel**  
managing director  
(Acting as Group Director Network Planning & Development, KMG International NV)
- Mr. Moby Eugeniu Henke**  
managing director (Group Legal Director)

#### Competencies of Rompetrol Well Services SRL Board members relevant to the impacts of the organization:

Legal  
Engineering  
Technical maintenance  
Economics and Finance  
Marketing, Management & Consumer behavior

The managing directors are appointed by the general meeting of the shareholders. The Chairman of the Board of Directors is Mr. Yedil Utekov, also representative of the majority shareholder KMG International NV.

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.

General Manager of Rompetrol Well Services SA is Mr. Ștefan Georgian Florea, and Finance Manager is Mrs. Luiza Roxana Moise.

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.



<b>GRI</b>	GRI 2-17
GRI 2-9	GRI 2-18
GRI 2-10	GRI 2-20
GRI 2-11	<b>IR</b>
GRI 2-12	IR 4.4
GRI 2-13	IR 4.8
GRI 2-15	<b>IPECA</b>
GRI 2-16	GOV-1 C1, C5, A1

## ROMINSERV SRL

### Operational Profile

Rominserv SRL is a company part of the KMG International NV Group, incorporated and operating under the laws of Romania and headquartered in Bucharest, Romania. The main activity since its incorporation is installation of industrial machinery and equipment, providing solutions for industrial investment projects, maintenance works, technical and technological upgrades.

The services rendered are certified ISO 9001:2015 integrated with other ISO standards (14001:2015, 45001:2018, 50001:2018) by DNV GL. Rominserv SRL is the first Romanian company integrating industrial maintenance services, industrial project management, and technical & technology development services and offers customers a financially and operationally valid alternative to the traditional internal management system for the execution/maintenance of upgrading and development investment projects.

Rominserv SRL was incorporated on October 3rd, 2001 and has as majority shareholder KMG International NV which holds 99,9996623% of its share capital and as minority shareholder Rompetrol Financial Group SRL (Romanian company, subsidiary of KMG International NV) which holds 0,0003377% of its share capital. As of December 2021, Rominserv SRL had 2 (two) branches in the Republic of Kazakhstan and Bulgaria and 2 (two) working points in Năvodari, Romania, 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 NV Group.

### 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 Managing 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;
- to decide upon the distribution of the Company's profit, remaining after the setup of the reserve fund and other legal funds;
- to elect and revoke the Company's directors and to decide whether the duties thereof were properly fulfilled;
- to appoint and/or to revoke the financial auditor, namely, to establish the minimum term of the financial audit agreement;
- to establish the directors' fee for each financial year;
- to 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;
- to amend the Company's Articles of Association;
- to amend the Company's legal form of incorporation;
- to increase or to decrease the Company's equity;
- to decide upon the Company's merger with other companies or upon its spin off;
- to 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;
- to file legal actions 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;
- to 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.

#### Competencies of Rominserv Board members relevant to the impacts of the organization:

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

The Board of Directors has the following main duties:

- to establish the Company's main activity and development guidelines;
- to establish the accounting and financial control system and to approve the financial planning;
- to approve the Company's organizational structure;
- to appoint, revoke, terminate, suspend and cease the contracts of the Company's General Manager and Finance Manager and to supervise the activity thereof;
- to 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;
- to 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;
- to 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 450,000 USD;
- to supervise and coordinate the Company's business management performed by the General Manager and the Finance Manager;
- to change the Company's registered seat;

- to modify the Company's scope of activity (except for the Company's main domain of activity and main activity);
- to approve the establishment and/or disestablishment of secondary seats of the Company;
- to establish the duties and obligations of the persons appointed to manage the Company's subsidiaries, working points or other secondary seats in the country or abroad;
- to file the application for the initiation of the Company's insolvency procedure, as per the Law 85/2006 on insolvency procedure;
- to 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;
- to establish the organizational guidelines for all the Company's subsidiaries, work points or other secondary seats in the country or abroad.

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 Rominserv S.R.L.

#### Board of Managing Directors (as of December 2021):

##### Mr. Arlan Shabdarbayev

Chairman  
(Chief Officer Operations, KMG International NV)

##### Mr. Yedil Utekov

Managing Director  
(Chief Officer Production and Industrial Services, KMG International NV)

##### Mr. Adrian Tohănean

Managing Director  
(Deputy Group Chief Financial Officer, KMG International NV)

##### Mr. Laurențiu-Mădălin Colțănel

Managing Director  
(Acting Group Director Network Planning & Development for KMG International NV)

##### Mr. Timur Bulat

Executive Managing Director and General Manager

##### Mr. Vasile Gabriel Manole

Finance Manager

SUSTAINABLE DEVELOPMENT GOALS



# ENVIRONMENT

- Management Approach
- Environmental compliance
- Environmental strategy and climate-related risks
- Decarbonization strategy
- Rompetrol Rafinare SA
- Rompetrol Downstream SRL and Rompetrol Gas SRL
- Rompetrol Energy SA
- Rominserv SRL

We are committed to advancing environmental stewardship to protect the air, water and land in our areas of operations and we consistently invest in innovative and cost-effective solutions that are guaranteed to drive responsible development further.



GRI  
GRI 3-3  
CDSB  
REQ-1 Governance  
REQ-2 Mgmt's environmental policies, strategy, and targets  
IPIECA  
CCE-1 C1

## MANAGEMENT APPROACH

We acknowledge that we have a responsibility to remain compliant with applicable environmental regulations in the locations where we operate, and to diminish the impacts we have on the environment. Thus, we strive every day to improve our performance and we continually prepare to respond to future challenges and opportunities, while minimizing our impact.

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.

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. We follow a set of comprehensive principles in guiding our environmental-forward activity, including:

- Following all legislation and other applicable requirements as well as continuing investment programs in order to comply with the applicable environmental regulatory framework
- Verifying compliance through self-monitoring programs, inspections and third-party assessments
- Using the environmental management system to integrate performance criteria as well as criteria regarding the preservation of air, water, soil and natural resources
- Assessing the environmental performances of the companies within KMG International and of the Group overall
- Communicating with interested parties, including local communities, about the continuous improvement of our environmental performance
- Informing and empowering employees to recognize their responsibility to perform all activities in a manner that is consistent with Group environmental policies and procedures
- Training 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
- Informing the public about the risks associated with the use of hazardous chemicals, the security measures and required behavior in case of a major accident
- Participating in voluntary projects and social responsibility actions in the neighboring communities.

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.

In line with the Group's Decarbonization Strategy, developed during the reporting period, the Risk Management Department within KMG International will implement a risk assessment project based on environmental factors with an impact on short / medium term climate development. The project is to be carried out throughout 2022.

GRI  
GRI 2-27  
GRI 11.8.2  
GRI 11.15.4

SASB  
EM-MDG-160a.4  
IPIECA  
ENV-6 C1, C2, C3, C4

## ENVIRONMENTAL COMPLIANCE

We do business responsibly and we are fully committed to complying with local, national and international laws across all Group operations. 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 authorization.

In 2021, KMG International environmental compliance activities focused on:

- obtaining or maintaining the validity of all documentation required for each project, as well as for each activity carried out on the sites where environmental certification and subsequent observance is mandatory
- ensuring compliance with the legal requirements to reduce the risk of potential environmental incidents and sanctions from the 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). Furthermore, they include 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).

One of the programs focused on combating climate change and driving environmental stewardship is the Just Transition Operational Program (POJT), aimed at supporting the Romanian territories most affected by the transition to climate neutrality and avoiding deepening regional disparities. The program is financed by the EU and addresses 6 counties in Romania, including Prahova, where the Group develops its refining and petrochemical operations. Within the strategy for the implementation of the Prahova County Just Transition Plan several projects were identified:

- capture, transport and storage / use of CO2
- manufacture of blue H2
- installation of capacities for electricity production from renewable sources (photovoltaic parks)
- identification of manufacturing possibilities of second generation fuels & installation of charging sources for electric cars (for example, in gas stations)
- replacement of conventional heating with renewable sources (for example, installation of heat pumps).

In 2021 there was 1 accidental pollution incident, registered in Midia Port (berth 4), caused by the failure of one composite hose used to connect the tanker and the terminal manifold. The total amount of oil product discharged into water and soil was 6.29 barrels (1000L). The staff reacted promptly, according to internal emergency preparedness and response procedures and all relevant authorities were swiftly informed about the incident. Water pollution was stopped from spreading through the swift actions of crews from Midia Marine Terminal and Port Administration and the use of port floating antipollution booms and boats. Soil decontamination was provided by Ecomaster.

No significant environmental impact of transporting products and other goods and materials were registered during the reporting period.

<b>GRI</b> GRI 201-2 GRI 301-1 GRI 301-2	<b>CDSB</b> REQ-1 REQ-2 REQ-3
<b>TCFD</b> Governance a, b Strategy a, b, c Risk Management a, b, c Metrics and targets a, b, c	<b>IPECA</b> CCE-1 C1, C2, C3, C4, A3 CCE-2 C1, C2, C4, A1

## ENVIRONMENTAL STRATEGY AND CLIMATE-RELATED RISKS

KMG International takes specific measures to tackle climate change throughout its operations, product development and distribution, specific activities, and social investments.

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).

Scenarios consistent with the goal of limiting the global temperature increase to no more than 2° C by reducing GHG emissions are of utmost importance for our strategic considerations as they imply fundamental changes to the current energy market. 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.

Climate action will be a key aspect of the Group's strategy update, with new targets to be set to address our carbon footprint.

All environmental issues (process of obtaining permits, 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.

KMG International is committed to contribute to Romania's transition to a low-carbon economy. 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 case scenario.

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\*:

SHORT & MEDIUM-TERM RISKS		LONG-TERM RISKS	
<b>Policy &amp; legal risk</b>	<ul style="list-style-type: none"> <li>• Increased pricing of GHG certificates</li> <li>• Enhanced emission reporting obligations</li> <li>• Exposure to litigation</li> </ul>	<b>Chronic climate related risks</b>	<ul style="list-style-type: none"> <li>• Changes in precipitation patterns and extreme variability in weather patterns</li> <li>• Rising average temperatures</li> <li>• Rising sea levels</li> </ul>
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>• Increased operating costs (higher compliance costs, increased insurance premiums)</li> <li>• Asset impairment, and early retirement of existing assets due to policy changes</li> </ul>		<ul style="list-style-type: none"> <li>• Reduced revenue from decreased production capacity (transport difficulties, supply chain interruptions)</li> <li>• Reduced revenue and higher costs from negative impacts on workforce (health, safety, absenteeism)</li> <li>• Increased operating costs (inadequate water or energy supply)</li> <li>• Increased capital costs (damage to facilities)</li> <li>• Reduced revenues from lower sales/output</li> </ul>
<b>Technology risks</b>	<ul style="list-style-type: none"> <li>• Substitution of existing products with lower emissions options</li> <li>• Costs to transition to lower emissions technology</li> </ul>		
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>• Reduced demand for existing products and services</li> <li>• Capital investments in technology development</li> <li>• Costs to adopt/deploy new practices and processes</li> </ul>		
<b>Market risks</b>	<ul style="list-style-type: none"> <li>• Changing customer behavior</li> <li>• Increased cost of raw materials</li> </ul>		
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>• Reduced demand for products due to change in consumer preferences</li> <li>• Increased production costs due to changing input prices (energy, water) and output requirements (waste treatment)</li> <li>• Increased energy costs</li> </ul>		
<b>Acute climate related risks</b>	<ul style="list-style-type: none"> <li>• Increased severity of extreme weather events (thunderstorms, floods)</li> </ul>		
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>• Reduced revenue from decreased production capacity (transport difficulties, supply chain interruptions)</li> <li>• Reduced revenue and higher costs from negative impacts on workforce (health, safety, absenteeism)</li> </ul>		

\* 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 long-term opportunity.

KMG International has a complex metric system for managing environmental aspects and their evolution within company operations. The 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 Integrated 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.

**GRI** GRI 2-25 IPECA  
GRI 2-24 GRI 11.2.4 CCE-1A1  
CCE-3 C1, A1, A2, A5

## DECARBONIZATION STRATEGY

In 2021, KMG 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

**GRI** GRI 305-4 EM-RM-140a.1, a2  
GRI 203-1 GRI 305-5 EM-RM-150a.1  
GRI 302-1 GRI 305-7 IPECA  
GRI 302-2 GRI 306-1 CCE-1 C1-C4, A3  
GRI 302-3 GRI 306-2 CCE-2 C1, C2, C4, A1  
GRI 302-4 GRI 306-3 CCE-3 C1, C2  
GRI 303-1 GRI 306-4 CCE-4 C1, C2, C4, A1, A3  
GRI 303-2 GRI 306-5 CCE-6 C1, C2, A1-A4  
GRI 303-3 GRI 11.2-11.1.8 CCE-7 C1-C5, A1  
GRI 303-4 GRI 11.2.3 ENV-1 C1, C2, C5, A1-A4, A8-A11  
GRI 303-5 GRI 11.3.2 ENV-2 C2, A1-A6  
GRI 304-1 GRI 11.4.4 ENV-3 C1-C3, A4  
GRI 304-2 GRI 11.5.3-11.5.6 ENV-4 C1, C2, A1  
GRI 304-3 GRI 11.6.2-11.6.6 ENV-5 C1, C2, A1-A3  
GRI 305-1 SASB ENV-6 C1-C4  
GRI 305-2 EM-RM-110a.1, a2 ENV-7 C1-C3, A1-A3  
GRI 305-3 EM-RM-120a.1, a2

## ROMPETROL RAFINARE SA

Rompotrol Rafinare owns and operates the Petromidia Refinery, located in Năvodari, Constanța County, and the Vega Refinery, located in Ploiești, Prahova County. Given the nature of the activities carried out and their potential impact on the environment, one of the main preoccupations of the company is to ensure the prevention and control of environmental risk factors, allocating considerable resources and investments to meet these objectives.

### Compliance

Rompotrol Rafinare holds Integrated Environmental Permits, along with Water and Greenhouse Gas (CO<sub>2</sub>) Permits issued by the competent environmental

opportunities generated by decarbonization and/or diversified businesses.

Through this strategy we are establishing our technology outlook on the transition to lower carbon and renewable energy, establishing future projects for implementation. The first directions set forward aimed at reducing CO<sub>2</sub> emissions involve:

- CO<sub>2</sub> recovery from the current Hydrogen Production Plant, 120 kt/year capacity
- Renewable energy generation - 100 MW solar PV and 100 MW wind
- Co-processing of vegetable oils to produce HVO
- Building a new bioethanol plant.

authorities in accordance with the applicable legislation, for the 2 operated refineries, Petromidia and Vega.

In 2021, Rompotrol Rafinare 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).

Also, Integrated Management System documents were maintained, developed, revised, or reviewed (policies, objectives, plans, programs, procedures, work instructions, regulations, etc.), as necessary.

Moreover, staged revision of all Safety Data Sheets for own products developed by both refineries, Petromidia and Vega, was initiated in accordance with the requirements of Regulation no. 878/2020 amending Annex II to Regulation (EC) No 1907/2006 of the European Parliament and of the Council, on the registration, evaluation, authorization and restriction of chemicals.

There were no spills recorded within Rompotrol Rafinare operations during the reporting period. There was, however, one grievance from the local community regarding odors in the atmosphere during equipment emptying/ washing activities following the Diesel Hydrotreating Unit incident on July 2nd,

2021, which was promptly remediated. Regarding the same incident, the company also received a penalty from NEG Constanta in respect to SEVESO requirements (not taking all the necessary measures in order to prevent an incident).

## Materials

### Petromidia Refinery

In 2021, 4.59 million tons were processed, lower by 5.7% compared to the total raw materials processed in the same period of the previous year.

The quantity processed in 2020 was 4.86 million tons while in 2019, a record-breaking year for Rompotrol Rafinare, there were 6.33 million tons of raw materials processed by Petromidia Refinery.

This processing represents 76.41% as compared to the schedule set up for the 2021 budget, as it was influenced by the force majeure fire incident occurred within the Diesel Hydrotreating Unit (DHT Unit) on July 2nd (four other refining units were affected by the DHT Unit incident: Kerosene Hydrotreater, Naphtha Hydrotreater, Saturated Gas Plant and Catalytic Reformer), which led to the entire refinery being shut down for a period of 83 days. During the shutdown, Petromidia Refinery continued to supply gasoline, jet and diesel to ensure the deliveries on the domestic market.

THROUGHPUT	2021	2020	2019
crude (tons)	3,508,385	3,818,714	5,355,508
other (tons)	1,077,149	1,045,291	975,161
<b>TOTAL</b>	<b>4,585,534</b>	<b>4,864,005</b>	<b>6,330,669</b>



Refinery throughput in 2021 was 16,310 tons per day related to actually worked time, being influenced by the imports of components while the refinery was shut down (diesel component - 418,943 tons, jet components - 35,832 tons and gasoline components - 63,772 tons). Petromidia managed to capture market opportunities by diversifying the structure of processed raw materials, with a positive impact on the refinery's gross margin.

In terms of recycled input materials used, Petromidia recorded a total of 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 Plant (part of Petromidia platform)

RAW MATERIALS	2021	2020	2019
propane-propylene mix (tons)	109,976	117,172	152,809
ethylene (tons)	36,995	66,326	38,240
<b>TOTAL</b>	<b>146,971</b>	<b>183,498</b>	<b>191,049</b>

### Vega Refinery

Total feedstock processed by Vega Refinery 2021 was 321,052 tons, of which 321,043 tons Group and 9 tons non-Group raw materials. The quantity was approximately 21.4% lower than the budgeted amount, the monthly average being 26,754 tons.

This processing accounts for 78.64% of the program for the 2021 budget, in accordance with the raw materials available within Petromidia Refinery and the market demand.

THROUGHPUT	2021	2020	2019
Group (tons)	321,043	363,791	436,007
non-Group (tons)	9	12	11
<b>TOTAL</b>	<b>321,052</b>	<b>363,803</b>	<b>436,018</b>

## Energy

Within the Refining Business Unit's performance there are more 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 EFFICIENCY INDICATORS	2021	2020	2019	2018	2017
<b>BU Refining Energy</b> A compressive indicator that shows the integrated energy performance of Petromidia Refinery and the Petrochemical Plant, along with Vega Refinery. (GJ/t of total throughput)	3.30	3.46	3.29	3.31	3.42
<b>Energy Intensity Index (EII) for Petromidia Refinery (PEM)</b> Shows how efficiently the Refinery utilizes energy and is equal with Actual Energy Consumption in GJ/day divided by Standard Energy in GJ/day multiplied by 100. Influenced by Refinery operation	102.8	99.2	97.1	96.1	100.0
<b>Energy Consumption in Petromidia Refinery</b> Ratio between Total Energy Consumption and Refinery Total throughput (GJ/t of total throughput)	2.90	3.06	2.99	2.97	3.04
<b>Energy index for polymers (EIP)</b> Shows how efficiently the Petrochemicals Plant utilizes energy and is equal with Actual Energy Consumption in GJ/day divided by total yield (polymer and propylene polymer grade) (GJ/t of polymers productions)	20.62	18.9	18.7	18.2	18.7
<b>Energy Consumption in Vega Refinery</b> Ratio between Total Energy Consumption and Refinery net throughput (GJ/t of throughput)	2.76	2.57	2.39	2.40	2.65

BU Refining Energy indicator formula = (PEM energy consumption + Vega energy consumption+ RPP energy consumption) / (PEM Total Throughput+ Vega Total Throughput + RPP Total Throughput)

Actual energy (GJ/day) = Σ (Net steam consumption, fuel gas consumption, power consumption, coke on catalyst & flue gases from FH2) for units and Off sites area

Standard energy (GJ/day) = Σ Standard energy for all units (Unit Capacity x Utilization x EII factor\*) + Off Sites & Utilities Energy, where\*EII factor - may either be a constant factor or a result of several variables describing the unit' feedstock and operating conditions and Off sites & Utilities energy; is a linear function of daily net throughput and complexity.



The company's strategy includes a Long-Range Energy Efficiency Program, not yet included in the CAPEX plan (at the end of 2021). During the reporting period, a comprehensive energy efficiency program was set-up within the Refining Business Unit, including no cost/low cost and Capital investment projects.

**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
- VEGA – Heater and boiler operation at the minimum combustion excess air

**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
- VEGA – replacement of heater in the VD Unit

**Approved/ in progress**

- CHP (Cogeneration) with start-up scheduled in Q3 2023 ~ 70 MWe.
- CO Boiler upgrade-heat recovery from flue gases
- Vega steam boiler in operation starting with 2020
- Condensate recovery from Petrochemicals

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 2021, 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 in 2021 was ~ 16,681 TJ of which Petromidia Refinery - 13,291 TJ (~80%), Petrochemicals - 2,507 TJ (~15%) and Vega Refinery - 884 TJ

ENERGY EFFICIENCY INDICATORS - TARGETS	2022	2023	2024	2025	2026
<b>BU Refining Energy</b> (GJ/t of total throughput)	3.45	3.32	3.25	3.27	3.33
<b>Energy Intensity Index (EII) for Petromidia Refinery (PEM)</b>	95.72	93.05	91.71	91.74	91.68
<b>Energy Consumption in Petromidia Refinery</b> (GJ/t of total throughput)	3.04	2.92	2.87	2.89	2.95
<b>Energy index for polymers (EIP)</b> (GJ/t of polymers productions)	18.6	18.3	17.7	17.6	17.7
<b>Energy Consumption in Vega Refinery</b> (GJ/t of throughput)	2.52	2.45	2.53	2.44	2.45

In 2026, EII of 3.33GJ/t is higher compared to 2025 as we estimate a throughput lower by 171kt compared to the previous year, the energy consumption being at the same level.

In 2021, EII is lower compared to 2020 because the refinery throughput included an additional quantity of 200kt Diesel component for blending, without additional energy consumption.

(5%). Of the total energy consumption basket in 2021, the largest share was fuel gas (56%), followed by power (19%), coke on catalyst (14%), steam (6%), and PSA gases from the HPP unit (6%). Energy exported by Rompetrol Rafinare was less than 1% from total acquisition and production of energy.

Total energy usage for Rompetrol Rafinare in 2019 was aprox. 22,892 TJ, as compared to 18,717 TJ in 2020.

**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).

## Petromidia Refinery

### Principles of treated wastewater discharge management:

- Keep emissions to water below the limit values specified by the Water Permit
- Operate constructions and installations for the usage, discharge and treatment of wastewater in order to ensure maximum efficiency, in accordance with 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, routine maintenance of seals, pumps, fittings, filling and transfer points, etc. is provisioned, and, where appropriate, leak detection devices are installed
- Document a site plan showing all underground constructions and pipelines
- Wastewater disposal facilities are checked and maintained constantly.

Water management at Rompetrol Rafinare – Petromidia was performed in compliance with the requirements of Water Permit no.135/2020 (valid for 3 years).

### Freshwater withdrawal represented 96.6% of total water withdrawn.

The drinking water for Petromidia Refinery is supplied from the regional public water supplier (R.A.J.A. system). The drinking water supply is provided by a connection pipe of Dn 250 mm from the Palas Constanța main line, Dn 800 mm.

For the operation of the industrial platform, the technological and firewater are drawn from two sources:

- **Poarta Albă - Midia-Năvodari Canal** via the Saligny pumping station, owned by the National Land Improvements Agency (ANIF) Constanța, for normal operating conditions. The raw water intake from this source has a designed capacity of 71,481,600 m<sup>3</sup>. The raw water flow is about 650-1,000 m<sup>3</sup>/h (raw water is used as cooler and technological process water).
- For emergency situations, industrial water intake is carried out from the **Luminița Port of the Poarta Albă - Midia-Năvodari Canal** (including the firewater supply). Technological water is collected using a pumping station. The Luminița Port intake has a designed capacity of 3,000 m<sup>3</sup>/h.

Treated water is distributed inside Petromidia Refinery through a branched network of steel pipes with diameters of 300, 400, 600, and 1,000 mm. The distribution network is about 9 km long.

WATER WITHDRAWN	2021	2020	2019	2018	2017
<b>fresh water</b> (cubic meters)	7,223,000	8,259,000	8,053,000	8,573,000	8,467,000
<b>fresh water withdrawn</b> (cubic meters / ton of throughput)	1.58	1.70	1.27	1.45	1.50
<b>fresh water for cooling water</b> (cubic meters)	3,145,000	3,126,000	3,105,000	3,394,000	2,901,000
<b>non-freshwater, as an alternative to freshwater withdrawn from surface or groundwater sources, or purchased as drinking water</b> (cubic meters)	253,000	241,000	329,000	528,000	624,000

Fresh water withdrawal decreased by 13% vs. 2020 because of technological processes and throughput of the refinery, while the discharged water increased by 25% vs. 2020 due to a 380,000 cubic meters decrease in reused water and also higher quantity of rainwater in the drainage system.

WATER CONSUMPTION	2021	2020	2019	2018	2017
<b>fresh water</b> (cubic meters)	1,279,000	3,583,000	3,370,000	4,469,000	5,460,000
<b>fresh water</b> (cubic meters / ton of throughput)	0.28	0.74	0.53	0.75	0.96



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 2021, reused water was 18% of total freshwater withdrawn. The water recirculation coefficient was 97% for cooling water.

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 Navodari and Corbu cities)
- rainwater
- water loaded with salts (from the cooling water system)
- chemically impure water.

The refinery's sewerage system is provided with separate routes for each category of wastewater collected from the site. 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.

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, sulphides, 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 the ISO 17025-accredited laboratory in accordance with national and international standards, as well as requirements of the integrated environmental permit and water management permit.

In 2021, there was no exceeding of the concentration value limits for pollutants discharged (including priority dangerous substances).

Petromidia Refinery discharged 2,124 kg of hydrocarbons to surface water in 2021, with an annual average concentration of hydrocarbons of 0.245 mg/liter. The quantity was higher due to the larger volume of water treated and discharged than in 2020, when hydrocarbon discharge was 1,723 kg (0.245 mg/l). In 2019, there were 1,794 kg of hydrocarbons discharged to surface water, with a concentration of 0.7 mg/l.

REUSED & DISCHARGED WATER	2021	2020	2019	2018	2017
<b>reused water</b> (cubic meters)	882,000	1,262,000	1,632,000	2,155,000	1,822,000
<b>discharged water</b> (cubic meters)	5,944,000	4,740,000	4,808,000	5,281,000	3,932,000

## Vega Refinery

Water management at Rompetrol Rafinare – Vega was performed in compliance with the requirements of Water Permit no. 42/26.02.2021 (valid for 3 years).

For the operation of the industrial platform, the technological and firewater supply is represented by groundwater 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.

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 on

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.

Wastewater (domestic, technological and rainwater) from the refinery platform fed into the unified sewerage system is pre-treated locally and then directed to the Corlatesti SC GENTOIL SRL wastewater treatment plant. The total length of the sewerage network is 10 km. The wastewater drainage system (sewerage) to the wastewater treatment plant crosses a part of Ploiesti City. In case of heavy rains there is a risk of backflow sewerage on municipal streets. 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.

WATER WITHDRAWN	2021	2020	2019	2018	2017
<b>fresh water (including harvested rainwater)</b> (cubic meters)	1,422,000	1,465,000	1,272,000	1,028,000	1,099,000
DISCHARGED WATER	2021	2020	2019	2018	2017
<b>discharged water (including harvested rainwater)</b> (cubic meters)	1,422,000	1,465,000	1,272,000	1,028,000	1,099,000
WATER CONSUMPTION	2021	2020	2019	2018	2017
<b>fresh water</b> (cubic meters)	0	0	0	0	0



## Biodiversity

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.

Rompetrol Rafinare – Petromidia (Navodari) 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 Vadu 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 flares 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 Rompetrol Rafinare is located is not in a protected area (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 Cassettes Vadu 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. 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 a remediation procedure under the Contaminated Sites Law.

## 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 analyzing forecasts from the main carbon agencies in the market. Considering 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 5 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 CO<sub>2</sub> impact.

### Operational measures to control/reduce CO<sub>2</sub> 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 CO<sub>2</sub> producers within the Petromidia platform);
- Hot feeds - heat integration between units, hotter feed meaning less fuel gas consumed in heaters (main source of CO<sub>2</sub>);
- Reduction of gas emissions at Vega Refinery by implementing the new boiler at the thermal power plant with low NOx burners.

### New projects capable of reducing GHG emissions (high cost/high impact on CO<sub>2</sub> reduction):

- Carbon Capture and Storage (CCS)/Carbon Capture and Usage (CCU);
- Partial replacement of conventional biofuels with second generation biofuel (study required for feed availability) - New Biodiesel Plant, 250 kt/year capacity and New Bioethanol Plant, 50 kt/year capacity, both second generation;
- 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);
- Install new heater in the VD unit at Vega Refinery.

Over the reporting period, Rompetrol Rafinare had no specific plans in development to supply lower-carbon and/or alternative energy. They are considered, however, in the Group's decarbonization strategy and will be implemented in the upcoming future.

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 SO<sub>2</sub>, NO<sub>x</sub>, CO, dust from flue gases from combustion units.

For the emissions at FCC, SRU, Hydrogen Plant, monitoring is done continuously with on-line analyzers. Monitoring of emissions from stationary sources is carried out by a certified 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-NOx burners (the project consisted in the installation of new, high-performance burners in the refinery's furnaces, with the aim of reducing NOx emissions from values of 300 mg/Nm<sup>3</sup> (ELV before compliance) to values below 150 mg/Nm<sup>3</sup> (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 SO<sub>2</sub> emissions into the atmosphere both at the refinery furnaces and the SRU plant (from SO<sub>2</sub> values of 10,000 mg/Nm<sup>3</sup> to values below 1,000 mg/Nm<sup>3</sup>);
- 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-blowdown 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;
- Installation of VRU system at Loading ramps.

Rompetrol Rafinare also uses the Leak Detection and Repair (LDAR) technique (acquisition in 2021 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.

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

The major source of CO<sub>2</sub> emissions is from stationary and mobile equipment. Total CO<sub>2</sub> emissions in 2021 for Petromidia Refinery (SCOPE 1 + SCOPE 2) were 869,294 tons, considerably lower than in 2020, when total GHG emissions reached 992,592 tons, which was, in turn, lower than 2019, when the total CO<sub>2</sub> emissions recorded amounted to 1,211,014 tons.

SCOPE 1		2021	2020	2019
<b>Direct emissions from units<sup>1</sup></b>				
Fuel combustion in furnaces, flares, process: coke regeneration in Fluid Catalytic Cracking unit, reformation of CH <sub>4</sub> with steam in Hydrogen Plant				
CO <sub>2</sub> tons	Direct emissions are calculated according to EU ETS regulations in force and verified / validated by authorized verifier. Emissions factors are calculated for each flow, based on fuel gas composition analyzed by ISO 17025 laboratory	702,940	812,031	992,859
CH <sub>4</sub> tons	Total CH <sub>4</sub> emissions from fuel = total TJ * 1 kg per TJ	12.70	14.44	18.37
CO <sub>2</sub> e tons	GWP for CH <sub>4</sub> - 25, N <sub>2</sub> O - 298 conversions in CO <sub>2</sub> e: IPCC Fifth Assessment Report, 2014 (AR5)	317.50	361	459.25
N <sub>2</sub> O tons	Total N <sub>2</sub> O emissions from fuel = total TJ * 0.1 kg per TJ	1.82	2.10	2.65
CO <sub>2</sub> e tons	GWP for CH <sub>4</sub> - 25, N <sub>2</sub> O - 298 conversions in CO <sub>2</sub> e: IPCC Fifth Assessment Report, 2014 (AR5)	542.36	620.14	789.70
<b>Mobile emissions<sup>2</sup></b>				
Company vehicles				
CO <sub>2</sub> tons	NCV gasoline = 32 MJ/l* NCV diesel = 36 MJ/l* * Values from Directive 2009//29/CE	206	181	194
CH <sub>4</sub> tons	Total CH <sub>4</sub> emissions = total TJ * 3 kg per TJ	0.00858	0.00740	0.00780
CO <sub>2</sub> e tons	GWP for CH <sub>4</sub> - 25, N <sub>2</sub> O - 298 conversions in CO <sub>2</sub> e: IPCC Fifth Assessment Report, 2014 (AR5)	0.2145	0.1850	0.1950
N <sub>2</sub> O tons	Total N <sub>2</sub> O emissions from fuel = total TJ * 0.6 kg per TJ	0.00172	0.00150	0.00160
CO <sub>2</sub> e tons	GWP for CH <sub>4</sub> - 25, N <sub>2</sub> O - 298 conversions in CO <sub>2</sub> e: IPCC Fifth Assessment Report, 2014 (AR5)	0.51256	0.4470	0.4768
<b>Total Scope 1 (CO<sub>2</sub>e tons)</b>		<b>704,007</b>	<b>813,194</b>	<b>994,303</b>

1. Default emission factors for stationary combustion in the energy industries - 2006 IPCC Guidelines for National Greenhouse Gas Inventories - VOLUME 2 ENERGY, CHAPTER 2 STATIONARY COMBUSTION
2. Default emission factors for stationary combustion in the energy industries - 2006 IPCC Guidelines for National Greenhouse Gas Inventories - VOLUME 2 ENERGY, CHAPTER 3 MOBILE COMBUSTION

DIRECT GHG EMISSIONS (SCOPE 1)	2021	2020	2019
Operational CO <sub>2</sub> e tons (Scope 1)	704,007	813,194	994,303
Equity share CO <sub>2</sub> e tons (55.3041%)	389,345	449,730	549,890

SCOPE 2		2021	2020	2019
<b>Electricity</b>				
CO <sub>2</sub> tons	Indirect emissions related to imported electricity Market-based method, emissions factor from the energy label provided by the supplier. No conversion factors for CH <sub>4</sub> and N <sub>2</sub> O emissions from electricity in EU/Romania	62,377	74,100	116,002
<b>Steam imported<sup>1</sup></b>				
CO <sub>2</sub> tons	Indirect emissions related to steam imported and used in refinery Emissions are calculated according to EU ETS regulations in force and verified / validated by authorized verifier.	102,751	105,204	100,614
CH <sub>4</sub> tons	Indirect emissions related to steam imported and used in refinery <sup>3</sup> Total CH <sub>4</sub> emissions (natural gas) = total TJ * 1 kg per TJ Total CH <sub>4</sub> emissions (residual fuel oil) = total TJ * 3 kg per TJ GWP for CH <sub>4</sub> – 25, N <sub>2</sub> O – 298 conversions in CO <sub>2</sub> e: IPCC Fifth Assessment Report, 2014 (AR5)	2,334	1,723	1,728
		58.35	43.075	43.20
N <sub>2</sub> O tons	Indirect emissions related to steam imported and used in refinery Total N <sub>2</sub> O emissions (natural gas) = total TJ * 0.1 kg per TJ Total N <sub>2</sub> O emissions (residual fuel oil) = total TJ * 0.6 kg per TJ GWP for CH <sub>4</sub> – 25, N <sub>2</sub> O – 298 conversions in CO <sub>2</sub> e: IPCC Fifth Assessment Report, 2014 (AR5)	0.3396	0.1723	0.1728
		101.20	51.35	51.49
<b>Total Scope 2<sup>3</sup> (CO<sub>2</sub>e tons)</b>		<b>165,287</b>	<b>179,398</b>	<b>216,711</b>

1. Default emission factors for stationary combustion in the energy industries – 2006 IPCC Guidelines for National Greenhouse Gas Inventories – VOLUME 2 ENERGY, CHAPTER 2 STATIONARY COMBUSTION
2. CH<sub>4</sub> - Midia TPP used only refinery gas in 2019-2020, while in 2021 it used fuel oil
3. Base years: 2019 - 2020

GHG EMISSIONS INTENSITY - PETROMIDIA REFINERY	2021	2020	2019
CO <sub>2</sub> /ton total feedstock processed	0.1427	0.155	0.147
CO <sub>2</sub> /ton crude unit throughput	0.1783	0.185	0.169

\* CO<sub>2</sub> – Scope 1, direct emissions (stationery and process, related to EU ETS Directive)

HYDROCARBON GAS FLARED	2021	2020	2019
Refinery units (3 flares) - only in emergency situations (Nm <sup>3</sup> )	7,805	62,977	29,500
Petrochemicals units (Pyrolysis, PP, LDPE, HDPE), liquefied gas storage park, bottling station, liquefied gas loading/unloading ramp, cryogenic storage (Nm <sup>3</sup> , ~50% N <sub>2</sub> )	2,521,351	2,284,102	2,593,706

The contribution of flaring to total GHG emissions (direct) in 2021 was 1.07% (7,514 to CO<sub>2</sub> from a total of 702,940 to CO<sub>2</sub> – direct emission of refinery and petrochemical units: combustion of fuels in furnaces, boilers and process emissions). In 2020, it was 0.97% (7,915 to CO<sub>2</sub> from a total of 812,031 to CO<sub>2</sub>), while in 2019 it was 0.7% (6,786 to CO<sub>2</sub> from a total of 992,859 to CO<sub>2</sub>).

The Flare Gas Recovery Facility (RGF) is currently sized to take the gas exhaust in a continuous manner, and in case of emergency, the gas exceeding the capacity of the recovery system is directed to the emergency flares. It consists of 3 flare towers with a height of 115 m, guided by metal structures with a height-variable triangular section corresponding to the low- and high-pressure units

and the Catalytic Cracking Plant. Ground flare (high -32.35 m, diameter – 7.3m) has 5 combustion stages and 465 burners (stage 1 - 6 burners, stage 2 - 12 burners, stage 3 - 36 burners, stage 4 - 108 burners, stage 5 - 307 burners).

The petrochemical RGF is designed to achieve the following objectives:

- collection of 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);
- burning of a part of the collected gases (in a ground flare), the other part being sent to the combustible gas system.

AIR EMISSIONS		2021	2020	2019
Sulphur oxides (SO <sub>2</sub> ) tons	Petromidia Petrochemicals Plant	191.81 0.15	213.05 0.20	282.10 0.47
Nitrogen oxides (NO <sub>x</sub> ) tons	Petromidia Petrochemicals Plant	291.55 54.03	320.68 67.60	431.45 70.91
Particulate matter (PM) tons	Petromidia Petrochemicals Plant	16.83 1.72	18.73 2.33	24.51 2.43
Carbon monoxide (CO) tons	Petromidia Petrochemicals Plant	97.11 23.76	106.25 33.30	140.47 31.90
Ozone-depleting substances	not applicable	-	-	-
Gasoline VOC emissions tons*	Petromidia Petrochemicals Plant	72.27 -	85.21 -	118.29 -
Total VOC diffuse emissions tons	Petromidia Petrochemicals Plant	734.24 -	815.00 -	1,103.00 -

SO<sub>2</sub> emissions calculation is made on the basis of the composition data (sulphur content) of the combustible gas flows

NO<sub>x</sub> emission factors: EMEP/EEA air pollutant emission inventory guidebook (Corinaire) 2019

VOC emissions factors: EMEP/EEA air pollutant emission inventory guidebook (Corinaire) 2019 - 1.B.2.a.iv Fugitive emissions oil – refining/storage

The decrease of emissions in the Petrochemicals Plant is correlated with the activity reduction following the incident in July.

\* Value mandatory to report acc. to Romanian legislation (Law 264/2017) – emissions related to storage and loading & unloading activities

In terms of air emissions monitoring, Petromidia Refinery uses the Aria soft provided by Aria Technologies for monitoring and forecasting pollutant dispersion on the platform and in the surroundings, in accordance with Romanian and European Union regulations. The ARIA application models the dispersion of pollutants (SO<sub>2</sub>, NO<sub>x</sub>, CO, PM, VOC, H<sub>2</sub>S) in normal operation, by taking online data from the activities carried out on the Petromidia platform. For a good dispersion modelling, meteorological data provided by the local weather station is used.

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.

The facilities of the Petrochemical Plant use technologies to reduce air emissions and increase operational safety:

- Machinery working under pressure is fitted with safety valves that allow collection in a closed system of pipes, which discharge to the hot water system;
- Explosive gas analyzers;
- Smoke dispersion stack, with large heights (the chimney of boilers C121A and C121B in the pyrolysis section has H = 150 m and D = 7.56 m);
- Polymer powder nitrogen drying system at HDPE and PP plants;
- Bag filter for polymer powder retention at HDPE and PP plants;
- Suction hood for stabilizer dust, which is discharged outside the granulating tower through a dust retaining filter at HDPE and PP plants;
- Elastic elements that take up the overloads in case of pipe rupture and escape of flammable and toxic gases, vapors or liquids into the atmosphere.

## Vega Refinery

Total CO<sub>2</sub> emissions in 2021 for Vega Refinery (SCOPE 1 + SCOPE 2) were 44,869 tons. The quantities corresponding to 2020 and 2019 were 48,465.7 tons, respectively 53,318.5 tons.

SCOPE 1	2021	2020	2019
Direct emissions from units Fuel combustion in furnaces, flares, process (tons CO <sub>2</sub> )	42,678	46,070	50,646
Mobile emissions Company vehicles (tons CO <sub>2</sub> )	11	8.3	14.5
<b>Total Scope 1 (tons CO<sub>2</sub>e)</b>	<b>42,689</b>	<b>46,078.7</b>	<b>50,660.5</b>

SCOPE 2	2021	2020	2019
Total electricity (MWh)	8,973	9,826	10,940
<b>Total Scope 2 (tons CO<sub>2</sub>e)</b>	<b>2,180</b>	<b>2,387</b>	<b>2,658</b>

	2021	2020	2019
<b>Total Scope 1+2 (tons CO<sub>2</sub>e)</b>	<b>44,869</b>	<b>48,465.7</b>	<b>53,318.5</b>

GHG EMISSIONS INTENSITY - VEGA REFINERY	2021	2020	2019
Total feedstock processed (CO <sub>2</sub> /ton)	0.133	0.155	0.147

\* CO<sub>2</sub> – Scope 1, direct emissions (stationery and process, related to EU ETS Directive)

HYDROCARBON GAS FLARED	2021	2020	2019
Total hydrocarbon gas flared (Nm <sup>3</sup> )	85,970	210,258	190,252

The contribution of flaring to total GHG emissions (direct) is 0.79 % (338 to CO<sub>2</sub> from a total of 42695 to CO<sub>2</sub> – direct emission of refinery - combustion of fuels in furnaces, boilers and process emissions).

Vega Refinery's flue gas exhaust system consists of:

- the flue manifold to which the safety valves of the installations are connected: n-Hexane, Rectification and Hydrogenation, as well as the flows from the pressure regulating loops in the reflux vessels of the n-Hexane and Rectification columns;
- the flawed household consists of vessels and related pumps;
- flame basket with supply connection, anchors, gas pipes, steam pipe, hydraulic heating.

In the area of Vega Refinery, 2 air quality monitoring stations are installed to read indicators of H<sub>2</sub>S, VOC, BENZEN, SO<sub>2</sub>, PM10 along with meteorological conditions. Vega Refinery reports daily to the competent local authorities to identify potential exceedances of limit values in the atmosphere.

Source of the emission factors:  
IPCC 2006 Guideline  
No CO<sub>2</sub> fugitive emissions. CO<sub>2</sub> 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.

Source of the emission factors:  
IPCC 2006 Guideline

AIR EMISSIONS	2021
Nitrogen oxides (tons NO <sub>x</sub> )	22.78
Sulphur oxides (tons SO <sub>2</sub> )	0.241
Particulate matter (tons PM)	0.716

## Waste

The waste generated by the company is managed in accordance with the legal provisions on waste management which are embedded in internal procedures and instructions. These are communicated to all service providers / subcontractors / tenants, who carry out their activity on company sites and they are included in the related contractual documents / clauses (e.g.: HSE Convention). Waste is temporary stored in such a way as to prevent any contamination of the soil and sewage system and to minimize any release of fugitive emissions into the air. All categories of generated waste are disposed or recovered by certified companies.

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. Rompetrol Rafinare has a number of contracts with authorized companies for the collection and recovery/disposal of waste generated by the activities carried out on-site.

## Petromidia Refinery

For waste management purposes, a separate collection system for household waste and waste from the production process is implemented. Waste sources and streams are identified and monitored from generation to final disposal/ recovery. Each department identifies the categories of waste generated by own activity and documents them accordingly. Depending on the waste category, they are temporarily stored in dedicated locations for disposal/ recovery. The entire flow, from generation to elimination is documented in internal procedures and plans ("Waste management" procedure, waste management yearly plan) and verified during the internal audit process and through internal and external inspections. The waste management flow considers the application of waste hierarchy (prevention - preparation for reuse - recycling - other recovery operations, e.g.: energy recovery - disposal).

Petromidia does not treat waste prior to disposal or recycling (only selective waste collection by waste type and temporary storage in dedicated locations, properly labeled before being disposed / recycled). Recovery, disposal of waste, including waste from decommissioning of disused facilities, is carried out in a planned and cost-reducing integrated manner.

Packaging of petrochemical products placed on the market is exclusively recyclable (plastic and wood). A recovery service contract is concluded with external suppliers, conditioned by the recovery of at least 60% of the total amount of packaging placed on the market.

Regarding historical waste, at the end of 2021, the emptying operations of Lagoon no. 1 were completed.



**98.5% of the total waste that left the platform in 2021 was sent for recovery. Only 1.5% of the total waste was sent for disposal (mainly household waste).**

**In 2020, 93% of the total waste that left the platform was sent for recovery, the 7% sent to disposal being 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.**

WASTE GENERATED BY PETROMIDIA REFINERY - CATEGORIES (TONS)	2021	2020	2019
Dehydrated sludge from wastewater treatment plant	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	14.87	35.46	18.28
Ceramic balls	3.00	358,905	7.25
Spent catalysts (metal-containing: Ni, Co, Mo)	365.55	1,207.96	304.50
Spent catalyst from cracking catalytic unit	567.16	536.08	713.40
Iron and steel scrap	110.02	778.4	377.30
Packaging with traces of hazardous substances	0.68	1.08	1.72
Aluminum scrap	0.98	3.26	0.40
Plastic packaging waste	7.56	-	16.98
Wood packaging waste	17.46	47.04	28.78
Paper- Cardboard	2.42	11.52	9.66
Household waste	116.12	127.96	136.34
Insulating materials (Waste mineral wool)	33.78	705.10	114.82
Contaminated insulating materials (waste mineral wool)	-	-	106.00
Tank bottom sludges	12.96	-	106.14
Contaminated soil with hazardous substances	90.26	202.86	1,440.58
Cable waste	0.12	17.06	-
Absorbents, filter materials	3.72	3.00	0.38
Waste plastics from organic chemical processes	181.28	252.46	196.56
Spent catalysts contaminated with dangerous substances	21.04	-	-
Expired substances (laboratory, Hg)	-	12.28	0.09
Mixed municipal waste	-	2.88	-
Electrical and electronic equipment waste	-	0.172	1.44
Spent platinum catalysts	-	-	8.65

WASTE MANAGEMENT AT PETROMIDIA REFINERY		2021	2020	2019
<b>Waste generated</b>	Hazardous waste (tons)	13,453.73	13,594.48	19,745.13
	of which waste sludge from Lagoon no. 1 (tons)	9,358.89	7,475.48	12,800.44
	Non-hazardous waste (tons)	1,006.12	1,410.76	1,886.88
<b>Waste sent to authorized operators for recovery</b>	Hazardous waste (tons)	14,164.37*	12,674.25	18,198.44
	of which waste sludge from Lagoon no. 1 (tons)	9,358.89	7,475.48	12,800.44
	Non-hazardous waste (tons)	1,515.36	1,279.93	1,634.435
<b>Waste sent to authorized operators for disposal</b>	Hazardous waste (tons)	124.04	920.24	1,546.69
	Non-hazardous waste (tons)	116.12	130.84	252.44

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.

\* The figure is slightly larger than generated waste due to waste stocks from previous years sent into recovery (e.g., spent catalyst).

Recovery methods applied were mainly: energy recovery (waste containing petroleum products, wood), recycling (plastics), metal recovery and regeneration (catalysts) etc.

Disposal method applied was final storage in authorized landfills.

## Vega Refinery

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.

### Historical Waste (not resulting from normal production)

Vega Refinery landfill (14 lagoons) is located on the northern side of the refinery platform and covers an area of approximately 82,450m<sup>2</sup>. 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. Total quantity treated and stored so far is 86,290 tons.

WASTE GENERATED BY CATEGORY (TONS)	2021
Iron waste	1.4
Street-cleaning residues	19.18
Tank bottom sludges	1
Solid wastes from soil remediation containing hazardous substances	105.44
Bitumen waste	59.3
Sludge from on-site effluent treatment containing hazardous substances	4.42

WASTE MANAGEMENT AT PETROMIDIA REFINERY		2021	2020	2019
<b>Waste generated</b>	Hazardous waste (tons)	110.86	1,023.72	524.50
	Non-hazardous waste (tons)	79.88	185.02	80.96
<b>Waste sent to authorized operators for disposal</b>	Hazardous waste (tons)	109.86	1,023.72	524.50
	Non-hazardous waste (tons)	68.48	103.82	54.94

## Spills

Rompetrol Rafinare has a complex set of plans and procedures in place to prevent accidental releases of hydrocarbons or other materials into the environment. 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 legislation (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. 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.

**In 2021, no spills recorded by either Petromidia or Vega refineries.**

<b>GRI</b>		<b>SASB</b>
GRI 301-1	GRI 306-1	EM-MD-110a.1, a.2
GRI 302-1	GRI 306-2	EM-MD-120a.1, a.2
GRI 302-2	GRI 306-3	<b>CDSB</b>
GRI 302-3	GRI 306-4	REQ-4
GRI 302-4	GRI 306-5	REQ-5
GRI 302-5	GRI 413-1	<b>IPIECA</b>
GRI 303-1	GRI 413-2	CCE-3 C1, C2
GRI 303-2	GRI 417-1	CCE-4 C1, C2, C4, A1-A3
GRI 303-3	GRI 417-2	CCE-6 C1, C2, A1, A3
GRI 303-4	GRI 11.1.2-11.1.4	ENV-1 C1, C3, A1, A2, A10
GRI 303-5	GRI 11.1.5-11.1.8	ENV-2 A5, A6
GRI 305-1	GRI 11.2.3	ENV-5 C1-C4, A2, A3
GRI 305-2	GRI 11.3.2	ENV-7 C2, C3, A1
GRI 305-3	GRI 11.5.3-11.5.6	ENV-8 A1, A2
GRI 305-4	GRI 11.6.2-11.6.6	
GRI 305-5	GRI 11.8.2	
GRI 305-7	GRI 11.15.2-11.15.4	

## ROMPETROL DOWNSTREAM SRL AND ROMPETROL GAS SRL

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.

The Group's Retail unit has dedicated Environmental Management, Energy Efficiency and Waste Management programs implemented, which are updated annually or when needed (should any legislative requirements change). 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.

With each new site opening (office/ fuel distribution station/depot/warehouse), environmental impact studies are prepared and, where required by the urbanism certificate, noise studies are carried out. 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 (re)certified by the relevant 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 management 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 gas 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 temporarily stored, by type of waste, in designated containers, on the waste platform corresponding to each location. Each location has a contract with companies specialized in collecting, transporting, capitalizing/ disposing of hazardous and non-hazardous waste.

The amount of waste generated monthly is recorded in the waste management record sheet, under the corresponding waste code. Annually, these waste management sheets are uploaded to the Integrated Environmental System - PRODDDES questionnaire, according to the legal requirements in force, and reported to the local Environmental Protection Agencies.

Hazardous and non-hazardous waste (exception: packaging 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 2021, there were no grievances from local communities recorded by Rompetrol Downstream and Rompetrol Gas (all Rompetrol Downstream and Rompatrol Gas warehouses are located outside the city, with no local communities nearby). However, a prior grievance, regarding Mogosoaia warehouse, filed with Rompetrol Downstream in 2020, was resolved during the reporting period. More specifically, complaints were filed with the National Environmental Guard and the Romanian National Waters' Administration for the smell of gasoline in the ANIF canal. Authorities found oil product content and sanctioned the company. A report of the contravention was issued by the National Environmental Guard.

No hydrocarbon spill over 1bbl was recorded during the reporting period (potential contaminated site for Rompetrol Babadag fuel distribution station – preliminary investigation report & construction permit for site depollution; assessment of soil and groundwater pollution for the polluted site of the Odorheiu Secuiesc fuel distribution station).

The development strategy of Rompetrol Downstream and Rompetrol Gas for the upcoming period targets the sustainable development of activities and the acquisition of environmentally friendly technologies and equipment. Some of the short-term investments are aimed at mitigating climate change and reducing environmental impact:

- Implementation of photovoltaic panels in 4 gas stations
- Extension of electrical charging network
- Maintenance of the internal light open/light close program
- Continued development of LED light installment into totems and canopies
- Selective collection of waste packing at national level
- VOC equipment replacement and additional technological equipment for storage in DWS depots.

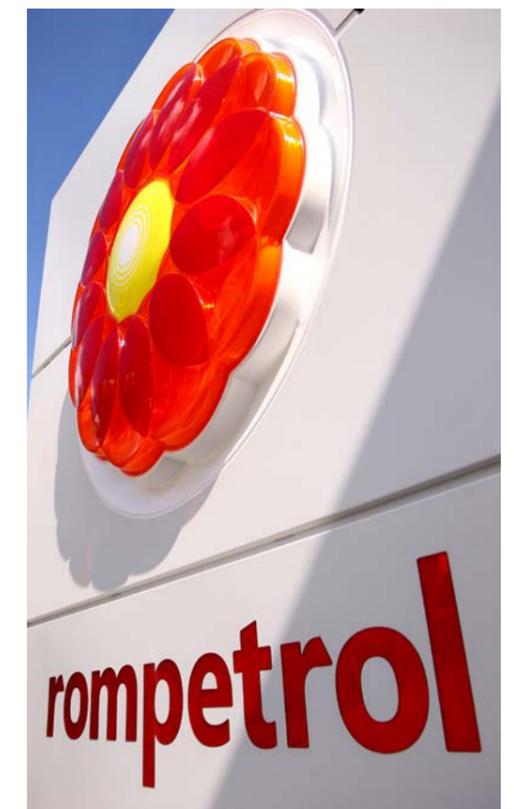
## Materials

### Rompetrol Downstream

	2021	2020	2019
Gasoline transited (tons)	303,567	286,121	317,110
Diesel transited (tons)	1,644,756	1,691,140	1,761,052
Additives imported (tons)	156	74	65
LPG transited (tons)	6,095	21,162	26,864
Plastic packaging (tons) - reported to the Administration of the Environmental Fund	77,551	58,609	48,237
Paper/cardboard packaging (tons) - reported to the Administration of the Environmental Fund	73,329	55,792	54,632

### Rompetrol Gas

	2021	2020	2019
Propane (tons)	34,000	34,252	29,621
Butane (tons)	51,004	51,378	44,431



## Energy

### Rompetrol Downstream

ENERGY CONSUMPTION INSIDE THE ORGANIZATION		2021	2020	2019
Fleet fuel consumption (liters)	Gasoline (sponsorship to NGOs)	38,435.42	35,749.17	32,463.13
	Diesel (sponsorship to NGOs)	150,386.87	239,225.48	142,425.07
	Gasoline (own fleet)	29,318.12	27,405.81	31,928.73
	Diesel (own fleet)	182,904.4	170,020.49	180,660.19
Electricity consumption (MWh)		29,951	27,430.75	26,896
Fuel consumption of Midia TPP	Natural gas (MWh)	510,577	595	555
	LPG skids (m <sup>3</sup> )	49.28	22.91	23.88

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION		2021	2020	2019
Truck diesel consumption - transportation between depots and warehouses (liters)		3,858,881	3,204,983	2,925,826
Consumption for trains transporting fuel from Rompetrol Rafinare to warehouses (kWh)		16,329,400	15,748,700	16,057,800

ENERGY INTENSITY		2021	2020	2019
Energy Intensity Ratio for the organization (toe / thousand RON)		0.000232	0.000287	0.000216
Fiscal value (thousand RON / year)		12,244,138.41	9,274,569.69	11,823,192
Types of energy included in the Energy Intensity Ratio (toe/year)	Electricity	2,576	2,359.04	231.3
	Natural gas	43.91	51.17	47.73
	Diesel	148.3	213.15	146.3
	Gasoline	21.54432	9.45	21.5082
	LPG	54.208	25.2	26.26

toe = tons oil equivalent

Fiscal value = metric specific to the organization (denominator) chosen to calculate the ratio (thousand lei/year)

ENERGY DIRECTLY REDUCED IN 2021 OVER 2020 THROUGH EFFICIENCY INITIATIVES		2021	2020
Total electricity consumption* (MWh/year)		29,951	27,430.75
Total natural gas consumption (MWh/year)		510,577	595
Total fuel consumption (tons/year)		20.51	9
Total Diesel consumption (tons/year)		146.07	210
Total LPG consumption (m <sup>3</sup> /year)		49.28	22.91

\* In 2021, 7 gas stations and 2 car washes were opened, which led to an increase in logistics consumption

ENERGY EFFICIENCY MEASURES APPLIED IN 2021 - INCLUDING REPAIRS AND MODERNIZATION OR REFURBISHMENT	ROI	Cost	Energy savings		Cost savings	Specific cost
	years	RON	MWh/yr	toe/yr	RON/yr	RON/MWh
Replacement of lighting systems with more efficient solutions in 20 gas stations	1.5	205,000	230	19.78	253,000	891.3043478
Replacement of high-consumption air conditioning systems in 20 gas stations	2	250,000	145	12.556	160,000	1,712.328767
Closing / changing open refrigerators in 10 gas stations	3	120,000	50	4.3	55,000	2,400
<b>TOTAL</b>		<b>575,000</b>	<b>426</b>	<b>36.636</b>	<b>468,000</b>	<b>5,003.633</b>

### Rompetrol Gas

ENERGY CONSUMPTION INSIDE THE ORGANIZATION		2021	2020	2019
Electricity (MW)		1,057	981	769
Fuel for heating (MW)	(MW)	2,912	2,464	2,268
	(tons propane)	208	176	162
Fuel for car fleet (MW)	(MW)	116	87	89
	(liters)	13,000	9,700	10,000
<b>TOTAL (MW)</b>		<b>4,085</b>	<b>3,532</b>	<b>3,126</b>

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION		2021	2020	2019
Fuel for auto tankers (MW)	(MW)	8,561	658	8,394
	(liters)	962,997	74,467	944,933

ENERGY INTENSITY		2021	2020	2019
Energy Intensity Index (MW/t)		0.04805	0.04124	0.04221
Sales (tons)		85,004	85,630	74,052

## Water

### Rompetrol Downstream

According to the water management permits issued for each working point, the supply of the fresh water can be ensured either from underground sources through drilling (21 stations and 4 warehouses) or from the city drinking water network through a dedicated connection (146 stations + 2 warehouses).

Within Rompetrol Downstream operations water is used for hygienic-sanitary purposes, to extinguish fires and for food production. Wastewater includes domestic and technological waters, along with rainwater, and can be discharged in the city sewerage network (125 stations + 1 warehouse), in a drainable pool (42 stations + 3 warehouses) or in emissary (2 deposits).

The technological wastewater collected from the platforms is directed through a system of gutters to the hydrocarbon separators and then reaches the sewage system, the drainage tank or emissary. Wastewater from 3 warehouses is collected in ORM cleaning stations and then discharged in the sewerage network connection or drainage tank.

For some work points, the water management authorization requires inclusion of wastewater indicators in NTPA 001 / NTPA002. For the other working points, the water management permit requires monitoring of certain indicators such as: pH, total suspended solids, temperature, chemical oxygen consumption, biochemical oxygen consumption, detergents.

Wastewater indicators must comply with the values established by the NTPA 001 and NTPA 002 standards, according to the water management permits:

- groundwater: for NTPA 002 there is 1 fuel distribution station;
- domestic water: for NTPA 002 there are 156 fuel distribution stations;
- rainwater: for NTPA 001 there are 37 fuel distribution stations and for NTPA 002 there are 74 fuel distribution stations.

### Wastewater from fuel depots is included in NTPA 001 and NTPA 002.

EXCEEDED LIMITS	2021	2020	2019
Gas stations	26	23	38

### 1. Arad warehouse

Domestic wastewater is collected through a sewer network and discharged into a mechanical-biological treatment plant. Before discharge, the effluent (which mixes with rainwater in case of rain) is passed through the separator of petroleum products. Technological wastewater (resulted during the rail ramps washing and the supply of the tanks) is collected in the sewerage and the goes into the separator of petroleum products, mounted underground.

#### 1. Sewage of rainwater potentially polluted with petroleum products

This category of water comes from the rail discharge ramp and from the area of the auto fuel loading ramp. At the exit of the separator, water is evacuated in the rainwater drainage of the platform.

#### 2. Sewage of "clean" rainwater

Rainwater falling on most of the surface of the station, from the pavilion, road and concrete platforms is conventionally "clean" water and is collected in separate sewers through PVC pipes. It is discharged into the rainwater sewer after preventively going through the separator of petroleum products.

These NTPA 001 discharge provisions covers these categories of water.

### 2. Craiova warehouse

The evacuation of domestic and technological wastewater that requires treatment is done via a collection pool of treated water and rainwater, made of reinforced concrete. Before the collection pool, the household wastewater is collected through PVC pipes and discharged into a mechanical-biological treatment plant.

Rain water 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 periodical draining of oil products.

### 3. Mogoșoaia warehouse

Domestic wastewater is treated in a mechanical-biological plant, located inside the warehouse. Condensate water from the gasoline and gasoil storage tanks, along with rainwater collected from concrete vat at the railcar-unloading ramp and

water collected in the truck loading area go through a hydrocarbon separator, and then all water is discharged into two retention basins.

Clean rainwater collected from other concrete platforms goes into the same collector channel.

Quality indicators of evacuated water must fall within the limits imposed by NTPA 002 appendix no 2 to GD no. 352 of April 21, 2005 on amending and supplementing Government Decision no. 188/2002 for the approval of some norms regarding the conditions for discharging wastewater into the aquatic environment.

### 4. Șimleu Silvaniei warehouse

The water resulting from the truck loading area, railcar unloading area and tank farms go through the separator of petroleum products and is treated by a mechanical-biological plant. The resulted clean water is discharged into the Crasna River.

### 5. Vatra Dornei warehouse

Domestic wastewater from the sanitary group of the warehouse go into the sewerage network through concrete pipes and transported to the drainable basin, and afterwards transported to the Vatra Dornei urban treatment plant.

Rainwater, together with the water resulting from the washing of platforms, tank farms, loading and unloading areas, collected through the drains and the gutters with rectangular section, is collected into the rainwater drainage network, passed through a separator of petroleum products, then discharged into the Bistrița river.

### 6. Zărnești warehouse

Rainwater passes through a treatment plant and then it is discharged into the Bârsa River. Domestic wastewater is collected through sewers and treated. Collected water from the area of the tanks, the area of the fuel pump houses CP1, CP2, and the area of the technological platform go through a Hauraton type oil product separator and then discharged into the Bârsa River, using a sewerage network made of PVC pipes.

Quality indicators of evacuated water must fall within the limits imposed by NTPA 001 appendix no. 2 to GD no. 352 dated April 21, 2005 on amending and

WATER	2021	2020	2019
Water withdrawn (m <sup>3</sup> )	220,704	188,074	161,915
Water discharged (m <sup>3</sup> )	220,704	188,074	161,915
Water consumption (m <sup>3</sup> )	0	0	0

supplementing Government Decision no. 188/2002 for the approval of some norms regarding the conditions for discharging wastewater into the aquatic environment.

## 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 Bistrița river (3 drilled wells, H = 100 m, DN = 22 mm, Q = 4.8 l/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 m<sup>3</sup>. 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 54m<sup>3</sup> 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.

	WATER WITHDRAWN (LITERS)			WATER DISCHARGED <sup>3</sup> (LITERS)			WATER CONSUMPTION (LITERS)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Groundwater, of which:									
Bacău <sup>1</sup>	7,412,000	1,913,000	1,467,000	490,000	278,000	325,000			
Pantelimon <sup>2</sup>	4,792,000	691,000	590,000	400,000	192,000	240,000			
	2,620,000	1,222,000	877,000	90,000	86,000	85,000			
Third-party water (Arad)	1,755,000	1,602,000	1,112,000	70,000	81,000	48,000			
Surface water (rainfall)	n/a	n/a	n/a	n/a	n/a	n/a			
Sea water	n/a	n/a	n/a	n/a	n/a	n/a			
Water produced	n/a	n/a	n/a	n/a	n/a	n/a			
<b>TOTAL (liters)</b>	<b>9,167,000</b>	<b>3,515,000</b>	<b>2,579,000</b>	<b>560,000</b>	<b>359,000</b>	<b>373,000</b>	<b>8,607,000</b>	<b>3,102,000</b>	<b>2,205,000</b>

1. In Bacău depot, the quantity of water withdrawn increased in 2021 versus 2020 because the retention basin (of 1200 cubic meters) was discharged (more frequently than in the previous years) and refilled according to legislation on firesuppression, including the water used during the drills. Moreover, during the summer months water is used to cool the fuel tanks and to maintain the green areas.

2. In Pantelimon depot, the water withdrawn increased in 2021 vs. 2020 for similar reasons – the retention basin of 250 cubic meters was discharged and refilled 4 times, monthly drills on fire prevention according to legislation, technological tests, cooling of fuel tanks during summer months, as well as green areas maintenance. Additionally the fire suppression system was extended and water tests have been carried out.

Rompetrol Gas discharge includes only wastewater from septic tanks. The methodology will be changed starting with next year as per GRI requirements.

## Emissions

All GHG and air emissions generated by Rompetrol Downstream and Rompetrol Gas meet the requirements of the applicable legislation. In 2021, all emissions were within set limits.

### Rompetrol Downstream

SCOPE 1	2021	2020	2019
Total fuel consumption with company vehicles (liters)	401,044.81	472,400.95	387,477.12
Fuel CO <sub>2</sub> equivalent (tons)	1,015.17	1,195.97	981.08
Total natural gas consumption as fuel or for heating (MWh)	510,577	595	555
Natural gas CO <sub>2</sub> equivalent (tons)	102.66	120.16	112.08
Total LPG consumption as fuel or for heating (m <sup>3</sup> )	49.28	22.91	23.88
LPG CO <sub>2</sub> equivalent (tons)	106.34	49.44	51.53
<b>Total Scope 1 (tons)</b>	<b>1,224.17</b>	<b>1,365.57</b>	<b>1,144.69</b>

1 liter gasoline = 0.0342 GJ = 0.0000342 TJ

CO<sub>2</sub> emissions factors (IPCC 2006): gasoline/Diesel = 74,100 kg/TJ; compressed natural gas (CNG) = 56,100 kg/TJ; LPG = 63,100 kg/TJ

CO<sub>2</sub> equivalent = consumption TJ \* emissions factor

Total Scope 1 = fuel CO<sub>2e</sub> + natural gas CO<sub>2e</sub> + LPG CO<sub>2e</sub>

SCOPE 2	2021	2020	2019
Electricity consumption (MWh)	29,951	27,430.75	26,896
Conversion factor (1 ton CO <sub>2e</sub> / MW)	0.243	0.251	0.289
<b>Total Scope 2 (tons)</b>	<b>7,278</b>	<b>6,885.11</b>	<b>7,772.94</b>

Total Scope 2 = electricity consumption \* conversion factor

SCOPE 3	2021	2020	2019
Fuel consumption (liters)	3,858,881	3,204,983	2,925,826
<b>Total Scope 3 (tons)</b>	<b>9,779.25</b>	<b>8,122.13</b>	<b>7,414.68</b>

1 liter gasoline = 0.0342 GJ = 0.0000342 TJ

CO<sub>2</sub> emissions factor for gasoline/Diesel = 74,100 kg/TJ (IPCC 2006)

Total Scope 3 = consumption TJ \* emissions factor

	2021	2020	2019
Total CO <sub>2</sub> emissions Scope 1	1224.17	1,365.57	1,144.69
Total CO <sub>2</sub> emissions Scope 1+2+3 (tons)	18,281.42	16,372.81	16,332.31
<b>Gross global Scope 1 covered by emissions-limiting regulations</b>	<b>6.69%</b>	<b>8.34%</b>	<b>7%</b>

Gross global Scope 1 = Scope 1 / (Scope 1+2+3) \* 100

	2021	2020	2019
Total CO <sub>2</sub> emissions Scope 1+2+3 (tons)	18,281.42	16,372.81	16,332.31
Sales (tons)	1,954,419.206	1,998,423	2,105,026
<b>Emissions Intensity</b>	<b>0.009</b>	<b>0.008</b>	<b>0.007</b>

Emissions Intensity = Scope (1+2+3) / Sales

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. In 2021, the total electricity consumption from recoverable and / or renewable resources was 30 MWh (energy produced in Mogosoaia station by photovoltaic panels), the same as in 2020.

There are no emissions of ozone-depleting substances (ODS) generated within Rompetrol Downstream operations. In terms of VOC emissions, 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.

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).

### 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 electric-powered so there are no air emissions to monitor or report.

Air emissions' impact is low and no determination of SO<sub>2</sub>, CO<sub>2</sub> or NO<sub>x</sub> atmospheric air concentrations was requested outside the site.

SCOPE 1		2021	2020	2019
Total fuel consumption with company vehicles, as expressed in:	liters	13,000	9,700	10,000
	tons	10.4	7.7	8
	TJ	0.444	0.331	0.31536
Fuel CO <sub>2</sub> equivalent (tons)		32.94	24.58	25.34
Total propane consumption as fuel or for heating, as expressed in:	liters	407,680	344,960	317,520
	tons	208	176	162
	TJ	10.192	8.624	7.938
Propane CO <sub>2</sub> equivalent (tons)		643.11	544.17	500.88
<b>Total Scope 1 (tons)</b>		<b>676.05</b>	<b>568.75</b>	<b>526.22</b>

1 liter gasoline = 0.0342 GJ = 0.0000342 TJ

1 liter propane = 25 MJ = 0.025 GJ = 0.000025 TJ

CO<sub>2</sub> emissions factor for gasoline/Diesel = 74,100 kg/TJ (IPCC 2006)

CO<sub>2</sub> emissions factor for propane = 63,100 kg/TJ (IPCC 2006)

CO<sub>2</sub> equivalent = consumption TJ \* emissions factor / 1000

Total Scope 1 = fuel CO<sub>2e</sub> + propane CO<sub>2e</sub>

SCOPE 2	2021	2020	2019
Electricity consumption (MWh)	4,085	3,532	3,126
Conversion factor (tons CO <sub>2e</sub> per MW)	0.243	0.251	0.289
<b>Total Scope 2 (tons)</b>	<b>992.65</b>	<b>886.53</b>	<b>903.41</b>

Total Scope 3 = electricity consumption \* conversion factor

SCOPE 3	2021	2020	2019
Fuel consumption with auto tankers (liters)	962,997	893,604	944,933
<b>Total Scope 3 (tons)</b>	<b>2,440.11</b>	<b>2,265</b>	<b>2,394</b>

1 liter gasoline = 0.0342 GJ = 0.0000342 TJ

CO<sub>2</sub> emissions factor for gasoline/Diesel = 74,100 kg/TJ (IPCC 2006)

Total Scope 3 = consumption TJ \* emissions factor / 1000

	2021	2020	2019
Total CO <sub>2</sub> emissions Scope 1 (tons)	676.05	568.75	526.22
Total CO <sub>2</sub> emissions Scope 1+2+3 (tons)	4,108.81	3,720.28	3,823.63
<b>Gross global Scope 1 covered by emissions-limiting regulations</b>	<b>16.45%</b>	<b>15.28%</b>	<b>13.76%</b>

Gross global Scope 1 = Scope 1 / (Scope 1+2+3) \* 100

	2021	2020	2019
Total CO <sub>2</sub> emissions: Scope 1+2+3 (tons)	4,108.81	3,720.28	3,823.63
Sales (tons)	85,004	85,630	74,052
<b>Emissions Intensity</b>	<b>0.0483</b>	<b>0.0434</b>	<b>0.0516</b>

Emissions Intensity = Scope (1+2+3) / Sales



## Waste

### Rompetrol Downstream

During the reporting period, Rompetrol Downstream generated 7090.85 tons of waste. For comparison, the waste generated the previous year amounted to 6232.61 tons (no data for 2019).

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 in the selective collection of packaging waste. Their activity is regularly monitored for compliance with the required regulations.



AIR EMISSIONS (mg/Nm <sup>3</sup> )		2021	2020	2019
Arad	SO <sub>2</sub> (legal limit: 35)	<1	<1	<1
	NO <sub>x</sub> (legal limit: 350)	206	192	200
	CO (legal limit: 100)	<1	<1	42
Bacău	SO <sub>2</sub> (legal limit: 35)	<1	<1	<1
	NO <sub>x</sub> (legal limit: 350)	185	229	200
	CO (legal limit: 100)	<1	<1	42

#### Types of waste generated:

- 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 resulting from the use of absorbent material for cleaning fuel stains on the station platform
- 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, used for COVID-19 protection materials
- 05 01 03 Slam from tank cleaning resulting from tank cleaning activity
- 19 02 11 other waste containing dangerous substances from cleaning gutters
- 15 01 01 wastepaper and paperboard packaging from the sale of "HEI" brand products
- 15 01 02 plastic packaging from the sale of "HEI" brand products
- 20 03 01 household waste

WASTE DIVERTED FROM DISPOSAL		2021	2020
<b>Hazardous waste subject to recovery (tons)</b>			
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			
05 01 03	Slam from tank cleaning	1.64	-
13 02 05	Non-chlorinated mineral oil for engine, transmission or lubrication	0.12	0.07
13 02 06	Synthetic oil for engine, transmission or lubrication	0.09	0.15
13 02 08	Other oils for engine, transmission or lubrication	-	0.04
13 05 02	Sludge from water/oil separator	2.74	8.87
13 05 06	Oil from oil/water separator	7.36	-
13 05 07	Oily wastewater from oil/water separator	-	2.40
13 07 01	Fuel oil and Diesel fuel	-	0.57
13 07 02	Petrol	-	0.03
15 02 02	Absorbents, filter materials (including oil filters not otherwise specified), polishing agents, protective gear contaminated with hazardous substances	3.81	4.01
19 02 11	Other wastes containing hazardous substances	2.84	2.99

#### Non-hazardous waste subject to recovery (tons)

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

15 02 03	Absorbents, filter materials, polishing agents, protective gear, other than 15 02 02	0.36	0.11
19 08 02	Wastes from de-sanding machines	7.20	17.72
19 08 09	Grease from separator	4.74	4.62
20 01 25	Edible oils and fats	4.46	4.69
15 01 01	Paper and cardboard packaging	492.97	370.84
15 01 02	Plastic packaging	157.61	144.60
<b>Total recovered waste</b>		<b>685.94</b>	<b>561.71</b>

WASTE SENT FOR DISPOSAL		2021	2020	2019
<b>Non-hazardous waste subject to disposal (tons)</b>				
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	6,404.93	5,670.92	5,681.89
<b>Total disposed waste</b>		<b>6,404.93</b>	<b>5,670.92</b>	<b>5,681.89</b>

## Rompetrol Gas

In 2021, Rompetrol Gas generated 27.35 tons of waste, compared to 167.92 tons the previous year and 37.77 tons in 2019. The company's waste reduction plan is updated at the beginning of each year for each landfill. The status of the company's waste reduction activities is monitored through internal audits and inspections.

As a company that generates waste, we are responsible for the ultimate disposal of our waste products and therefore choose our service providers with the utmost care, contractually stipulating disposal requirements. Authorized contractors collect the waste generated at Rompetrol Gas depots with a monthly frequency.

We aim to both limit the loss of raw materials and reduce the impact of our waste disposal practices on ecosystems. We prevent the generation of waste by, for instance, developing new production processes or optimizing existing ones. When this is not feasible, we do our best to recover materials or energy from the waste we create.

Of the total waste generated by Rompetrol Gas, 21.33 tons of mixed municipal waste (20 03 01) were directed to disposal in 2021, compared to 48.33 tons in 2020 and 28.53 tons in 2019.

WASTE GENERATED	2021	2020	2019
<b>Total waste generated (tons)</b>	<b>27.35</b>	<b>167.92</b>	<b>37.77</b>

WASTE GENERATED AND DIVERTED FROM DISPOSAL	2021	2020	2019
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Hazardous waste subject to recovery (tons)				
16 01 07	Oil filters	0.03	0.03	0.03
13 02 08	Other oils for engine, transmission or lubrication	0.30	0.31	0.25
15 01 10	Packaging containing residues of or contaminated by hazardous substances	0.03	0.02	0.02
20 01 01	Cardboard and paper	0.34	0.52	0.30
20 01 04	Non-ferrous packaging	1.58	8.86	4.96
15 02 02	Absorbents, filter materials (including oil filters not otherwise specified), polishing agents, protective gear contaminated with hazardous substances	0.14	0.03	0.02

Non-hazardous waste subject to recovery (tons)				
15 01 04	Metal	2.48	108.06	1.32
15 01 01	Paper and cardboard packaging	0.53	0.90	1.14
15 01 02	Plastic packaging	0.58	0.88	0.84
20 01 36	Waste from electrical and electronic equipment (non-hazardous)	-	-	0.37
<b>Total capitalized waste (tons)</b>		<b>6.01</b>	<b>119.61</b>	<b>9.25</b>

WASTE GENERATED AND SENT FOR DISPOSAL	2021	2020	2019
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Non-hazardous waste subject to disposal (tons)				
20 03 01	Mixed municipal waste	21.33	48.33	28.53
<b>Total disposed waste (tons)</b>		<b>21.33</b>	<b>48.33</b>	<b>28.53</b>

<b>GRI</b>	GRI 306-1	<b>CDSB</b>
GRI 203-1	GRI 306-2	REQ-4
GRI 301-1	GRI 306-3	REQ-5
GRI 302-1	GRI 306-4	<b>IPIECA</b>
GRI 302-2	GRI 306-5	CCE-1 C3, A1, A2
GRI 302-3	GRI 413-1	CCE-2 C1, C2, C4
GRI 302-4	GRI 11.1.2	CCE-3 C1, C2, A1, A5
GRI 303-1	GRI 11.1.4	CCE-4 C1, C2, C4, A1, A3
GRI 303-2	GRI 11.1.5-11.1.8	CCE-6 C1, C2, A2
GRI 303-3	GRI 11.2.3	ENV-1 C1, C2, C5, A2, A9, A10, A11
GRI 303-4	GRI 11.3.2	ENV-2 C2, A1, A3, A6
GRI 303-5	GRI 11.4.2-11.4.4	ENV-3 C1
GRI 304-1	GRI 11.5.3-11.5.6	ENV-5 C1, C2, A1, A3
GRI 304-2	GRI 11.6.2-11.6.6	ENV-6 C1-C4
GRI 304-3	GRI 11.8.2	ENV-7 C2, C3, A1, A3, A4
GRI 305-1	GRI 11.15.2	ENV-8 C2, A1, A4
GRI 305-2	GRI 11.15.4	<b>TCFD</b>
GRI 305-3	<b>SASB</b>	Governance a, b
GRI 305-4	EM-MD-110a.1, a.2	Strategy c
GRI 305-5	EM-MD-120a.1, a.2	Risk management a, b, c
GRI 305-7	EM-MD-160a.1	Metrics and targets a, b, c

## ROMPETROL ENERGY SA

Rompetrol Energy, the company responsible for the construction of the cogeneration plant on the Petromidia platform, operates according to the applicable environmental legislation, as well as its Integrated Management System, which includes dedicated provisions in terms of water and waste management, GHG & air emissions mitigation and biodiversity protection.

To be able to mitigate climate-related risks effectively, Rompetrol Energy analyzed both the risks and opportunities stemming from its CoGen Power Plant project.

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.

All required integrated environmental permits and certifications were obtained from the relevant authorities in 2021. No spills and no grievances from local communities were identified during the reporting period.

### Processes with environmental impact carried out in 2021

#### CoGen Power Plant project:

- Demolition of old turbine hall and chimney according to the Environmental Agreement (respectively Framing Decision) and monitoring plan
- Obtaining the construction permit (November) allowed EPC Contractor to start construction activities by excavating the land to start laying the foundation of the plant

#### Operational (existing installations)

- Steam production:
  - burning fuel oil and refinery gas in steam boiler plant
  - electric power consumption for the process
  - demi-water consumption
  - modernization of boiler no 5 - to get NOx emissions under 300mg/m<sup>3</sup> and to reduce level of process risk to ALARP
- Water treatment plant (demi-water production)
  - Electric power consumption
  - Chemicals consumption
  - Raw water consumption
- Power distribution system
  - Power consumption
  - Compressed air consumption
  - Transformer oil consumption.

Rompetrol Energy's impact regarding climate change is related mainly to the steam production process by fuels (gas / fuel oil) burning in steam boilers. Other potential pollution sources that may add to the organization's impact include the operations of the water treatment plant, power distribution system and the construction site of the cogeneration power plant. The organization's main objective is to maintain the reliability of the plant at more than 99% provisioning a low frequency rate of unplanned shut down of steam boilers with impact on energy consumption and GHG emissions.

To bring its contribution to a low carbon economy consistent with a 2°C, Rompetrol Energy focuses its activity on climate-risk mitigating actions which look to:

- Reduce energy consumption (electric power, fuel, water, compressed air)
- Reduce the temperature of discharge waste gases from 175°C to 95°C operating in normal condition by implementing the CoGen Power Plant project
- Eliminate fuel oil consumption in normal operation after NPP commissioning
- Reduce refinery gas consumption from 100% (2021) to max 25 % after NPP commissioning
- Natural gas will be considered as main fuel for the NPP with min 75% from total consumption
- On-line monitoring of steam boiler efficiency (e.g.: O<sub>2</sub> content and waste gases temperature to the stack)
- Install proper insulation in new steam boiler plant
- LTSA contract for gas turbine in place (10+6 years)
- Full integration with refinery in term of steam source production by maximization of production in NPP and reducing production by inefficient sources (e.g.: CO boiler and petrochemical steam boiler).

Rompetrol Energy is a lower tier SEVESO 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.

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.



## Materials

**There were no recycled throughput materials used in the organization in 2021.**

MATERIALS PROCESSED		2021
<b>Combustion gas (tons)</b>		<b>33,301,843.1</b>
<b>Heavy fuel oil (tons)</b>		<b>11,236</b>
<b>Chemicals (tons)</b>		<b>1,903.309982</b>
Ammonia	NH <sub>3</sub>	15.816
Chlorohydric acid	HCl	1,573.359
Oxalic acid	C <sub>2</sub> H <sub>2</sub> O <sub>4</sub>	0.003
Sulphuric acid	H <sub>2</sub> SO <sub>4</sub>	0.003
Ethanol	C <sub>2</sub> H <sub>5</sub> OH	0.007
Peroxide	H <sub>2</sub> O <sub>2</sub>	0.001
Lunar caustic	AgNO <sub>3</sub>	0.000032
Starch	(C <sub>6</sub> H <sub>10</sub> O <sub>5</sub> ) <sub>n</sub>	0.001
Potassium chloride	KCl	0.0005
Sodium chloride	NaCl	0.002
Cadmium acetate dihydrate	C <sub>4</sub> H <sub>6</sub> CdO <sub>4</sub>	0.00025
Soda lye	NaOH	0.0005
Ammonium chloride	NH <sub>4</sub> Cl	0.001
Edetic acid	C <sub>10</sub> H <sub>16</sub> N <sub>2</sub> O <sub>8</sub>	0.0005
Eriochrome black	C <sub>20</sub> H <sub>12</sub> N <sub>3</sub> O <sub>7</sub> SNa	0.0001
Potassium hydroxide	KOH	0.001
Sodium hydroxide	NaOH	314.093
Ammonium	NH <sub>4</sub>	0.003
Metol	(C <sub>7</sub> H <sub>10</sub> NO) <sub>2</sub> SO <sub>4</sub>	0.00075
Sodium pyrosulfite	Na <sub>2</sub> S <sub>2</sub> O <sub>5</sub>	0.008
Murexide	C <sub>8</sub> H <sub>8</sub> N <sub>6</sub> O <sub>6</sub>	0.00005
Nessler reagent	K <sub>2</sub> Hgl <sub>4</sub>	0.002
Toluene	C <sub>7</sub> H <sub>8</sub>	0.005
Universal indicator Ph 4.0-10.0	C <sub>27</sub> H <sub>27</sub> Br <sub>2</sub> NaO <sub>5</sub> S	0.0012
Universal indicator Ph 9.0-13.0	C <sub>27</sub> H <sub>27</sub> Br <sub>2</sub> NaO <sub>5</sub> S	0.0001
Sodium silicate	Na <sub>2x</sub> Si <sub>y</sub> O <sub>2y+x</sub>	0.001

## 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 Rompetrol Energy during the reporting period was 4,306,239 GJ.

The company's energy intensity was 27,962.59 GJ (per number of employees).

In 2021, Rompetrol Energy implemented a program to reduce energy consumption by switching the illumination system from gas to led technology. Two hundred 160W-light sources were replaced with 30 W (100 pcs) and 20 W (100 pcs).

## Water

Rompetrol Energy is supplied with freshwater by the regional public provider (RAJA Constanta) and by Rompetrol Rafinare for the process water used in the demi-water production.

The freshwater supply is provided through a single source. Consumption is monitored via a certified debit-meter and consumption data is collected internally on a daily basis and by the public provider with a monthly frequency. The filtered water from Rompetrol Rafinare comes from the Wastewater Treatment Plant and goes into the Chemical Plant, where it is chemically transformed into demi-water, which has three different destinations:

- Rompetrol Rafinare for process water
- Boilers for steam production
- Local community as hot water (for approx. 1,500 residential buildings).

In case of a runoff situation (impact on production/ costs), the two water supply sources can be by-passed. In a potential incapacity to supply the organization with water from any of the two sources, there is an emergency stock available which covers 6 hours of normal operation.

The firefighting water supply is ensured from the RAJA water supply system, pre-treated water from Rompetrol Rafinare or from the cooling system.

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 certified laboratory (Rompetrol Quality Control - RQC) before being discharged into the Midia Harbor basin. The standard used is NTPA 001 / 2002, in compliance with the Integrated Environment Permit of Rompetrol Energy (renewed during the reporting period).

Rain waters from the demi-water plant follow the same journey as technological wastewater. Rain waters from external areas are distributed to the oil-water separator and discharged into the in-house water treatment system. Drainage water is evacuated into Rompetrol Rafinare's water drainage system, while meteoric waters from other areas than those mentioned go into the ground.

Groundwater monitoring is performed annually by an authorized laboratory, according to the organization's environment monitoring plan. The samples are taken from 9 sample wells. In 2021, there were no increases in the concentrations of the monitored indicators compared to the reference values.

WATER WITHDRAWAL	2021
Technological fresh water from Rompetrol Rafinare coming from Lake Taşaul (megaliters)	2,266.67
Household fresh water from Danube via Galeşu water station (megaliters)	5.59
Demi-water produced from pre-heated water received from Rompetrol Rafinare* (megaliters)	1,369.30
<b>Total (megaliters)</b>	<b>2,272.26</b>

\* We consider that demi-water production should not be included in the total of water withdrawal.

WATER DISCHARGE	2021
Technological waste water (megaliters)	847.51
Sewage water and pluvial water (megaliters)	55.44
<b>Total (megaliters)</b>	<b>902.95</b>

WATER CONSUMPTION	2021
<b>Total* (megaliters)</b>	<b>1,369.30</b>

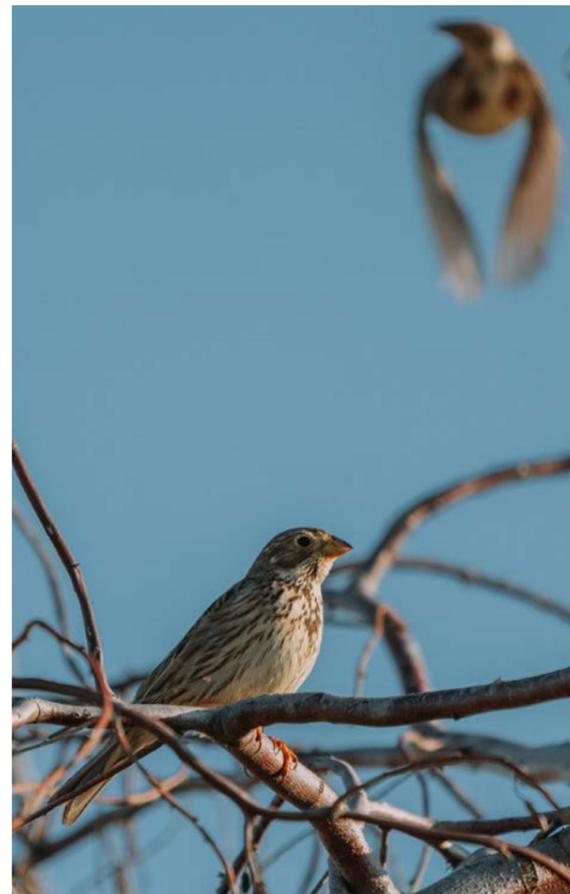
## Biodiversity

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 ROSPA 0060 Taşaul-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 biodiversity within the site is mainly represented by green spaces with the purpose to provide a protection curtain and ruderal flora associated with anthropogenic habitats, along with some synanthropic fauna (e.g.: *Corvus corone cornix*, *Corvus frugilehus*, *Pica pica*, *Columba livia domestica*, *Passer domesticus* etc.).



## Emissions

SCOPE 1		2021
Direct emissions from units Combustion of fuels in furnaces, boilers. No biogenic CO <sub>2</sub> release (tons CO <sub>2</sub> e)		125,407
Mobile emissions Company vehicles (tons CO <sub>2</sub> e)		6.180
Stationary combustion emissions (tons CO <sub>2</sub> e)		6.16082
Default emissions factor for stationary combustion in the energy industries - 2006 IPCC Guidelines for National Greenhouse Gas Inventories - Vol. 2 Energy, Chapter 3 Mobile Combustion	CO <sub>2</sub> (tons)	6.14
Caloric net value for Diesel = 36 MJ/liter (Directive 2009/29/CE)	CH <sub>4</sub> (tons)	0.000248
CO <sub>2</sub> emissions factors for Diesel = 74,100 kg/TJ	CO <sub>2</sub> e (tons)	0.00622
CH <sub>4</sub> emissions factors for Diesel = 3 kg/TJ	N <sub>2</sub> O (tons)	0.000049
N <sub>2</sub> O emissions factors for Diesel = 0.6 kg/TJ	CO <sub>2</sub> e (tons)	0.0146
CH <sub>4</sub> Global Warming Potential (GWP) = 25		
N <sub>2</sub> O Global Warming Potential (GWP) = 298		
<b>Total Scope 1 (tons CO<sub>2</sub>e)</b>		<b>125,419.34</b>

SCOPE 2 emissions of Rompetrol Energy in 2021 represented 2,226.994 to CO<sub>2</sub>e, while emissions intensity for the same period was 828.832 to CO<sub>2</sub>e. There were no emissions of ozone-depleting substances (ODS) generated by Rompetrol Energy operations.

AIR EMISSIONS	2021	MAJOR SOURCE CATEGORIES FOR CO <sub>2</sub> AND CH <sub>4</sub> EMISSIONS	2021
SO <sub>2</sub> (tons)	132.46	Total emissions by equity share (tons CO <sub>2</sub> e)	79,200.18
NO <sub>x</sub>	125.55	Boiler emissions by equity share (tons CO <sub>2</sub> e)	79,196.82
CO	24.06	Mobile cars emission RPE by equity share (tons CO <sub>2</sub> e)	3.8775
Particulate matter (tons)	4.21	Total CH <sub>4</sub> emissions (tons)	0.000248
Source of emission factors was CORINAIR 2019		Source of CH <sub>4</sub> was company cars	

## Waste

Rompetrol Energy ensures the management of all waste generated within the organization in accordance with a Waste Management Plan, designed to establish clear roles and procedures, while providing full compliance with the applicable legal provisions.

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.

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.

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 Subcontractor(s) is to remain in the property of Rompetrol Energy and handed over to its representative.

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.

In 2021, Rompetrol Energy generated 3,971.97 tons of total waste. Total waste recovery for the reporting period was 3,999.66 tons, while 3,886.47 tons (R12) were diverted from disposal and 113.19 tons (D5) were directed to disposal. There were 1.62 tons of hazardous waste and 3,970.35 tons of non-hazardous waste generated by the organization.

**TYPES OF WASTE GENERATED AND RECOVERED IN 2021**

Code	Waste Category	Generated (t)	Recovered (t)	End-user	
08 03 17	Printer toners containing hazardous substances	0.054	0.055	Green Tech Servicii Ecologice	
13 03 10	Other insulating or heat dissipation oils	0.228	0.228	Green Tech Servicii Ecologice	
15 01 01	Paper and cardboard packaging	0.322	0.322	Green Tech Servicii Ecologice	
15 01 02	Plastic packaging	0.010	0.010	Green Tech Servicii Ecologice	
15 01 03	Wood packaging	0.180	0.180	Green Tech Servicii Ecologice	
15 02 03	Absorbents, filter materials, polishing agents, protective gear contaminated with hazardous substances	0.135	0.135	Green Tech Servicii Ecologice	
16 01 19	Plastics	0.015	0.015	Green Tech Servicii Ecologice	
16 02 13	Used hazmat equipment	0.257	0.257	Green Tech Servicii Ecologice	
16 02 14	Waste equipment (non-hazardous)	1.308	1.308	Green Tech Servicii Ecologice	
16 06 01	Lead batteries	0.010	0.010	Green Tech Servicii Ecologice	
17 02 03	materiale plastice	PVC	1.036	1.036	Green Tech Servicii Ecologice
17 04 01	Copper, bronze, brass	Copper	0.2567	0.262	M&D Standard Logistic
		Bronze	0.011	0.011	M&D Standard Logistic
17 04 02	Aluminum	1.8084	2.012	M&D Standard Logistic	
17 04 04	Zinc	0.032	0.032	M&D Standard Logistic	
17 04 05	Iron and steel	Iron	383.904	413.38	M&D Standard Logistic
		Stainless steel	0.082	0.082	M&D Standard Logistic
17 04 07	Mixed metallic waste (iron, steel, castiron)	842.23	842.23	Biti Tămplărie SRL / DB Recycling	
17 06 04	Mineral wool	0.640	0.640	Green Tech Servicii Ecologice	
17 06 05	Construction/demolition waste with asbestos	0.910	0.910	Green Tech Servicii Ecologice	
17 09 03	Hazardous waste from construction/demolition	0.160	0.160	Green Tech Servicii Ecologice	
17 09 04	Other mixed construction/demolition waste	2,620	2,620	CDI Compania de demolări industriale	
19 12 04	Plastic & rubber	3.910	3.910	Green Tech Servicii Ecologice	
20 01 01	Paper and cardboard	1.283	1.293	Green Tech Servicii Ecologice	
20 03 01	Mixed municipal waste	113.190	-	Polaris M Holding / Polaris Mediu	

<b>GRI</b>	GRI 306-3	EM-MD-160a.1
GRI 301-1	GRI 306-4	EM-SV-110a.1
GRI 301-2	GRI 306-5	EM-SV-160a.2
GRI 302-1	GRI 11.1.2	<b>CDSB</b>
GRI 302-3	GRI 11.1.4	REQ-4
GRI 302-4	GRI 11.1.5	REQ-5
GRI 303-1	GRI 11.1.6	<b>IPIECA</b>
GRI 303-2	GRI 11.1.8	CCE-4 C1, C2, A3
GRI 303-3	GRI 11.5.3-11.5.6	CCE-6 C1, C2, A2, A5
GRI 303-4	GRI 11.6.2-11.6.6	ENV-1 C1, A10
GRI 303-5	GRI 11.8.2	ENV-3 C1, C2
GRI 305-1	GRI 11.15.4	ENV-4
GRI 305-2	<b>SASB</b>	ENV-6 C1-C4
GRI 305-4	EM-MD-110a.1, a.2	ENV-7 C2-C3, A1, A2, A4
GRI 306-2	EM-MD-120a.1, a.2	ENV-8 A1-A3

**ROMINSERV SRL**

Rominserv operations are certified according to the ISO14001 environmental management standard, which is renewed regularly. Whenever there are changes in the activity the company carries out, its environmental impact assessment is reviewed and updated, if necessary. Some of the objectives included in its Environmental Management Plan address the following:

- "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);
- Compliance with the requirements of the reference standard;
- Continuous assessment and improvement of the company's environmental performance, communication to interested organizations;
- Management of expired / scrapped stocks in Deposits;
- Promoting employee awareness regarding waste prevention and reduction;
- Selective waste collection according to the type and nature of the waste, in order to facilitate its specific treatment.

Rominserv subcontractors must comply with all environmental protection requirements imposed by the Contract and the SSM-SU-Environment Convention.

To prevent accidental releases of hydrocarbons, dangerous substances or other materials in the environment, Rominserv follows a comprehensive set of internal policies and procedures which include an emergency response plan, Procedure RIV-QHS-PR-C08-0018-R5, Emergency Preparedness and Response

Capacity, and an accidental pollution prevention plan. There is an annual exercise plan implemented in Rominserv locations, but company staff also participate in the exercises performed by Rompetrol Rafinare in the technological installations.

**No spills and no grievances from the local communities were recorded during the reporting period.**



In 2021, Rominserv used 0.321 tons of acetylene and 561.864 tons of oxygen in its operations. Percentage of recycled throughput materials used to manufacture the organization's primary products and services during the reporting period was 100%.

Rominserv considers the opportunities to improve energy performance in the design of new facilities, equipment, systems and processes that can create a significant impact on energy performance (the energy class of purchased equipment and emissions established by law).

ENERGY USAGE	2021	2020	2019
Power (MWh)	833.50	866.88	1,061.57
Steam (MWh)	30.55	31.58	36.00
Gas (MWh)	0.20	0.18	0.27

Energy consumption within Rominserv work points is 100% monitored. Rominserv reduced its energy consumption by 4.74% in 2021 compared to the previous reporting period. Its energy intensity index was reduced by at least 0.5% compared to the reference established as an average for the period 2015 - 2019.

ENERGY INTENSITY	
2021	0.000926017
2020	0.000425663
2019	0.000914317

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/ 26.022021 on Water supply and wastewater disposal at Rompetrol Vega (utility supply contract Vega-RIS no. 06/2011).

Water is used in internal processes and is discharged into the sewer system of Rompetrol Rafinare. Drinking water is provided by the companies La Fantana (flat water) and Dacris (sparkling water).

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.

**WATER USED (LITERS)**

2021	1,133,000
2020	823,000
2019	653,000

**WATER DISCHARGED (LITERS)**

2021	9,875,000
2020	10,545,000
2019	8,394,000



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.

SCOPE 1	2021	2020	2019
Mobile emissions - company vehicles/machinery (tons CO2)	310	238	2,831.8
Gas for heating (tons CO2)	60	17	19
Steam (tons CO2)	192	172	150
<b>Total Scope 1 (tons CO2e)</b>	<b>562</b>	<b>427</b>	<b>3,000.8</b>

Source of the emission factors: IPCC 2006 Guideline

SCOPE 2	2021	2020	2019	GHG EMISSIONS INTENSITY	2021	2020	2019
tons CO2	143	149	182	Scope 1+2 (tons CO2 / fiscal value)	0.002147	0.000945	0.008451

Source of the emission factors: IPCC 2006 Guideline

Source of the emission factors: IPCC 2006 Guideline

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.

In 2021, 132.1 tons of non-hazardous waste were recycled. Rominserv recorded 0.46 tons of hazardous 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 own imports and products).

In 2021, projects and operations carried out by Rominserv in or near protected areas and priority sites for biodiversity conservation targeted the demolition of the turbogenerator hall in the CoGen project and the demolition of its own sale lime bunker. The dismantling waste was capitalized by third-party authorized operators.

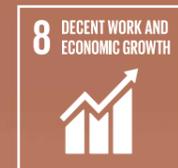
In its operations, the organization applied the principle of preventive action and used exclusively processes and methods which did not endanger the health and physical integrity of the personnel involved or of the buildings and equipment in proximity. There was no accidental pollution of the soil or air.

**WASTE GENERATED AND RECOVERED IN 2021**

CODE	WASTE (TONS)	GENERATED	RECYCLED	ELIMINATED	STOCKPILED
08 04 09	Adhesives with organic solvents or hazardous substances	0.80	0.80	-	-
10 13 04	Waste from lime calcination	0.40	0.40	-	-
12 01 01	Ferrous filings and chips	4.34	3.34	-	1.00
15 01 01	Paper and cardboard packaging	1.58	-	-	1.58
15 01 02	PET	0.10	0.10	-	-
15 01 03	Wood packaging	17.88	9.52	-	8.36
15 02 02	Absorbents, filter materials, polishing agents, protective gear contaminated with hazardous substances	0.46	0.46	-	-
16 01 18	Non-ferrous metals	3.26	3.26	-	-
17 04 01	Copper	0.20	0.20	-	-
17 04 05	Scrap metal from construction/demolition	102.76	102.76	-	-
17 09 04	Misc. construction/demolition waste	4.38	4.38	-	-
	Heating nets	2.93	2.93	-	-
19 12 04	Rubber	0.16	0.16	-	-
20 01 36	Waste from electrical and electronic equipment	3.10	3.10	-	-
20 01 39	Commercial waste - plastics	0.68	0.68	-	-
20 03 01	Mixed municipal waste	87.99	-	87.99	-
<b>TOTAL (tons)</b>		<b>231.03</b>	<b>132.10</b>	<b>87.99</b>	<b>11.04</b>

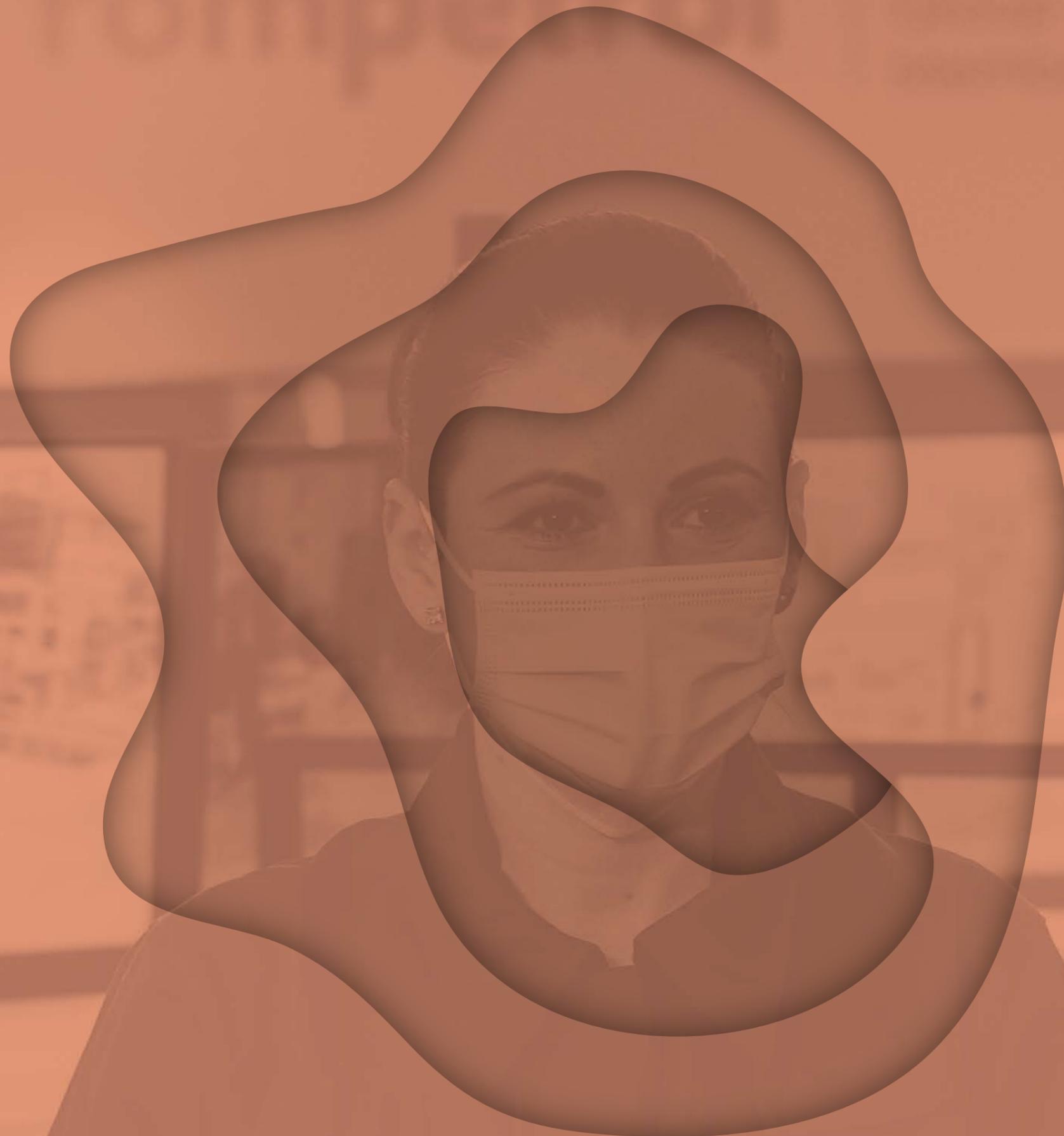


**SUSTAINABLE DEVELOPMENT GOALS**



**Key Objectives by 2030**

1. Our aim is to continue to invest in educating the new generations of professionals in the energy field. We plan to welcome 500 interns by 2030, with the prospect to hire over 30% of them.
2. It is our priority to maintain age diversity. So, we continue our dedicated programs and develop new initiatives addressing high school and university students, mid-career professionals and also 45+ experienced professionals.
3. To encourage women's promotions and new hires, we aim to reach a percentage of 40% women within our managerial team by 2030 (current percentage is 37%).
4. In the context of our Decarbonization Strategy, we plan to adapt our roles in line with the new business needs. Therefore, we plan to develop our colleagues' competencies so they can better perform in the new roles.



# PEOPLE

**Introduction**

**Workforce structure**

**Diversity and inclusion**

**Remuneration, compensation and benefits**

**Collective bargaining agreements and labor practices**

**Training and skill development**

**People's health and well-being**

**Workforce engagement**

With over 200 different types of jobs, Rompetrol is the result of the ambition and passion of the specialists in this industry.

## INTRODUCTION

### In 2021, KMG International Group had a total headcount of 5,322.

While we saw a more stable environment compared to the first pandemic year, 2021 continued to be about re-prioritizing the things that matter. We ensured the protection & well-being of our employees by providing COVID-19 vaccination & testing support, along with specific safety measures across all Group Business Units & entities. Furthermore, we implemented a hybrid working model (3 days working from home, combined with 2 days working from the office) which showed great results. Consequently, Group management decided to keep the model operational in the future regardless of the external context and epidemiological evolutions.

Despite the extremely difficult economic context, the Group management's approach fell in line with our responsibility to protect jobs, ensure collective pay increases and maintain social benefits included in the collective agreements as negotiated before the pandemic. This was done in an effort to keep a sense of balance and security, primary requirements to garner effectiveness and efficiency among our staff. Our employees are our partners in creating and supporting the new working model aimed at generating business continuity, in response to the current needs of the Group and society as a whole. As such, communication was a key element in achieving our employee management goals. Through various surveys we were able to continuously take the pulse of the organization and be permanently connected

to the dynamic needs of employees in all countries we operate in. The approach involved analyzing all the needs that our employees may have had during this period, and we noticed that they were concerned about issues like physical and mental health, family protection, job security, children's online school, etc. We tried to address each of these needs by facilitating COVID testing, access to online medical services, discussions with psychotherapists, and discussions with front-line doctors who shared experiences from the field, with teachers who are experts in online learning techniques.

Moreover, we adjusted our major skill development, professional and personal growth programs to the digital requirements of the current times. Highly skilled and motivated employees are our best asset, each with a role to play to deliver our sustainability agenda.

While we celebrated the achievements of our colleagues from Rompetrol Well Services and Rominserv, marking 70 years, respectively 20 years of activity, immediately after, in July, we mourned the loss of 3 of our colleagues following the incident on Petromidia premises.

Key words to characterize 2021 from the Group's people-centered perspective were resilience, adaptability, creativity, loyalty, and gratitude.

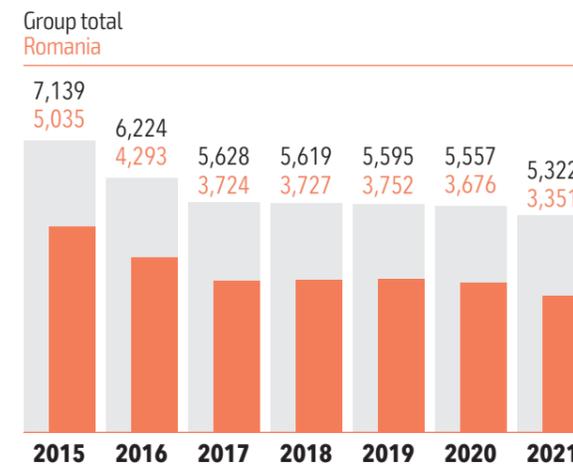
In 2022, we shall focus on consolidating the hybrid-working model and continue to implement pulse surveys, to get feedback in real time, to maintain the connection with our colleagues throughout the organization. We also want to retain the key people in the Group and thus certain dedicated programs from 2022 will reflect upon this objective.



<b>GRI</b>	GRI 401-1	GRI 11.10.4	GRI 11.14.3
GRI 2-7	GRI 401-3	GRI 11.11.1	<b>IPIECA</b>
GRI 2-8	GRI 406-1	GRI 11.11.2	SOC-5 A4, C1, C2
GRI 2-9	GRI 11.10.1	GRI 11.11.3	SOC 6 A1
GRI 202-2	GRI 11.10.2	GRI 11.11.7	SOC 15 C3, A1, A2, A4

## WORKFORCE STRUCTURE

### HEADCOUNT EVOLUTION



HEADCOUNT	2015	2016	2017	2018	2019	2020	2021
Romania	5,035	4,293	3,724	3,727	3,752	3,676	3,351
Georgia	706	774	792	787	762	776	802
Moldova	604	708	790	941	931	967	1,043
France	367	-	-	-	-	-	-
Kazakhstan	200	328	196	33	27	20	15
Bulgaria	65	66	74	79	76	78	79
Libya	52	10	10	7	3	3	2
Spain	44	-	-	-	-	-	-
Switzerland	28	26	26	29	29	28	21
Ukraine	21	3	-	-	-	-	-
Singapore	8	6	6	5	5	-	-
Netherlands	6	6	6	6	5	4	4
Turkey	4	4	5	5	5	5	5
<b>Group total</b>	<b>7,139*</b>	<b>6,224</b>	<b>5,628*</b>	<b>5,619*</b>	<b>5,595</b>	<b>5,557</b>	<b>5,322*</b>

\* Reported average headcount throughout the year. Results might seem inexact due to the average calculation which involves decimals.

As of December 2021, our total headcount was 5,322, with the majority of KMG International employees being located in Romania (63%), the largest base of operations for the Group.

We can observe a downsize of the total number of employees at Group Level in 2021 compared to 2020 due to some entities being sold, like Palplast and Rominserv Valves Iaifo, which generated a headcount decrease in the Romanian operations.

However, given the constant expansion of the Group's retail network in Moldova, Bulgaria and Georgia, the headcount in these countries either saw a stable trend or a slight increase, despite the pandemic context. In Romania, the fuel distribution network expanded over the previous year with 3 new CODO stations (Company Owned Dealer Operated) which generated 48 jobs.

All our employees have a labor contract and 98% of them have a full-time contract. Of the 104 part-time employees within the Group, 103 are active in the Romanian operations and only 1 part-time employee is active in Kazakhstan.

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, 62 are male and 42 are female.

EMPLOYEES/ COUNTRY	LABOR CONTRACTS			FULL TIME			PART TIME		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Romania	1,070	2,282	3,351*	1,028	2,221	3,249	41	61	103*
Georgia	47	755	802	47	755	802	-	-	-
Moldova	330	713	1,043	330	713	1,043	-	-	-
Kazakhstan	8	7	15	7	7	13*	1	0	1
Bulgaria	24	55	79	24	55	79	-	0	0
Libya	-	2	2	-	2	2	-	-	-
Switzerland	10	11	21	10	11	21	-	-	-
Netherlands	1	3	4	1	3	4	-	-	-
Turkey	-	5	5	-	5	5	-	-	-
<b>Group total</b>	<b>1,489</b>	<b>3,833</b>	<b>5,322</b>	<b>1,447</b>	<b>3,771*</b>	<b>5,218</b>	<b>42</b>	<b>62*</b>	<b>104</b>

\* Reported average headcount throughout the year. Results might seem inexact due to the average calculation which involves decimals.

EMPLOYEES/ LEGAL ENTITY	LABOR CONTRACTS			FULL TIME			PART TIME		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Byron Shipping	4	6	10	3	6	9	1	-	1
KMG Rompetrol	96	93	188*	91	92	182*	5	1	6
KMG Rompetrol Services Center	170	57	227	170	56	226	0	1	1
Midia Marine Terminal	55	185	240	52	184	237*	3	1	3*
Palplast	6	23	29	6	23	29	0	-	0
Rominserv	105	436	540*	102	432	534	2	4	6
Rominserv Valves IAIFO	9	39	49*	9	39	48	-	1	1
Rompetrol Downstream & Rom Oil	142	305	447	139	296	435	3	9	12
Rompetrol Gas	12	84	96	11	81	92	1	3	4
Rompetrol Logistics	2	2	4	1	1	3	0	1	1
Rompetrol Petrochemicals	2	-	2	-	-	-	2	-	2
Rompetrol Quality Control	160	42	202	155	29	184	5	13	18
Rompetrol Rafinare	264	835	1,099	258	823	1,081	6	12	18
OEBS	4	7	11	1	1	2	3	6	9
Rompetrol Well Services	22	127	149	21	126	146*	1	2	3
Rompetrol Development	2	1	3	1	-	1	1	1	2
Rompetrol Energy	9	34	43	8	32	39*	2	2	4
Fondul de investitii in energie	5	7	13*	-	1	1	5	6	12*
<b>Romania total</b>	<b>1,070</b>	<b>2,282</b>	<b>3,351*</b>	<b>1,028</b>	<b>2,221</b>	<b>3,249*</b>	<b>41</b>	<b>61</b>	<b>103*</b>

\* Reported average headcount throughout the year. Results might seem inexact due to the average calculation which involves decimals.

EMPLOYEES/ COUNTRY	PERMANENT			TEMPORARY		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Romania	999	2,140	3,139	71	142	213
Georgia	47	754	800*	0	2	2
Moldova	313	710	1,024*	17	3	19*
Kazakhstan	8	7	15	-	-	-
Bulgaria	24	55	79	-	0	0
Libya	-	2	2	-	-	-
Switzerland	9	11	20	1	-	1
Netherlands	1	3	4	-	-	-
Turkey	-	5	5	-	-	-
<b>Group total</b>	<b>1,401</b>	<b>3,686</b>	<b>5,087</b>	<b>88</b>	<b>147</b>	<b>235</b>

\* Reported average headcount throughout the year. Results might seem inexact due to the average calculation which involves decimals.

EMPLOYEES/ LEGAL ENTITY	PERMANENT			TEMPORARY		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Byron Shipping	4	6	10	-	-	-
KMG Rompetrol	92	91	183	3	2	5
KMG Rompetrol Services Center	165	55	220	5	2	7
Midia Marine Terminal	53	182	235	2	3	5
Palplast	6	21	27	1	2	2*
Rominserv	101	401	503*	3	34	38*
Rominserv Valves IAIFO	8	35	44*	1	4	5
Rompetrol Downstream & Rom Oil	135	293	429*	7	12	19
Rompetrol Gas	12	83	95	-	0	0
Rompetrol Logistics	2	2	3*	-	1	1
Rompetrol Petrochemicals	1	-	1	1	-	1
Rompetrol Quality Control	143	26	169	17	16	34*
Rompetrol Rafinare	242	789	1,031	22	46	68
Oilfield Exploration Business Solutions	3	7	10	1	-	1
Rompetrol Well Services	21	124	145	1	3	4
Rompetrol Development	2	1	3	-	-	-
Rompetrol Energy	7	22	28*	3	12	15
Fondul de investitii in energie	2	1	3	3	6	9
<b>Romania total</b>	<b>999</b>	<b>2,140</b>	<b>3,139</b>	<b>71</b>	<b>142</b>	<b>213</b>

\* Reported average headcount throughout the year. Results might seem inexact due to the average calculation which involves decimals.

## DIVERSITY & INCLUSION

The diversity and stability in our human resources reflect our belief system and organizational culture on which we base our activities throughout the Group's entire value chain. Our employees are mainly located in Romania. But, at Group level, we are 17 different nationalities, like Georgian, Moldovan, Kazakh, Bulgarian, among others, a reflection of our commitment to fostering 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 2021.

Working at KMG International means strong collaboration between generations. We have over 200 specializations, and half of the employees in Romania, our largest base of operations, have many years of experience. The complex nature of our activities, which range from procurement of raw materials to transportation, production, and industrial services, 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. This is why, starting 2021 we have become part of Restart 45+, a national program focused on ending age discrimination and biases in the labor market.

At the same time, we constantly focus on bringing fresh talent 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 20-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.

In addition, a new project for young people aged 18-25 who leave the state foster care system was launched at the end of 2021, to become effective as early as 2022. 100 jobs in the gas stations network (operated by Rompetrol Downstream) in Romania will be made available to this category. On top of the guaranteed income, health insurance and social benefits, all young people will benefit from full training and all the support they need to become members of the KMG team, so they gain the necessary skills and fully trust their professional aptitudes. The project is part of the KMG International sustainability strategy on reducing inequality, providing decent working conditions and economic growth.

### Group's governance bodies (Board Members)

Total number of Board Members broken down by gender, age group and nationality for each country of major operations and each legal entity in Romania.

BOARD MEMBERS / COUNTRY	TOTAL	GENDER		AGE			NATIONALITY			
		WOMEN	MEN	<30	30-50	>50	AUS	BUL	KAZ	ROU
Romania	53	4	49	-	39	14	-	-	23	30
Georgia	3	-	3	-	2	1	-	-	2	1
Moldova	3	-	3	-	2	1	-	-	2	1
Bulgaria	3	-	3	-	2	1	-	1	1	1
Switzerland	5	-	5	-	4	1	1	-	3	1
Turkey	3	-	3	-	2	1	-	-	2	1
<b>Group total</b>	<b>70</b>	<b>4</b>	<b>66</b>	<b>-</b>	<b>51</b>	<b>19</b>	<b>1</b>	<b>1</b>	<b>33</b>	<b>35</b>

In Romania, 27% of the senior management team members are hired from the local community and 73% are expatriates.

The analysis was made at country level. Senior Management includes the Group Chief Executive Officer, Chief Officers and Advisors to Group Chief Executive Officer.

BOARD MEMBERS / LEGAL ENTITY	WOMEN	MEN	<30	30-50	>50	KAZ	ROU
Byron Shipping	-	-	-	-	-	-	-
KMG Rompetrol	-	-	-	-	-	-	-
KMG Rompetrol Services Center	-	3	-	2	1	3	-
Midia Marine Terminal	-	3	-	2	1	-	3
Palplast	1	2	-	3	-	1	2
Rominserv SRL	-	5	-	5	-	3	2
Rominserv Valves IAIFO	0	1	-	1	0	-	1
Rompetrol Downstream & Rom Oil	-	8	-	6	2	3	5
Rompetrol Gas	-	4	-	2	2	1	3
Rompetrol Logistics	-	1	-	1	-	-	1
Rompetrol Petrochemicals	-	1	-	1	-	1	-
Rompetrol Quality Control	1	-	-	-	1	-	1
Rompetrol Rafinare	-	6	-	4	2	2	4
Oilfield Exploration Business Solutions	-	1	-	1	-	1	-
Rompetrol Well Services	1	5	-	5	1	2	4
Rompetrol Development	-	0	-	0	-	-	0
Rompetrol Energy	-	5	-	4	1	3	2
Fondul de investitii in energie	1	4	-	3	2	3	2
<b>Romania total</b>	<b>4</b>	<b>49</b>	<b>-</b>	<b>39</b>	<b>14</b>	<b>23</b>	<b>30</b>

\* All the Group Chief Executive Officers, Chief Officers and Advisors to Group Chief Executive Officer from the Romanian operations are employees of KMG Rompetrol SRL.

### Expats

Total number of expatriate (international) employees broken down for each country of major operations and each legal entity in Romania.

EXPATS / COUNTRY	LOCAL EMPLOYEES	INTERNATIONAL EMPLOYEES	TOTAL
Romania	3,294	57	3,351
Georgia	795	7	802
Moldova	1,037	6	1,043
Kazakhstan	15	-	15
Bulgaria	78	1	79
Libya	2	-	2
Switzerland	1	20	21
Netherlands	-	4	4
Turkey	4	1	5
<b>Group total</b>	<b>5,227</b>	<b>95</b>	<b>5,322</b>

EXPATS / LEGAL ENTITY	LOCAL EMPLOYEES	INTERNATIONAL EMPLOYEES	TOTAL
Byron Shipping	10	-	10
KMG Rompetrol	149	39	188
KMG Rompetrol Services Center	222	5	227
Midia Marine Terminal	240	-	240
Palplast	29	-	29
Rominserv SRL	532	8	540
Rominserv Valves IAIFO	49	-	49
Rompetrol Downstream & Rom Oil	446	1	447
Rompetrol Gas	96	-	96
Rompetrol Logistics	4	-	4
Rompetrol Petrochemicals	2	-	2
Rompetrol Quality Control	202	1	202
Rompetrol Rafinare	1,099	0	1,099
Oilfield Exploration Business Solutions	11	-	11
Rompetrol Well Services	149	-	149
Rompetrol Development	3	-	3
Rompetrol Energy	43	-	43
Fondul de investitii in energie	10	3	13
<b>Romania total</b>	<b>3,294</b>	<b>57</b>	<b>3,351</b>

\* The calculation methodology used is average Headcount for the entire reporting period (2021). Employees with a nationality other than the one of the target countries or regions are considered international employees.



## Employee promotions by nationality

Internal promotions are encouraged whenever there is a vacant position. In 2021, there were 117 employees promoted at Group level, of which 90 employees in the Romanian entities, 21 in Georgia, 4 in Bulgaria, 1 in Moldova and 1 in Switzerland.

In Romania, of a total of 90 promotions, 23 were within Rompetrol Rafinare, 19 within Rompetrol Downstream, 12 within Rominserv, 5 within Rompetrol Well Services and the rest of 39 in other entities.

Most of the promoted employees were local. In Romania, 95% of the promoted employees were Romanian, while in other countries 100% of the promoted employees were local.

## Employee promotions

Total number of people promoted during the reporting period, broken down by gender and age group, for each country of major operations and each legal entity in Romania.

PROMOTIONS / COUNTRY	WOMEN	MEN	<30	30-50	>50	TOTAL
Romania	42	48	26	57	7	90
Georgia	1	20	13	5	3	21
Moldova	1	-	-	1	-	1
Kazakhstan	-	-	-	-	-	-
Bulgaria	1	3	1	3	-	4
Libya	-	-	-	-	-	-
Switzerland	-	1	-	1	-	1
Netherlands	-	-	-	-	-	-
Turkey	-	-	-	-	-	-
<b>Group total</b>	<b>45</b>	<b>72</b>	<b>40</b>	<b>67</b>	<b>10</b>	<b>117</b>

PROMOTIONS / LEGAL ENTITY	WOMEN	MEN	UNDER 30	30-50	OVER 50	TOTAL
Byron Shipping	-	-	-	-	-	-
KMG Rompetrol	5	4	4	5	-	9
KMG Rompetrol Services Center	7	2	-	6	3	9
Midia Marine Terminal	4	-	2	1	1	4
Palplast	-	2	-	2	-	2
Rominserv SRL	3	9	1	10	1	12
Rominserv Valves IAIFO	-	-	-	-	-	-
Rompetrol Downstream & Rom Oil	10	9	4	15	-	19
Rompetrol Gas	-	-	-	-	-	-
Rompetrol Logistics	-	-	-	-	-	-
Rompetrol Petrochemicals	-	-	-	-	-	-
Rompetrol Quality Control	6	1	2	5	-	7
Rompetrol Rafinare	6	17	10	11	2	23
Oilfield Exploration Business Solutions	-	-	-	-	-	-
Rompetrol Well Services	1	4	3	2	-	5
Rompetrol Development	-	-	-	-	-	-
Rompetrol Energy	-	-	-	-	-	-
Fondul de investitii in energie	-	-	-	-	-	-
<b>Romania total</b>	<b>42</b>	<b>48</b>	<b>26</b>	<b>57</b>	<b>7</b>	<b>90</b>

## New hires

Total number of people hired during the reporting period, broken down by gender and age, for each country of major operations and each legal entity in Romania.

NEW HIRES / COUNTRY	WOMEN	MEN	<30	30-50	>50	TOTAL
Romania	131	282	123	161	129	413
Georgia	7	260	165	73	29	267
Moldova	185	279	233	188	43	464
Kazakhstan	3	4	1	6	-	7
Bulgaria	4	7	3	6	2	11
Libya	-	-	-	-	-	-
Switzerland	2	-	-	2	-	2
Netherlands	-	1	-	1	-	1
Turkey	-	-	-	-	-	-
<b>Group total</b>	<b>332</b>	<b>833</b>	<b>525</b>	<b>437</b>	<b>203</b>	<b>1,165</b>

NEW HIRES / LEGAL ENTITY	WOMEN	MEN	<30	30-50	>50	TOTAL
Byron Shipping	-	-	-	-	-	-
KMG Rompetrol	7	15	5	17	-	22
KMG Rompetrol Services Center	16	3	9	10	-	19
Midia Marine Terminal	8	18	17	9	-	26
Palplast	1	2	-	2	1	3
Rominserv SRL	3	24	11	13	3	27
Rominserv Valves	1	4	-	-	5	5
Rompetrol Downstream & Rom Oil	17	26	14	25	4	43
Rompetrol Gas	-	3	-	3	-	3
Rompetrol Logistics	1	-	-	-	1	1
Rompetrol Petrochemicals	-	-	-	-	-	-
Rompetrol Quality Control	14	2	11	4	1	16
Rompetrol Rafinare	24	60	46	18	20	84
Oilfield Exploration Business Solutions	-	-	-	-	-	-
Rompetrol Well Services	1	12	5	8	-	13
Rompetrol Development	-	-	-	-	-	-
Rompetrol Energy	38	113	5	52	94	151
Fondul de investitii in energie	-	-	-	-	-	-
<b>Romania total</b>	<b>131</b>	<b>282</b>	<b>123</b>	<b>161</b>	<b>129</b>	<b>413</b>

## Employee turnover and retention

Number of employees who left the Group, broken down by gender and age, for each country of major operations and each legal entity in Romania.

TURNOVER & RETENTION / COUNTRY	WOMEN	MEN	<30	30-50	>50	TOTAL
Romania	147	218	73	93	199	365
Georgia	8	281	168	98	23	289
Moldova	159	252	216	155	40	411
Kazakhstan	2	3	1	4	-	5
Bulgaria	3	5	5	2	1	8
Libya	-	-	-	-	-	-
Switzerland	2	4	1	4	1	6
Netherlands	-	1	-	1	-	1
Turkey	-	1	-	1	-	1
<b>Group total</b>	<b>321</b>	<b>764</b>	<b>464</b>	<b>358</b>	<b>264</b>	<b>1,086</b>

TURNOVER & RETENTION / LEGAL ENTITY	WOMEN	MEN	<30	30-50	>50	TOTAL
Byron Shipping	-	-	-	-	-	-
KMG Rompetrol	12	13	6	18	1	25
KMG Rompetrol Services Center	22	5	8	14	5	27
Midia Marine Terminal	8	13	10	2	9	21
Palplast	1	1	-	-	2	2
Rominserv SRL	11	36	10	11	26	47
Rominserv Valves	6	15	-	1	20	21
Rompetrol Downstream & Rom Oil	24	25	11	27	11	49
Rompetrol Gas	-	1	-	-	1	1
Rompetrol Logistics	-	2	-	-	2	2
Rompetrol Petrochemicals	-	-	-	-	-	-
Rompetrol Quality Control	8	2	3	1	6	10
Rompetrol Rafinare	38	76	18	10	86	114
Oilfield Exploration Business Solutions	1	1	-	-	2	2
Rompetrol Well Services	4	18	5	1	16	22
Rompetrol Development	-	-	-	-	-	-
Rompetrol Energy	11	10	1	8	12	21
Fondul de investitii in energie	1	-	1	-	-	1
<b>Romania total</b>	<b>147</b>	<b>218</b>	<b>73</b>	<b>93</b>	<b>199</b>	<b>365</b>

### Entitled to parental leave

COUNTRY	WOMEN	MEN	TOTAL
Romania	45	72	117
Georgia	3	-	3
Moldova	16	-	16
Kazakhstan	2	-	2
Bulgaria	3	-	3
<b>Group total</b>	<b>69</b>	<b>72</b>	<b>141</b>

LEGAL ENTITY	WOMEN	MEN	TOTAL
KMG Rompetrol	7	3	10
KMG Rompetrol Services Center	12	3	15
Midia Marine Terminal	1	9	10
Rominserv	3	10	13
Rompetrol Downstream	9	13	22
Rompetrol Gas	-	3	3
Rompetrol Quality Control	6	3	9
Rompetrol Rafinare	7	25	32
Rompetrol Well Services	-	3	3
<b>Romania total</b>	<b>45</b>	<b>72</b>	<b>117</b>

### Returned to work in 2020

COUNTRY	WOMEN	MEN	TOTAL
Romania	32	5	37
Georgia	2	-	2
Moldova	3	2	5
Kazakhstan	2	-	2
Bulgaria	2	-	2
<b>Group total</b>	<b>41</b>	<b>7</b>	<b>48</b>

LEGAL ENTITY	WOMEN	MEN	TOTAL
KMG Rompetrol	-	-	-
KMG Rompetrol Services Center	7	-	7
Midia Marine Terminal	1	-	1
Rominserv	4	2	6
Rominserv Valves IAIFO	1	-	1
Rompetrol Downstream	7	1	8
Rompetrol Gas	-	2	2
Rompetrol Quality Control	2	-	2
Rompetrol Rafinare	5	-	5
Rompetrol Well Services	-	-	-
<b>Romania total</b>	<b>32</b>	<b>5</b>	<b>37</b>

### Took parental leave

COUNTRY	WOMEN	MEN	TOTAL
Romania	40	6	46
Georgia	2	-	2
Moldova	14	-	14
Kazakhstan	1	-	1
Bulgaria	3	-	3
<b>Group total</b>	<b>60</b>	<b>6</b>	<b>66</b>

LEGAL ENTITY	WOMEN	MEN	TOTAL
KMG Rompetrol	10	1	11
KMG Rompetrol Services Center	9	-	9
Midia Marine Terminal	1	-	1
Rominserv	1	1	2
Rompetrol Downstream	6	-	6
Rompetrol Gas	4	1	5
Rompetrol Quality Control	9	-	9
Rompetrol Rafinare	9	3	12
Rompetrol Well Services	-	-	-
<b>Romania total</b>	<b>40</b>	<b>6</b>	<b>46</b>

### Still employed after 12 mo.

COUNTRY	WOMEN	MEN	TOTAL
Romania	28	4	32
Georgia	2	-	2
Moldova	3	1	4
Kazakhstan	1	-	1
Bulgaria	2	-	2
<b>Group total</b>	<b>36</b>	<b>5</b>	<b>41</b>

LEGAL ENTITY	WOMEN	MEN	TOTAL
KMG Rompetrol	5	-	5
KMG Rompetrol Services Center	6	-	6
Midia Marine Terminal	1	-	1
Rominserv	4	2	6
Rominserv Valves IAIFO	-	-	-
Rompetrol Downstream	5	1	6
Rompetrol Gas	-	1	1
Rompetrol Quality Control	2	-	2
Rompetrol Rafinare	5	-	5
Rompetrol Well Services	-	-	-
<b>Romania total</b>	<b>28</b>	<b>4</b>	<b>32</b>

### Returned to work in 2021

COUNTRY	WOMEN	MEN	TOTAL
Romania	28	5	33
Georgia	1	-	1
Moldova	5	-	5
Switzerland	1	-	1
Bulgaria	2	-	2
<b>Group total</b>	<b>37</b>	<b>5</b>	<b>42</b>

LEGAL ENTITY	WOMEN	MEN	TOTAL
KMG Rompetrol	9	-	9
KMG Rompetrol Services Center	6	-	6
Midia Marine Terminal	-	-	-
Rominserv	3	1	4
Rominserv Valves IAIFO	-	-	-
Rompetrol Downstream	3	-	3
Rompetrol Gas	-	-	-
Rompetrol Quality Control	2	1	3
Rompetrol Rafinare	5	3	8
Rompetrol Well Services	-	-	-
<b>Romania total</b>	<b>28</b>	<b>5</b>	<b>33</b>

### Retention rate

COUNTRY	WOMEN	MEN	TOTAL
Romania	88%	80%	86%
Georgia	100%	-	100%
Moldova	100%	50%	80%
Kazakhstan	50%	-	50%
Bulgaria	100%	-	100%
<b>Group total</b>	<b>88%</b>	<b>71%</b>	<b>85%</b>

LEGAL ENTITY	WOMEN	MEN	TOTAL
KMG Rompetrol	100%	-	100%
KMG Rompetrol Services Center	86%	-	86%
Midia Marine Terminal	100%	-	100%
Rominserv	100%	100%	100%
Rominserv Valves IAIFO	-	-	-
Rompetrol Downstream	71%	100%	75%
Rompetrol Gas	-	50%	50%
Rompetrol Quality Control	100%	-	100%
Rompetrol Rafinare	100%	-	100%
Rompetrol Well Services	-	-	-
<b>Romania total</b>	<b>88%</b>	<b>80%</b>	<b>86%</b>

**GRI** GRI 401-2  
 GRI 2-19 GRI 405-2  
 GRI 2-20 GRI 11.10.3  
 GRI 2-21 GRI 11.11.6  
 GRI 201-1 **IPECA**  
 GRI 201-3 SOC-5 A2  
 GRI 202-1

## REMUNERATION, COMPENSATION AND BENEFITS

### Remuneration and benefits

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 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 Shareholders) 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.

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.



### Standard entry-level wage compared to local minimum wage

Number of employees hired with minimum wage, broken down by gender and month.

COUNTRY		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	LOCAL CCY.	USD EQUIV.
Romania	W	4	4	4	5	3	4	4	4	2	-	-	-	RON 2,300	USD 552.83
	M	5	5	5	-	-	1	1	1	1	-	-	-		
Moldova	W	-	-	-	-	-	-	-	-	-	-	-	-	MLD 2,935	USD 165.99
	M	3	3	3	3	3	3	3	3	3	2	3	3		
Georgia	W	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
	M	-	-	-	-	-	-	-	-	-	-	-	-		
Kazakhstan	W	-	-	-	-	-	-	-	-	-	-	-	-	KZT 42,500	USD 99.76
	M	1	1	1	1	1	1	-	-	-	-	-	-		
Bulgaria	W	-	-	-	-	-	-	-	-	-	-	-	-	BGN 650	USD 393.07
	M	-	-	-	-	-	-	-	-	-	-	-	-		
Switzerland	W	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
	M	-	-	-	-	-	-	-	-	-	-	-	-		
Singapore	W	-	-	-	-	-	-	-	-	-	-	-	-	n/a	n/a
	M	-	-	-	-	-	-	-	-	-	-	-	-		
Libya	W	-	-	-	-	-	-	-	-	-	-	-	-	LYD 450	USD 101.81
	M	-	-	-	-	-	-	-	-	-	-	-	-		
Netherlands	W	-	-	-	-	-	-	-	-	-	-	-	-	EUR 1,701	USD 2,011.85
	M	-	-	-	-	-	-	-	-	-	-	-	-		
Turkey	W	-	-	-	-	-	-	-	-	-	-	-	-	TRY 3,578	USD 404.80
	M	-	-	-	-	-	-	-	-	-	-	-	-		

\* The figures are reported as Headcount, considering only full-time employees from the analyzed period. The analysis was made at country level. There are 3 countries where there is no minimum wage established by law: Georgia, Singapore, Switzerland.

ENTITY / MIN. WAGE RON 2,300 (USD 552.83)		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Byron Shipping		-	-	-	-	-	-	-	-	-	-	-	-
KMG Rompetrol		-	-	-	-	-	-	-	-	-	-	-	-
KMG Rompetrol Services Center		-	-	-	-	-	-	-	-	-	-	-	-
Midia Marine Terminal	W	-	-	-	-	1	1	1	1	1	-	-	-
	M	-	-	-	-	-	1	1	1	1	-	-	-
Palplast		-	-	-	-	-	-	-	-	-	-	-	-
Rominserv		-	-	-	-	-	-	-	-	-	-	-	-
Rominserv Valves IAIFO	W	-	-	-	-	-	-	-	-	-	-	-	-
	M	5	5	5	-	-	-	-	-	-	-	-	-
Rompetrol Downstream & Rom Oil		-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Gas		-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Logistics	W	1	-	-	-	-	-	-	-	-	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Petrochemicals		-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Quality Control	W	3	4	4	4	2	3	3	3	1	-	-	-
	M	-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Rafinare		-	-	-	-	-	-	-	-	-	-	-	-
Oilfield Exploration Business Solutions		-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Well Services		-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Development		-	-	-	-	-	-	-	-	-	-	-	-
Rompetrol Energy		-	-	-	-	-	-	-	-	-	-	-	-
Fondul de investiții în energie kazah-roman		-	-	-	-	-	-	-	-	-	-	-	-

## Remunerare egală

Ratio of the basic salary and remuneration of women to men for each employee category, by location of operations.

COUNTRIES	2017	2018	2019	2020	2021
Romania	-6%	2%	5%	4%	0%
Georgia	249%	280%	285%	245%	236%
Moldova	13%	-67%	0%	8%	6%
Bulgaria	-22%	-27%	-22%	-21%	-20%
Kazakhstan	36%	6%	8%	1%	-14%
Netherlands	-76%	-74%	-76%	-86%	-87%
Libya	-41%	n/a	n/a	n/a	n/a
Switzerland	-33%	-42%	-35%	-21%	-16%
Singapore	-36%	n/a	-78%	n/a	n/a
Turkey	100%	n/a	n/a	n/a	n/a

\* The figures are reported considering only full-time employees during the period under review. The calculation was made at country level and for Romania at entity level.

## 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 total contribution in Romania is USD 26,674,145 of which, Rompetrol Rafinare contributes USD 8,161,839, Rompetrol Well Services USD 1,004,892 and Rompetrol Downstream USD 2,920,183. The total contribution at KMG level, including all other locations besides Romania, amounts to USD 28,524,029.

The Group pays an agreed level of contributions into individual savings accounts for each eligible employee, as beneficiary members of the Pension 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.

ROMANIA LEGAL ENTITIES	2021
Byron Shipping	-43%
KMG Rompetrol	-47%
KMG Rompetrol Services Center	-18%
Midia Marine Terminal	-20%
Palplast	40%
Rominserv	-11%
Rominserv Valves IAIFO	5%
Rompetrol Downstream & Rom Oil	24%
Rompetrol Gas	44%
Rompetrol Logistics	-8%
Rompetrol Petrochemicals	n/a
Rompetrol Quality Control	6%
Rompetrol Rafinare	9%
Oilfield Exploration Business Solutions	64%
Rompetrol Well Services	25%
Rompetrol Development	n/a
Rompetrol Energy	-51%
Fondul de investiții în energie kazah-roman	n/a

PENSION CONTRIBUTIONS / ENTITIES (RON)	PILLAR I
Byron Shipping	112,016
KMG Rompetrol	4,135,450
KMG Rompetrol Services Center	1,773,027
KMG Rompetrol Development	10,445
Midia Marine Terminal	1,809,782
Palplast	164,279
Rominserv	4,168,852
Rominserv Valves IAIFO	174,304
Rompetrol Downstream	2,920,183
Rompetrol Gas	566,268
Rompetrol Logistics	11,089
Rompetrol Petrochemicals	4,161
Rompetrol Quality Control	1,142,805
Oilfield Exploration Business Solutions	26,781
Rompetrol Well Services	1,004,892
KMG Rompetrol Development	10,445
Rompetrol Energy	352,289
Fondul de investiții în energie kazah-roman	118,795
<b>Romania Total</b>	<b>26,674,145</b>

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.

GRI 2-30, GRI 3-3, GRI 402-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 11.10.5, GRI 11.3.2, GRI 11.12.2

## COLLECTIVE BARGAINING AGREEMENTS & LABOR PRACTICES

Of the total number of employees hired within KMG International, 62.48% are covered by the provisions of collective bargaining agreements applicable to each company they are employed by.

- Percentage of total employees covered by collective bargaining agreements (all companies): **62.48%**;
- Percentage of total employees covered by collective bargaining agreements (only Romania): **99.21%**.

COUNTRIES	LEGAL ENTITIES	COLLECTIVE BARGAINING	HEADCOUNT
Romania	Byron Shipping	yes	10
	KMG Rompetrol	yes	188
	KMG Rompetrol Services Center	yes	227
	Midia Marine Terminal	yes	240
	Palplast	yes	29
	Rominserv - Petromidia	yes	402
	Rominserv - offices	yes	61
	Rominserv - Vega	yes	78
	Rominserv Valves IAIFO	yes	49
	Rompetrol Downstream & Rom Oil	yes	447
	Rompetrol Gas	yes	96
	Rompetrol Logistics	yes	4
	Rompetrol Petrochemicals	yes	2
	Rompetrol Quality Control	yes	202
	Rompetrol Rafinare - Petromidia	yes	917
Rompetrol Rafinare - Vega	yes	182	
Oilfield Exploration Business Solutions	no	11	
Rompetrol Well Services	yes	149	
KMG Rompetrol Development	no	3	
Rompetrol Energy	yes	43	
Fondul de investiții în energie kazah-roman	no	13	
Kazakhstan	KMG Engineering LLP	no	1
	KMG Rompetrol Representative Office	no	12
	Rominserv - Pavlodar branch	no	2
Netherlands	KMG International NV	no	4
Switzerland	KMG Trading AG	no	21
Moldova	Rompetrol Moldova	no	1,043
Bulgaria	Rompetrol Bulgaria	no	79
Georgia	Rompetrol Georgia	no	802
Libya	Rompetrol Libya	no	2
Turkey	Rompetrol Turkey	no	5

## Employees covered by collective bargaining agreements

REGIONS	2021	2020	2019	2018
KMG Group level	62.48%	65.53%	66.57%	66.01%
Romania only	99.21%	99.05%	99.26%	99.55%

The figures are reported as average Headcount throughout the year. The result might seem inexact due to the average calculation which involves decimals.

LEGAL ENTITIES	TOTAL	#1	#2	#3	#4	#5	#6	#7	#1
Byron Shipping	10	-	8	-	-	-	-	-	Armătura Zalău Union
KMG Rompetrol	188	-	-	-	-	-	-	-	Petrochimistul Free Union
KMG Rompetrol Services Center	227	-	120	-	1	-	1	-	Rompetrol Downstream Free Union
Midia Marine Terminal	240	-	78	-	11	-	98	-	Vega Free Union
Palplast	29	-	21	-	-	-	-	-	Petros Union
Rominserv	540	-	333	-	35	-	48	-	Midia-Năvodari Industrial Platform Workers' Union (SLPIMN)
Rominserv Valves IAIFO	49	23	-	-	-	-	-	-	Energeticianul Midia Union
Rompetrol Downstream & Rom Oil	447	-	-	158	1	-	-	-	
Rompetrol Gas	96	-	68	-	-	-	-	-	
Rompetrol Logistics	4	-	-	-	2	-	-	-	
Rompetrol Petrochemicals	2	-	-	-	-	-	-	-	
Rompetrol Quality Control	202	-	111	-	13	-	37	-	
Rompetrol Rafinare - Petromidia	917	-	599	-	44	-	220	-	
Rompetrol Rafinare - Vega	182	-	-	-	-	-	-	-	
Oilfield Exploration Business Solutions	11	-	-	-	-	-	-	-	
Rompetrol Well Services	149	-	-	-	-	131	-	-	
KMG Rompetrol Development	3	-	-	-	-	-	-	-	
Rompetrol Energy	43	-	4	-	-	-	-	10	
Fondul de investiții în energie	13	-	-	-	-	-	-	-	
<b>Total</b>	<b>3,351</b>	<b>23</b>	<b>1,341</b>	<b>158</b>	<b>106</b>	<b>131</b>	<b>406</b>	<b>10</b>	

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 37.28%.

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 work seniority less than 1 year and for the employees with work seniority more than 1 year, the legislation states a minimum 3 months' period, countable notice 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 2021, 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.

GRI	IPIECA
GRI 2-18	GOV-1 A5
GRI 404-1	SOC-7 A2, C1, C2
GRI 404-2	SOC-15 A3
GRI 404-3	

## Trainings

In 2021, due to the pandemic context, most of in-class trainings continued to be replaced with online trainings. However, there were still sessions that were conducted physically, in compliance with all the safety measures required.

As an average, the number of training hours per total headcount was 6.68 during the reporting period. Managers benefited, on average, of 6.11 training hours, whilst the average for execution-level employees was 6.74 training hours.

The training plan was implemented in proportion of 93% compared to 2020, when it was implemented only in proportion of 80%. As a conclusion, one of the main goals for 2022 is to reach an even higher weight than in 2021, specifically over 95% of the plan.

## TRAINING AND SKILL DEVELOPMENT

COUNTRIES	#1	#2	#3	#4	#5	#1
Romania	8.75	5.53	10.25	9.82	8.66	Average training hrs. per employee
Moldova	5.67	0.14	8.29	0.38	6.26	Average training hrs. per female employee
Georgia	0.41	2.90	0.26	2.69	0.14	Average training hrs. per male employee
Bulgaria	0.20	0.66	0.00	1.23	0.00	Average training hrs. per manager
Group level except Romania	3.32	0.59	4.09	1.49	3.51	Average training hrs. per execution-level employee
Representative office	10.00	7.10	16.60	20.00	20.00	
<b>Group Total<sup>1</sup></b>	<b>6.68</b>	<b>4.06</b>	<b>7.70</b>	<b>6.11</b>	<b>6.74</b>	

1. The total number of training hours reflects only third-party/external training suppliers. They do not include internal training hours.

In Romania, a total of 1,807 employees received trainings in 2021 (including employees who received two or more trainings), of which:

- 1,075 employees who benefited from mandatory trainings
- 676 employees who received trainings to improve their soft skills
- 56 employees who were trained for technical skills.

IN ROMANIA	#1	#2	#3	#4	#5	#1
Rompetrol Rafinare	7.95	2.69	9.62	13.25	7.67	Average training hrs. per employee
Rominserv	10.93	3.81	12.51	5.32	11.24	Average training hrs. per female employee
Rompetrol Well Services	7.23	3.22	7.82	4.58	7.35	Average training hrs. per male employee
Rompetrol Downstream	8.52	8.08	8.72	4.92	8.90	Average training hrs. per manager
Rompetrol Quality Control	3.63	3.22	4.82	0.00	3.59	Average training hrs. per execution-level employee
Midia Marine Terminal	10.32	7.18	11.14	19.25	9.94	
KMG Rompetrol	9.80	11.44	8.29	11.3	8.34	
KMG Rompetrol Services Center	7.64	8.29	5.60	23.04	5.98	
Rompetrol Gas	35.07	18.58	37.42	4.00	36.42	
Rom Oil	4.80	0.00	6.00	0.00	4.80	
<b>Romania Total</b>	<b>8.75</b>	<b>5.62</b>	<b>10.70</b>	<b>8.22</b>	<b>8.43</b>	

Previously, the indicator was calculated as: 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, as per GRI guidelines.

GROUP LEVEL	2021	2020	2019
Average number of training hours per employee	6.68	4.49	7.90
Average number of training hours per female employee	4.06	4.63	7.00
Average number of training hours per male employee	7.70	4.44	8.24

The new formula used to calculate this indicator was retroactively applied to 2020 and 2019 to provide an accurate reflection of the indicator's evolution.

Distribution by entity showed that the highest weight was obtained in Rompetrol Gas. For a total of 96 employees, there were 145 training modules implemented (mostly authorizations/ reauthorizations), cumulating a number of 3,367 training hours.

MULTIPLE TRAININGS / ENTITIES	EMPLOYEES
KMG Rompetrol	203
KMG Rompetrol Services Center	135
Midia Marine Terminal	65
Rominserv	457
Rom Oil	6
Rompetrol Downstream	234
Rompetrol Gas	145
Rompetrol Quality Control	54
Rompetrol Rafinare	435
Rompetrol Well Services	73
<b>Romania Total</b>	<b>1,807</b>

The average number of training hours per employee in the reporting period was 8.75. As of the 31st of December 2021, 5,321 Group employees were provided with a total of 29,327 training hours.

TRAINING / ENTITIES	HOURS
KMG Rompetrol	1,864
KMG Rompetrol Services Center	1,658
Midia Marine Terminal	2,447
Rominserv	5,827
Rom Oil	48
Rompetrol Downstream	3,681
Rompetrol Gas	3,367
Rompetrol Quality Control	727
Rompetrol Rafinare	8,659
Rompetrol Well Services	1,049
<b>Romania Total</b>	<b>29,327</b>

## Performance review

We believe it is our corporate responsibility 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 (1.8%), middle management (8.4%) and non-management (89.8%).

In 2021, 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 2021, our development programs covered both professional and personal development, addressing issues like leadership, communication, personal branding, etc.

For the managerial population 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.

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.

## 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 - courses specific for each field.

During the reporting period, the **Management Development Program** included mainly online training courses and activities, continuing the focus on the development of management competencies. Almost all middle managers developed their management skills and leadership competencies, by attending Practical Leadership & Hybrid Teams, Recruiting Skills and Spotting Talent, Process Communication Model training courses. The main objective of the program was to develop a strong leadership bench fed by a focus on high potential people, an essential priority for business growth and success. 148 persons participated in the program in 2021.

There was strong commitment from the senior management to continue this program in the future, so our company will continue to invest in developing its future leaders and identify and retain talents.

The **Dealer Development Program** was organized online as well. For the first time, it also addressed gas stations employees - Shift Leaders and Gas Station Managers. 367 gas stations employees enrolled in all 7 online trainings, with a total of 25 modules:

1. Development of leadership skills;
2. Time management;
3. Employee performance management;
4. Art of feedback;
5. Improvement of work-life balance;
6. Skills for a successful communication;
7. Discovery of one's own strengths.

To create an organizational culture based on innovation, the **Encourage Innovation** program oversaw the implementation of various projects, including workshops and ideas contests which tackled topics like new business ideas or social responsibility challenges.

As part of the **Top E-learning Platform** program, employees continued to have access to 2 digital learning platforms with unlimited access to more than 5,000 video courses covering business, creative and technology topics. The platform provides 240 curated learning paths and access to more than 800 industry experts chosen from around the world. 260 employees used the platforms in 2021, accessing more than 400 courses and 7,000 videos.

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.

The **Refinery Fundamentals & Economics** program also carried on in 2021. It consisted in learning sessions facilitated by one of our senior experts in the field who offered useful information about Petromidia Refinery. 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 80 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.

**GRI**  
GRI 403-6  
GRI 11.9.7

**IPECA**  
SHS-2 C1  
SOC-6 A1, A2, A3, A4, C1, C2, C3

## PEOPLE'S HEALTH AND WELL-BEING

We take care of our people, and we consider their health a priority. In the COVID-19 context of 2021 we took 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.

In Romania, we signed contracts with the main medical providers of COVID-19 testing services and organized recurrent testing sessions for all employees. Also, we supported employees with appointments for testing in medical clinics, as means to limit the potential contamination of our colleagues both in the offices and production departments. We also provided support with registration in the electronic COVID-19 vaccination scheduling platform provided by the authorities. Moreover, to encourage our employees to get vaccinated and to fully recover after vaccination, we granted a day off after vaccination.

Ever since the pandemic's debut, we have implemented a 'Work from Home' model for all eligible employees and in the low-incidence periods we enabled the 'Hybrid model' (2 days' work from office & 3 days' work from home) and enforced 'Flexy Time', to ensure staff rotation and distancing. As additional support, employees could use office and computer equipment at home, to ensure proper home working conditions.

Constant communication of the preventive measures imposed by the authorities helped our employees stay informed and safe. We provided advice on all the internal rules and regulations in place for a healthy and safe environment at work and organized informative sessions about the COVID-19 vaccination with highly respected medical figures in Romania.

Beyond the current pandemic context, 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 market, covering hospitalization and surgery, and life insurance, covering serious diseases. The services included in the corporate plan are free of charge for all employees. Furthermore, employee family members can also benefit of 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 throughout the working schedule. There, a doctor can assist and offer first aid support.

Moreover, to prevent serious diseases among Rompetrol employees we have planned 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.

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: family and care events, stress management and mindfulness, hobbies and cultures, themed workshops, health education and prevention, nutrition and hydration, financial coaching and education, financial contribution for extraordinary life circumstances. In 2021, we continued and even diversified all the initiatives, to respond to the specific employee needs identified in the pandemic context, including psychotherapy counselling services in one of our main locations.



## WORKFORCE ENGAGEMENT

We want to continuously inspire and motivate employees to get involved in their communities, to share forward their knowledge, skills, and kindness.

In 2021, we redefined our working methods (e.g., online/video trainings, workshops, events rather than face-to-face activities) and created a framework to balance work and home when they happen in the same space (sessions for employees and content created to support the new work model and collaboration).

Specific staff engagement actions included: work from home and hybrid working models, online development actions, recurrent team gathering via Teams and workshops on different topics. When re-designing the working model, we drew from our experiences in order to prepare for the future and build an organizational culture based on safety and trust.

We developed programs that place people in the center of our strategy and help us get to know each other better, beyond our job titles and professional achievements. One such program was "**Rompetrol Fuels People's Passions**", which gave us the chance to discover the activities that bring energy to our colleagues, whether creating jewelry, sewing Romanian blouses, or cooking.

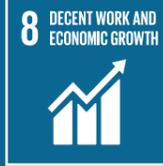
Through the **Meet our People** section on our website Career page, we brought forward the colleagues that inspire us every day and shared their stories with the world. Also, part of our endeavor to keep our people engaged, we shall continue to publish interviews with our colleagues in the internal magazine to promote them and their achievements.

Moreover, as part of the Group's employee engagement plan, in 2021, we launched a program that quickly became extremely popular among our colleagues: **Share It Forward**. The initiative was designed as a two-pillar-program with the scope to consolidate business information, to fuel passions and encourage a healthy lifestyle in the Rompetrol community. Many of our colleagues chose to join the circle of change and become agents within our community by facilitating sessions and promoting a healthy behavior. Following these sessions we received enthusiastic feedback and this is proof that Share it forward is one of the many initiatives we need in order to improve our wellbeing.

Also, we plan to continue to organize **internal sessions** on different themes of interest to our colleagues, as they proved to have great impact, be extremely appreciated and provide the opportunity communicate directly with the management and other key persons in the organization or outside it.

In 2022, we plan to extend our internal actions to local communities and develop a new online platform containing a marketplace with good deeds ideas, volunteering opportunities and impactful community initiatives addressed to our employees. The purpose of the platform is to have a positive impact on organizational engagement and retention while also responding to environment challenges and addressing education and social needs.

SUSTAINABLE  
DEVELOPMENT  
GOALS



# SAFETY

## Introduction

**KMG International QHSE framework**

**Rompetrol Rafinare**

**Rompetrol Downstream & Rompetrol Gas**

**Rominserv & Rompetrol Energy**

**Rompetrol Well Services**

The safety of our employees represents a top priority across all Group entities and operations, being a crucial part of our strategy and the way we do business. To ensure the safety and well-being of each employee we have been implementing and constantly updating extensive safety standards and procedures in an attempt to consolidate our "safety first" culture.

<b>GRI</b>	GRI 11.9.5	EM-SV-320a.2
GRI 403-1	GRI 11.9.6	EM-EP-320a.2
GRI 403-4	GRI 11.9.8	<b>IPIECA</b>
GRI 403-5	GRI 11.9.9	SHS-1 C1, C3, A1
GRI 403-7	<b>SASB</b>	
GRI 403-8	EM-RM-320a.2	
GRI 11.9.2	EM-MD-540a.4	

## INTRODUCTION

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.

Our risk-based approach follows a clear set of standards aligned with national and international regulatory requirements. 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 non-operational 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.

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 practices:

- **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 Observation Cards (HOC)** program - ensures early identification of potential hazards and proper definition of mitigation and control measures.

In order to reduce the likelihood of high-impact catastrophic incidents, we make sure that risks in high-hazard and strategically important operations are being properly managed. We deliver a full range of dedicated activities in this respect, including

targeted inspections and audits, assessments of safety cases. Should we identify any failings in control systems they are rapidly managed and thus any risks to workers, the community or the environment are reduced.

Health & safety committees are active throughout the Group's operations and business units. They comprise of management representatives, labor administration and employees, as well as union representatives, with the scope to ensure full compliance with the applicable legislation, as well as to incorporate everyone's opinions on how KMG International may improve health and safety. Committees meet regularly and minutes from each meeting are recorded and kept for future reference.

Moreover, the Group performs regular QHSE-related trainings, both in-house and outsourced, covering its entire workforce. All operative and non-operative personnel is trained periodically with respect to QHSE related topics according to the approved training plans.

### KMGI Group QHSE Policies:

- Global QHSE Policy
- Defensive Driving Policy
- Alcohol, Drugs and Contraband Policy
- Rules and Disciplinary Action Policy
- QHSE Training Policy
- Emergency Situation Policy
- 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

<b>GRI</b>	GRI 416-2	<b>SASB</b>
GRI 3-2	GRI 417-1	EM-RM-320a.1
GRI 3-3	GRI 417-2	EM-SV-320a.1
GRI 403-3	GRI 11.3.3	EM-EP-320a.1
GRI 403-5	GRI 11.9.4	<b>IPIECA</b>
GRI 403-6	GRI 11.9.6	SHS-1 C2, A1
GRI 403-9	GRI 11.9.7	SHS-3 C1, C2, C3, C4, A2, A3, A4
GRI 403-10	GRI 11.9.10	SHS-7 C2, A1
GRI 416-1	GRI 11.9.11	

## KMG INTERNATIONAL QHSE FRAMEWORK

Aside from the professional risks entailed by the Group's activity specific, in 2021 we had to continue dealing with the effects of the COVID-19 pandemic in the workplace. In this context, the QHSE function played a critical role in the Group's response to the pandemic by developing specific guidance for businesses. This focused on the practical measures needed to work safely while monitoring their implementation, disseminating relevant information, and continuously adapting decisions to the pandemic evolution.

In the second pandemic year, our employees could work safely from home, in the offices or on the front line, on our operational sites. However, to make this possible, new policies were developed and implemented, advising on new COVID-19 controls and safe systems of work. Further risk assessments were conducted to address different working situations. Biological factor risks were included in the risk assessment plan for every entity and job site by the dedicated occupational health committees within the Group.

Since the beginning of the COVID-19 pandemic, the following actions were conducted, according to the internal COVID-19 prevention and management procedure:

- Implementation of Hybrid / Work from home model;
- Antigen Rapid Testing for suspected contacts;
- Regular disinfection of the offices;
- Face masks and antiseptic gel provided to employees;
- Vulnerable employees (over 60-year-old, chronic diseases) worked from home;
- Protective masks were worn at work in closed

spaces, as well as in open spaces in the presence of more than 3 people;

- Meetings of groups larger than 3 people were forbidden;
- Body temperature checks to provide entry on business premises;
- People with symptoms / suspected of SARS-Cov2 virus infection (headache, rhinorrhea, sneezing, sore throat, loss of smell) or who were direct contacts had to communicate the situation to their supervisor, who in turn reported to company HSE/HR departments (to take the required actions);
- If necessary, lunch breaks were granted gradually, respecting the minimum physical distance of 2 m in the dining area; each employee had to eat separately, keeping the required physical distance;
- Outside the office / workplace, social interactions were limited to a maximum of 3 people, respecting the 2-meter distance required and wearing protective masks;
- Access of visitors (third parties) inside administrative buildings and / or inside the secondary offices was restricted. Visits of third parties at the company's headquarters/ secondary offices were forbidden, except for service providers, correspondence and/ or meetings with authorities that were allowed in dedicated spaces only.

In 2021, KMGI Group contracted a professional health services provider to comply with all the occupational health requirements. Furthermore, KMGI HQ had an onsite medical facility with a medic present eight hours a day every weekday.

Regretfully, 2021 marked a dark page in our Group's history, following a tragic incident at Petromidia Refinery. On July 2nd a technical incident led to an explosion followed by fire in the Diesel Hydrotreating unit. Four employees were injured, of which 3 had fatal injuries. The incident is currently under investigation by national authorities. In the meantime, to identify potential root cause(s) that led to the explosion, along with improvement measures to avoid any potential reoccurrence of such incidents in the future, an independent investigator was contracted. Based on their recommendations, an action plan was approved comprising several directions and measures to be addressed, including:

- increasing safety layers in refinery Hydrotreaters
- HAZOP studies review by a specialized 3rd party
- continuing the automation process in the refinery.

## Safety Performance

- Starting 2020, LTIR – Lost Time Injury Rate replaced the HSE Index as reference KPI in evaluating the HSE performance across the Group. This KPI reflects the coefficient of work-related accidents resulting in loss of working days. It also includes fatalities and victims following catastrophic and major vehicle crashes. More precisely, it is calculated as the total number of injuries following work-related accidents multiplied by a million and divided by the total number of worked hours.
- The Group concluded 2021 with a 0.46 LTIR (Lost Time Injury Rate). The three fatality cases recorded at Petromidia Refinery caused a 27 Fatal Incident Rate. Also, 2 first aid cases were reported in 2021 at Group level.
- By comparison, the LTIR was 0.25 in 2020 and 0.26 in 2019. This shows that, after a couple of years of plateau, the Group indicator was dramatically impacted by the high severity incident that occurred at Petromidia Refinery over the summer of 2021. For an even wider context, in 2018, the Group recorded a LTIR of 0.15.
- In 2022, we will continue to focus on increasing the level of safety in the workplace and conduct all required training programs to increase awareness of the importance of performing our activity in a safe working environment. Also, we will continue to monitor the safety performance across all Group affiliates.

## Safety Indicators

INCIDENTS / ENTITIES		WORK HOURS	FTL	FAC	MTC	RWDC	DAFWC	LTI	TRI
Trading & Supply Chain	KMG Trading (Vector Energy)	3,996	0	0	0	0	0	0	0
	Rompetrol Turkey	840	0	0	0	0	0	0	0
	Midia Marine Terminal	414,426	0	0	0	0	0	0	0
	Byron Shipping	17,308	0	0	0	0	0	0	0
Retail & Marketing	Rompetrol Downstream (Romania)	783,499	0	0	0	0	1	1	1
	Rompetrol Bulgaria	140,396	0	0	0	0	0	0	0
	Rompetrol Georgia	1,964,159	0	0	0	0	0	0	0
	Rompetrol Moldova	2,008,279	0	1	0	0	0	0	0
	Rompetrol Gas	171,639	0	0	0	0	0	0	0
Production	Petromidia refinery	1,561,248	3	0	0	0	1	4	4
	Vega refinery	335,660	0	0	0	0	0	0	0
Upstream	Rompetrol Well Services	255,964	0	0	0	0	0	0	0
	Oilfield Exploration Business Solutions	6,283	0	0	0	0	0	0	0
Industrial Services	Rominserv	958,007	0	1	0	0	0	0	0
	Rompetrol Energy	56,238	0	0	0	0	0	0	0
Non-core	KMG Rompetrol	751,959	0	0	0	0	0	0	0
	Rompetrol Services Center	1,171,700	0	0	0	0	0	0	0
	Rompetrol Quality Control	327,714	0	0	0	0	0	0	0
<b>KMG International</b>	<b>Total year to date (reported mo.)</b>	<b>10,929,315</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>5</b>

FTL= Fatality  
 FAC = First Aid Case  
 MTC = Medical Treatment Case  
 DAFWC = Days Away from Work case

RWDC = Restricted Work Days Case  
 LTI = Lost Time Injury  
 TRI = Total Recordable Injury/Illness  
 MVC = Motor Vehicle Crash

Formulas:  
 LTI = FTL + DAFWC  
 TRI = FTL + MTC + RWDC + DAFWC

## Safety Rates

INCIDENTS / ENTITIES		FIR	LTIF	TRIR
Trading & Supply Chain	KMG Trading (Vector Energy)	0	0	0
	Rompetrol Turkey	0	0	0
	Midia Marine Terminal	0	0	0
	Byron Shipping	0	0	0
Retail & Marketing	Rompetrol Downstream (Romania)	0	1	1
	Rompetrol Bulgaria	0	0	0
	Rompetrol Georgia	0	0	0
	Rompetrol Moldova	0	0	0
	Rompetrol Gas	0	0	0
Production	Petromidia refinery	192	3	3
	Vega refinery	0	0	0
Upstream	Rompetrol Well Services	0	0	0
	Oilfield Exploration Business Solutions	0	0	0
Industrial Services	Rominserv	0	0	0
	Rompetrol Energy	0	0	0
Non-core	KMG Rompetrol	0	0	0
	Rompetrol Services Center	0	0	0
	Rompetrol Quality Control	0	0	0
<b>KMG International</b>	<b>Total year to date (reported mo.)</b>	<b>27.45</b>	<b>0.46</b>	<b>0.46</b>

**FIR** = Fatal Incident Rate – The number of work related fatal incidents X 100.000.000 (100 million)/ total number of worked hours

**LTIF** = Lost Time Incident Rate – The number of all lost time injuries (fatalities + days away from work cases) X 1.000.000/ total number of worked hours

**TRIR** = Total Recordable Injuries Rate – Total rate of total recordable injuries (Fatalities + Days away from work cases + Restricted work days cases + Medical treatment cases) X 1.000.000/ total number of worked hour

KMG Group monitors HSE Contractor indicators, as a best practice, and to ensure that the same level of operational excellence is shared by our contractors.

The Group engaged in its operational activities over 8,301 contractor employees, counting at the end of 2021 - 4,183,311 contractor man-hours and 47,076,003 driven kilometers (including all fuel transportation logistics), with no lost time injury. The most severe contractor incidents in 2021 were one case of non-occupational fatality (stroke) that occurred on our premises and one case of motor vehicle crash that resulted in the rollover of a fuel delivery road tanker.

2021 safety performance was impacted by an incident that occurred in December 2020, recorded as Lost Time Incident, as a field refinery operator suffered a spine fracture following his fall from height. Following this incident 260 medical leave days were recorded in 2021.



## Motor Vehicle Safety

INCIDENTS / ENTITIES		L	S	M	C	TOTAL MVC	KM DRIVEN	MVCR
Trading & Supply Chain	KMG Trading (Vector Energy)	0	0	0	0	0	1,000	0
	Rompetrol Turkey	0	0	0	0	0	500	0
	Midia Marine Terminal	0	0	0	0	0	308,849	0
	Byron Shipping	0	0	0	0	0	133,413	0
Retail & Marketing	Rompetrol Downstream (Romania)	0	0	0	0	0	5,040,355	0
	Rompetrol Bulgaria	0	0	0	0	0	626,207	0
	Rompetrol Georgia	0	0	0	0	0	513,020	0
	Rompetrol Moldova	0	0	0	0	0	1,413,024	0
	Rompetrol Gas	0	0	0	0	0	133,629	0
Production	Petromidia refinery	0	0	0	0	0	699,679	0
	Vega refinery	0	0	0	0	0	55,876	0
Upstream	Rompetrol Well Services	1	0	0	0	1	1,435,494	0
	Oilfield Exploration Business Solutions	0	0	0	0	0	58,700	0
Industrial Services	Rominserv	0	0	0	0	0	1,166,994	0
	Rompetrol Energy	1	0	0	0	1	128,778	0
Non-core	KMG Rompetrol	0	0	0	0	0	540,000	0
	Rompetrol Services Center	0	0	0	0	0	662,400	0
	Rompetrol Quality Control	0	0	0	0	0	376,814	0
<b>KMG International</b>	<b>Total year to date (reported mo.)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>13,294,732</b>	<b>0.00</b>

MVC= Motor Vehicle Crash (Accident)

MVCR = Motor Vehicle Crash Rate

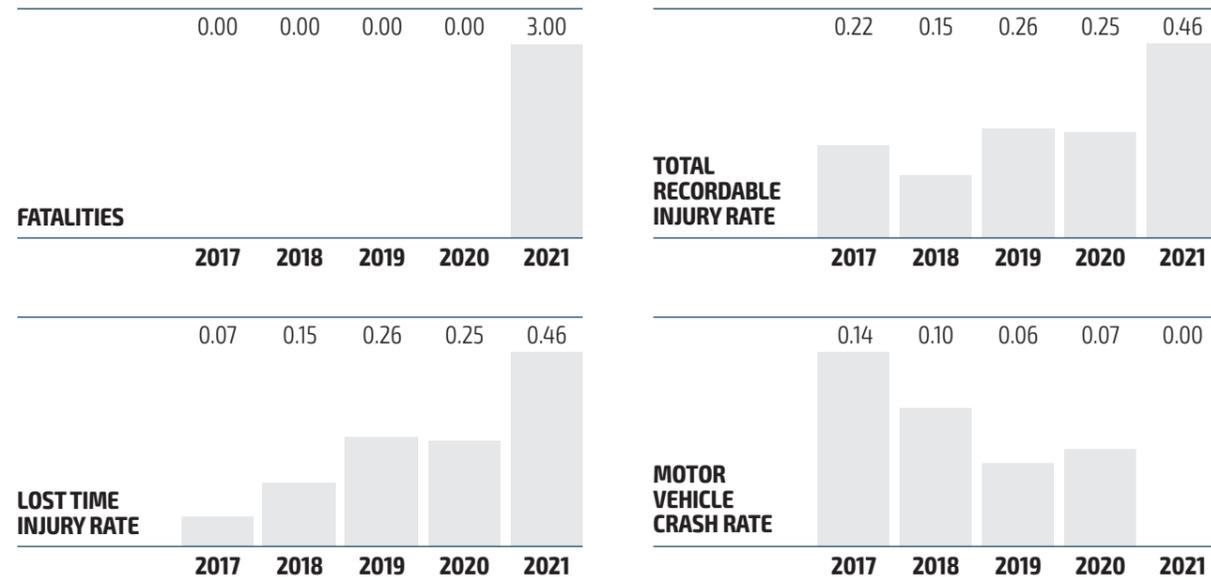
L = Light: any minor car accident not falling into another category

S = Serious: any KMG International entities vehicle that cannot be driven from the scene by own resources (towing, platforms, etc.)

M = Major: any car accident involving injuries to any KMG International entities personnel

C = Catastrophic: any car accident involving loss of life (fatality) of any KMG International entities personnel

## Comparative view of safety indicators and rates



## HSE Index

GROUP DIVISIONS	WORK HRS.	KM DRIVEN	Safety Incidents - Numbers				Safety Incidents - Rates				HSE INDEX
			FTL	TRI	MVC M+C	MVCT	FIR	TRIR	MVCR	LTIF	
<b>OPERATIONAL BLOCK</b>	<b>7,401,450</b>	<b>8,925,552</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>40.53</b>	<b>0.68</b>	<b>0</b>	<b>0.68</b>	<b>0.20</b>
<b>Trading &amp; Supply Chain</b>	<b>436,570</b>	<b>443,762</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KMG Trading (Vector Energy)	3,996	1,000	0	0	0	0	0	0	0	0	0
Rompetrol Turkey	840	500	0	0	0	0	0	0	0	0	0
Midia Marine Terminal	414,426	308,849	0	0	0	0	0	0	0	0	0
Byron Shipping	17,308	133,413	0	0	0	0	0	0	0	0	0
<b>Retail &amp; Marketing</b>	<b>5,067,972</b>	<b>7,726,235</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.20</b>	<b>0</b>	<b>0.20</b>	<b>0</b>
Rompetrol Downstream	783,499	5,040,355	0	1	0	0	0	1.28	0	1.28	0
Rompetrol Bulgaria	140,396	626,207	0	0	0	0	0	0	0	0	0
Rompetrol Georgia	1,964,159	513,020	0	0	0	0	0	0	0	0	0
Rompetrol Moldova	2,008,279	1,413,024	0	0	0	0	0	0	0	0	0
Rompetrol Gas	171,639	133,629	0	0	0	0	0	0	0	0	0
<b>Production</b>	<b>1,896,908</b>	<b>755,555</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>158.2</b>	<b>2.1</b>	<b>0</b>	<b>2.1</b>	<b>0.8</b>
Petromidia Refinery	1,561,248	699,679	3	4	0	0	192.2	2.6	0	0	1.0
Vega Refinery	335,660	55,876	0	0	0	0	0	0	0	0	0
<b>INDUSTRIAL SERVICES BLOCK</b>	<b>1,276,492</b>	<b>2,789,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Upstream</b>	<b>262,247</b>	<b>1,494,194</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rompetrol Well Services	255,964	1,435,494	0	0	0	1	0	0	0	0	0
Oilfield Exploration Business Solutions	6,283	58,700	0	0	0	0	0	0	0	0	0
<b>Industrial Services</b>	<b>1,014,245</b>	<b>1,295,772</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rominserv	958,007	1,166,994	0	0	0	0	0	0	0	0	0
Rompetrol Energy	56,238	128,778	0	0	0	1	0	0	0	0	0
<b>CORPORATE SUPPORT BLOCK</b>	<b>2,251,373</b>	<b>1,579,214</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KMG Rompetrol	751,959	540,000	0	0	0	0	0	0	0	0	0
G.S.S.	1,171,700	662,400	0	0	0	0	0	0	0	0	0
Rompetrol Quality Control	327,714	376,814	0	0	0	0	0	0	0	0	0
<b>Group Total</b>	<b>10,929,315</b>	<b>13,294,732</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>27.45</b>	<b>0.46</b>	<b>0</b>	<b>0.46</b>	<b>0.14</b>

FTL = Fatalities

TRI = Total Recordable Injuries

MVC= Motor Vehicle Crash (Accident)

MVC M+C = Motor Vehicle Crash Major + Catastrophic

MVCT = Motor Vehicle Crash Total

FIR = Fatal Incident Rate

TRIR = Total Recordable Incident Rate

MVCR = Motor Vehicle Crash Rate

LTIF = Lost Time Injury Frequency

## Proactive Safety Indicators

GROUP DIVISIONS	ENTITIES	HOC-I	HOC-S/C	QHSE-TH	F/E-D	QHSE-A/I
Trading & Supply Chain	KMG Trading (Vector Energy)	0	0	0	0	0
	Rompetrol Turkey	0	0	0	0	0
	Midia Marine Terminal	97	93	2,497	40	186
	Byron Shipping	0	0	35	0	0
Retail & Marketing	Rompetrol Downstream (Romania)	292	291	9,264	74	2,025
	Rompetrol Bulgaria	13	9	11	19	1,138
	Rompetrol Georgia	137	82	964	12	76
	Rompetrol Moldova	667	660	4,442	930	195
	Rompetrol Gas	0	0	116	17	3
Production	Petromidia refinery	901	694	1,082	40	310
	Vega refinery	228	219	297	27	94
Upstream	Rompetrol Well Services	1,939	1,939	814	14	160
	Oilfield Exploration Business Solutions	0	0	44	0	0
Industrial Services	Rominserv	381	358	2,550	2	462
	Rompetrol Energy	199	192	1,142	0	177
Non-core	KMG Rompetrol	0	0	1,272	0	0
	Rompetrol Services Center	0	0	4,761	105	11
	Rompetrol Quality Control	68	67	1,333	29	359
<b>KMG International</b>	<b>Total year to date (reported mo.)</b>	<b>4,922</b>	<b>4,604</b>	<b>30,624</b>	<b>1,309</b>	<b>5,196</b>

**HOC** = Hazard Observation Card - potential Incident: an unsafe practice or hazardous situation that could result in an incident if not corrected (incident did not occur)  
**HOC-I** = Hazard Observation Card Issued  
**HOC-S/C** = Hazard Observation Card Solved / Closed  
**QHSE-TH** = Quality Health Safety Environmenty Training Hours  
**F/E-D** = Fire / Emergency Drill  
**QHSE-A/I** = Quality Health Safety Environmenty Audits / Inspections - any audit/inspection performed by KMG International QHSE department, second party, third party, KMG International (top and middle management) etc.

In 2021, of the 4,922 nonconformities issued, 4,604 were closed (93% closing rate). The Group registered 8 near miss cases, 10 property damage cases, 2 first aid cases, 2 DAWFC and 3 fatalities.

There weren't any occupational illnesses reported by the Group during the reporting period. However, 13 non-occupational illnesses were recorded. Most of the cases of non-occupational illnesses were not severe and didn't result in medical leave. For reference, the Group recorded 37 occupational illnesses in 2019 and 5 in 2020.

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 weak points and improvement opportunities.

Subsequently, specific statistics and reports are delivered with various frequencies (weekly/ monthly/ quarterly/ half-yearly/ annual/ upon request), in order to meet internal requirements and compliance obligations.

**At Group level, a consolidated number of more than 5,000 inspections and audits were performed in 2021, with a non-conformities closing rate of 93%. We continued to investigate incidents and health and safety concerns in line with our internal policies, seeking timely completion of non-fatal investigations.**

## Reactive Safety Indicators

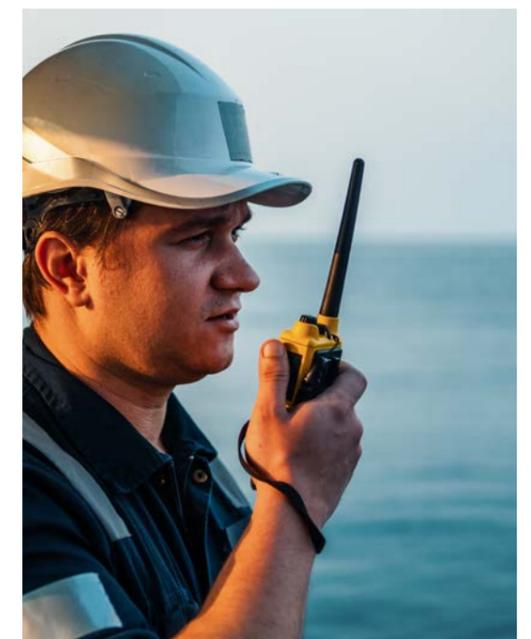
GROUP DIVISIONS	ENTITIES	PD	OI	NOI/F	NM	SN	AI	AP
Trading & Supply Chain	KMG Trading (Vector Energy)	0	0	0	0	0	0	0
	Rompetrol Turkey	0	0	0	0	0	0	0
	Midia Marine Terminal	0	0	4	0	1	9	1,190
	Byron Shipping	0	0	0	0	0	0	0
Retail & Marketing	Rompetrol Downstream (Romania)	1	0	0	1	0	315	7,215
	Rompetrol Bulgaria	2	0	1	2	0	33	120
	Rompetrol Georgia	1	0	0	0	0	19	0
	Rompetrol Moldova	4	0	0	1	0	3	0
	Rompetrol Gas	0	0	0	0	0	33	0
Production	Petromidia refinery	0	0	8	1	0	28	13,592
	Vega refinery	0	0	0	1	0	12	8,938
Upstream	Rompetrol Well Services	1	0	0	1	0	0	0
	Oilfield Exploration Business Solutions	0	0	0	0	0	0	0
Industrial Services	Rominserv	1	0	0	0	0	3	0
	Rompetrol Energy	0	0	0	1	0	0	0
Non-core	KMG Rompetrol	0	0	0	0	0	0	0
	Rompetrol Services Center	0	0	0	0	0	0	0
	Rompetrol Quality Control	0	0	0	0	0	4	0
<b>KMG International</b>	<b>Total year to date (reported mo.)</b>	<b>10</b>	<b>0</b>	<b>13</b>	<b>8</b>	<b>1</b>	<b>459</b>	<b>31,055</b>

**PD** = Property damage    **OI** = Occupational illness    **NM** = Near-miss    **AI** = Authority inspections  
**NOI** = Non-occupational illness/fatalities    **SN** = Spills number    **AP** = Authority penalties (USD)

Safety performance reviews are also conducted during yearly management reviews with the active involvement 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.

Aside for the safety procedures and processes carried out at Group level and across all Business Units, KMG International places high focus on health and safety training, with more than 1,300 fire drills and more than 30,000 hours of QHSE training provided in 2021 alone. This is consistent and similar to the previous years with the main difference being that online training was even more present throughout 2021.

Furthermore, in addition to the trainings provided by the QHSE function, 268 employees participated in environment, HSE, civil defense and emergency situations trainings provided by the Group's HR department.

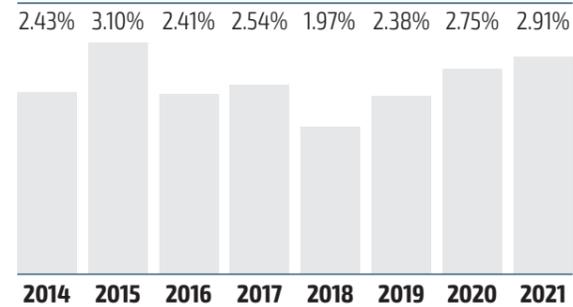


## Absenteeism rate

Employee absenteeism in 2021 saw a slight increase, with higher rates being observed in women compared to men, similar to the previous years. Most cases can be attributed to employee medical leave, which recorded slightly higher rates in women compared to men. The indicator is also reflective of workforce ageing and the factors associated with the process, while the current epidemiological context also had an important role to play in the overall situation.

REGIONS	WOMEN	MEN	TOTAL
Romania	4.17%	2.68%	3.16%
Near-abroad	3.68%	2.15%	2.48%
Group level	4.03%	2.46%	2.91%

### EVOLUTION OF ABSENTEEISM RATE



## Safety of products and services

All companies in the Group comply with the best practice code whereby operators are required to provide details of marketed products in conformity with the NP 004/2003 technical standard (normative) on fueling station design and operation, according to the legislation which sets the minimum requirements for fuel market introduction.

For all our products, we are diligent in conducting thorough hazard and regulatory assessments and developing comprehensive and publicly displayed Material Safety Data Sheets (MSDS), each containing 16 sections according to Regulation (CE) no.1907/2006 (REACH), amended and supplemented by Regulation No. 453/2010 (EU) and Regulation (EC)1272/2008 regarding classification, substances and mixtures amending and supplementing Directive 67/548/EC.

Starting June 1, 2021, Safety Data Sheets are prepared or updated according to Regulation (EU) 2020/878 amending and supplementing Regulation (CE) no.1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals and

ENTITIES	WOMEN	MEN	TOTAL
Byron Shipping	0.58%	1.36%	1.04%
KMG Rompetrol	4.47%	0.69%	2.65%
KMG Rompetrol Services Center	3.16%	1.24%	2.68%
Midia Marine Terminal	4.82%	1.78%	2.48%
Palplast	0.50%	3.60%	2.92%
Rominserv	3.45%	3.35%	3.37%
Rominserv Valves IAIFO	7.60%	6.30%	6.55%
Rompetrol Downstream & RomOil	4.07%	1.88%	2.59%
Rompetrol Gas	0.71%	2.25%	2.06%
Rompetrol Logistics	0.00%	0.00%	0.00%
Rompetrol Petrochemicals	2.08%	0.00%	2.08%
Rompetrol Quality Control	5.34%	1.89%	4.64%
Rompetrol Rafinare	4.44%	2.93%	3.30%
Oilfield Exploration Business Solutions	0.00%	0.57%	0.37%
Rompetrol Well Services	4.56%	4.17%	4.23%
Rompetrol Development	0.40%	0.00%	0.26%
Rompetrol Energy	2.56%	0.63%	1.05%
Fondul de investiții în energie	8.35%	0.00%	3.59%

Regulation (EC)1272/2008 regarding classification, substances, and mixtures.

Furthermore, Standard Specifications (SS) are provided for all products of the Group companies, which are also documented and publicly displayed. Each SS contains information on product description, properties, limits, test method, quality control, sampling, handling, storage, transport, while the Material Safety Data Sheet of each product contains safety, fire hazard, recycling, and disposal information.

All products are developed in compliance with the REACH regulation, being registered in accordance with the requirements of the European Chemicals Agency (ECHA) and all work points apply the required signaling, in line with CLP requirements.

All companies part of KMG I follow our MSDS and safety labeling regulations. During the reporting period, there were no incidents of non-compliance concerning the health and safety impacts of products and services or concerning product and service information and labeling recorded by Group companies.

<b>GRI</b>	GRI 11.9.11	EM-RM-
GRI 2-25	GRI 11.8.3	320a.2
GRI 403-1 - 10	GRI 11.15.4	<b>IPIECA</b>
GRI 417-1	<b>SASB</b>	SHS-1 C1
GRI 11.9.2	EM-RM-320a.1	SHS-5 C1

## ROMPETROL RAFINARE SA

Rompetrol Rafinare is the largest asset held by the KMG International Group in Romania. The company operates the two refineries of the Group – Petromidia, based in Navodari, Constanta county, together with the only petrochemical division in the country, and Vega Refinery, located in Ploiesti.

KMG International's integrated health and safety management system follows both international guidelines and national industry-specific standards and legal requirement, covering all Group employees across all operations. Referring to the refining operations, the QSH 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.

All workers on both Petromidia and Vega platforms are covered by the Group's occupational health and safety management system. Furthermore, in 2021, 230 employees of contractors in direct relation with Petromidia operations, respectively 160 direct Vega employees of contractors were covered on a monthly basis by the same system.

No grievances related to safety issues were filed by representatives of the local communities relevant for Rompetrol Rafinare in 2021.

### Hazard identification and risk assessment

The "Identification and assessment of occupational safety and health risk factors" procedure establishes the internal risk assessment process, which include:

- 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 occupational safety and health risks (facility/ section/ sector/ department), including for risk-sensitive groups, must be reviewed in the following situations:**

- whenever there are changes or adjustments to technology, work equipment, substances or chemical preparations used, or job roles
- 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.

The evaluation of the current level of risk considers both the specific manifestation of risk factors, as well as the maximum foreseeable consequences on the 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 is carried out regularly by using the description of the technological processes and the work operations involved, job descriptions, free discussions with the job occupants, environmental factor 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 assessments and subsequent decision making on the need to reduce risks
- eliminating the danger or reducing the risks associated with the danger by establishing adequate protection measures.

Rompetrol Rafinare has a detailed prevention and protection plan in place, which is reviewed annually, along with a dedicated QSHE management program. Also, to ensure the prevention and mitigation of occupational health and safety impacts, the company carries out internal inspections for rented facilities and spaces, as well as audits for chemical and noxious chemicals.

## Worker engagement & communication on occupational health and safety

Petromidia	Vega
General Director (President of CSSM)	
HS Coordinator (Secretary of CSSM)	
Employee management representatives with responsibilities for safety and health at work (Refinery Plant Director, Petrochemical Plant Director, Utilities Plant Director, Plant Inspection Director; QHSE 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 meet regularly and minutes from each meeting are recorded and kept for future reference. In 2021, refining QSHE committees within Petromidia and Vega had 4 meetings (quarterly).

Quarterly and annual meetings in which the QSHE activity is presented and discussed address issues like medical activity, medical report, proposals / problems raised by workers regarding QSHE, decisions, status measures, established actions, approval of QSHE documents on which the workers / workers' representatives were consulted depending on the situation. The reports after every committee meeting are also emailed to employees to inform them of the discussions and outcomes. Furthermore, all QSHE committee related documents are also sent to the local labor authorities for record keeping.

As part of the QSHE processes and procedures, both refineries have an operational internal prevention and protection department, structured as follows:

- **Petromidia** - 1 QSHE - Emergency Situations Coordinator, 1 QHSE - Health and Safety Coordinator, 4 QSHE specialists, 2 emergency technical staff
- **Vega** - 1 QSHE 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, 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 are not 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 QSHE issues and encouraging employee participation in the QSHE management system. It is the responsibility of all employees to communicate QSHE concerns, unsafe acts, unsafe conditions, hazards, issues, and reward positively QSHE behavior.

Effective communication ensures that all the KMG International QSHE objectives and policies are clearly understood by all employees, that action plans, standards, procedures, and systems are implemented and that performance is monitored and feedback is provided.

### Promotion of worker health

In 2021, 99.9% of the Petromidia workforce and 100% of Vega workers were subjected to the mandatory annual check-up, according to the Rompetrol Rafinare "Monitoring staff health" internal procedure. The Group's external collaborator for work-related medical services, Medlife, provided a wide range of services, which included:

- prevention and prophylaxis: medical check-ups at employment, periodic medical check-up (annually) and medical check-up at job switch, resumption of work after accident, childcare time-off including emergency assistance
- recommendations for additional clinical and paraclinical investigations
- participation in the professional risk factors assessment team
- free consultations and tests for different medical specialties annually
- discounts on various consultations and lab tests for employees and family members.

In 2021, there were 3 fatalities recorded by Petromidia Refinery, as a result of an explosion followed by fire in the Diesel Hydrotreating unit. With a Lost Time Injury Rate of 2.8, Petromidia also recorded 1 DAFWC and 1 near miss, along with 7 non-occupational illnesses. Of 624 nonconformities issued (internal inspections and external controls), 531 were closed (85% closing rate).

There were no fatalities, no days away from work cases or non-occupational illnesses recorded among Vega staff. The refinery had 1 near miss in 2021 and a NC closing rate of 96% (228 nonconformities issued vs. 219 closed).

### QSHE training

The internal QSHE 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 carried on in the online application IKNOW which also enables online testing. Platform access training for contractors, subcontractors, entity employees spans 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.

Periodic training can take place 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 must meet the same requirements (duration 8 hours).

In 2021, there were 1,040 hours of training carried out by Petromidia Refinery (contractors, subcontractors, rescuers, licensed issuers, annual retraining of own staff) and 300 hours of training by Vega Refinery.

### Product safety

Rompetrol Rafinare (RRC) carries out various activities associated with existing chemical substances and preparations on-site, including manufacturing, distribution (import/export), use, temporary storage, transport, handling and recovery / disposal of generated waste. The applicable regulatory requirements for the classification, labeling, packaging, storage and safety signaling within Rompetrol Rafinare operations are observed throughout the life cycle of the chemical substance / preparation.

The personnel involved in the handling of chemical substances and preparations is instructed by the hierarchical superior with regards to the associated risks, hazard classification, danger phrases (H) and precautionary statements (P).

Chemicals (substances and/or preparations) whose shelf life has been exceeded and which have been damaged during storage and can no longer be used are classified as waste and managed in accordance with internal procedures. The management of packaging resulting from the use of chemicals and preparations is done in accordance with the applicable procedures.

In 2021, 39 Petromidia Refinery and 15 Vega Refinery substances went through the process of Registration, Evaluation and Authorization and Restriction of Chemicals (REACH REGULATION (EC) no. 1907/2006) as well as REGULATION (EC) NO. 1272/2008 on the classification, labeling and packaging of substances and mixtures (CLP). They all complied with all relevant regulations in place.

Rompetrol Rafinare only produces Euro 5 fuels and only processes sulfurous oil. All RRC fuels and VEGA bitumen are certified by the Romanian Automotive Registry. 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 - minimum requirements for market introduction of fuel amended by GD no. 80/2018. Bitumen is designed according to SR EN 1259:2009 (paving grade bitumen); SR EN 14023:2010 (polymer modified bitumen) and certified by Romanian Auto Registry.

The safety data sheets of the substances/mixtures produced by the company are constantly updated and were also revised in 2021, in accordance with Regulation 878/2020, considering both the recommendations/ requests of the departments involved in providing specific data and information and those of customers/users.

In 2021, Rompetrol Rafinare continued to deliver only Euro 5 fuels (max Sulphur content 10 mg/kg) on the domestic market and a content of biofuel of minimum 8 % in volume for gasoline and minimum 6,5% in volume for Diesel fuel (in compliance with Law No. 311/2018).

Vega Refinery continued to focus on the solvents' production (SE 30/60, n-Hexane, White spirit), naphtha gas, liquid, and heavy fuels, for heating, normal road bitumen and bitumen modified with polymers.

<b>GRI</b>	GRI 416-1	GRI 417-2	GRI 11.9.2	<b>SASB</b>	EM-MD-540a.3
GRI 2-25	GRI 416-2	GRI 11.3.3	GRI 11.9.11	EM-MD-540a.1	EM-MD-540a.4
GRI 403-1 - 10	GRI 417-1	GRI 11.8.3	GRI 11.15.4	EM-MD-540a.2	

## ROMPETROL DOWNSTREAM SRL AND ROMPETROL GAS SRL

Rompotrol Downstream and Rompotrol Gas, affiliated companies of Rompotrol Rafinare, migrated in 2020 to the ISO 45001: 2018 standard. This standard focuses on determining the relevant stakeholders (business environment, community) for occupational health and safety 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. QSHE regulations primarily address workers and describe the way in which specific 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.

The factors considered in the development and implementation of the health and safety management system governing the activity of all Rompotrol Downstream & Rompotrol Gas working 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.

### Factors considered in the development and implementation of the QHSE management system

#### Organizational factors

1. Safety culture of the organization
2. Resources (human and financial)
3. Work patterns (shift systems, night shifts or extended hours)
4. Communication – how effective the organization is at using various communication methods to convey health and safety messages and relevant information to the workforce

5. Level of supervision and responsibilities – In both Rompotrol Downstream and Rompotrol 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 that poorly designed displays and controls can contribute to the likelihood of human error
3. Procedures – the existence and quality of working 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. Training

To improve safety, health, and security practices, we follow a full transparency policy, which involves informing clients of our ISO certifications, our OSH management system and QHSE Policy. Furthermore, investment projects regarding the implementation of new technologies (electric charging, replacement of old work equipment), regular revision of occupational health and safety regulations, monthly regulatory information, QHSE global alerts and a comprehensive incident investigation report and measure plan add to the policies and procedures in place and contribute to the improvement of our occupational health and safety practices.

Rompotrol Downstream and Rompotrol Gas do not participate in national or international forums addressing OSH practices, however, we closely follow any updates in legal requirements and we make sure our activities are in full compliance with the applicable regulations.

Regarding any potential safety impacts on our communities, we regularly inform all stakeholders about our QHSE policy. Moreover, we send out 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.

We also consider health and safety competencies in the selection process of our contractors. In this respect, we are asking for documents such as: a copy of their health and safety policy, examples of risk assessments and method statements, qualifications and training records of staff, membership of a professional organization or certified body, names of previous or current clients to use as references, accident history records etc.

External companies carry out the transportation of people, of general goods and fuels. Agreements with third-party contractors include dedicated 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.

### Hazard identification and 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 directions for conducting internal investigations for 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 QHSE, technical and financial requirements in the tender/selection procedure. Some of the occupational health and safety requirements may be eliminatory. Subsequently, throughout the course of the contract, suppliers are evaluated at certain time intervals established in the contract. Each service contract is annexed to the occupational health and safety convention, which delimits the QHSE and Emergency Response responsibilities between the supplier and the beneficiary.

Every year, local authorities carry out SEVESO inspections on the 6 depots operated by Rompotrol

Downstream and the 3 depots operated by Rompotrol 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 (ISCI), Local Metrology Offices, Water and Environmental Agencies, the National Research & Development Institute for Mining Safety and Protection against Explosions (INSEMEX).

There were 3 grievances filed against Rompotrol Downstream by local communities (in the proximity of gas stations) which were either closed or pending remediation in 2021:

- Voluntari Afumați Gas Station (2020) – noises from carwash equipment – ongoing remediation
- Valea Oltului Gas Station (2020) - noises from carwash equipment - closed
- Mogoșoaia Depot (2021) - exceeding wastewater indicators discharged into the drainage channel of the National Land Improvement Agency (ANIF) – ongoing remediation

There were no grievances filed by local communities with regards to the operations of Rompotrol Gas during the reporting period.

In 2021, there were neither pipeline incidents nor accidents from rail transportation as part of Rompotrol Downstream or Rompotrol Gas operations. All natural gas and hazardous liquids pipelines were inspected. As a general rule, the Warehouse Manager performs a daily 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 in within Rompotrol Downstream and Rompotrol Gas for both depots and gas stations, as follows:

- **Depots** - projects were implemented in proportion of 90% in Rompotrol Downstream's case and 100% for Rompotrol Gas regarding the 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.

- **Gas stations** – project was fully implemented - 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.

### Worker engagement and communication on occupational health and safety

The participation and consultation of workers is carried out by their elected representatives, in line with ISO 45000 requirements. Employee representatives participate in QHSE Committee meetings, occupational health and safety inspections, internal and external audits, and they are consulted regarding the choice of PPE

Workers are encouraged to report dangerous situations so that corrective action and preventive action can be taken. All these aspects are included in the meeting reports of the regular QHSE Committee

**The PDCA circle is applied following the steps below:**

- Involve everyone in health and safety knowledge based on periodical training sessions and QHSE information
- Identify hazards in our workplace
- Assess risks
- Control risks
- Review controls
- Record and report safety issues
- Support return to work
- Make our workplace healthier
- Regular exercises for fire situations

**Note:** Work instructions, First Aid instructions, Risk register, Periodical medical check, Periodical QHSE Reports, Regular Inspections are provided by the Rompetrol Downstream QHSE Operational Force and local authorities.

Rompetrol Downstream QHSE Committee Structure	
General Director (President of CSSM)	
QHSE Coordinator (Secretary of CSSM)	
3 employees representing the workers on safety and health matters	
3 employees representing the organization on safety and health matters	
Medical Doctor	

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, we have 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.

### Promotion of worker health

Rompetrol Downstream and Rompetrol Gas 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 a health and safety 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 occupational health and safety
- encouraging more physical exercises
- focusing on general prevention (avoid long sitting intervals, regular breaks).

The companies 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 are validated by the HR and QHSE Departments (process applied throughout 2019-2021).

Since the beginning of the COVID-19 pandemic (March 2020), Rompetrol Downstream and Rompetrol Gas 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.

In 2021, there were no events that would qualify as a work accident and/ or occupational illness recorded by Rompetrol Downstream or Rompetrol Gas. No work-related injuries were recorded either, same as the previous years. 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 below.

### Rompetrol Downstream

In 2021, the company recorded a total of 501 COVID-19 cases, of which 500 recovered and 1 fatality. Rompetrol Downstream recorded 783,499 worked manhours, 0 incidents, 0% Fatal incident rate (FIR) and 1% Loss Time Injury Frequency (LTIF).

### Rompetrol Gas

With a total of 171,639 worked man-hour in 2021, Rompetrol Gas recorded 0 incidents, 0% Fatal incident rate (FIR) and 0% Loss Time Injury Frequency (LTIF). Since the beginning of the COVID-19 pandemic, there were 28 cases reported among Rompetrol Gas staff, all recovered and no fatalities.

### 2021 HSE Index

GROUP DIVISIONS	WORK HRS.	KM DRIVEN	Safety Incidents - Numbers				Safety Incidents - Rates				HSE INDEX
			FTL	TRI	MVC M+C	MVCT	FIR	TRIR	MVCR	LTIF	
<b>OPERATIONAL BLOCK</b>	<b>7,401,450</b>	<b>8,925,552</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>40.53</b>	<b>0.68</b>	<b>0.00</b>	<b>0.68</b>	<b>0.20</b>
<b>Trading &amp; Supply Chain</b>	<b>436,570</b>	<b>443,762</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KMG Trading (Vector Energy)	3,996	1,000	0	0	0	0	0	0	0	0	0
Rompetrol Turkey	840	500	0	0	0	0	0	0	0	0	0
Midia Marine Terminal	414,426	308,849	0	0	0	0	0	0	0	0	0
Byron Shipping	17,308	133,413	0	0	0	0	0	0	0	0	0
<b>Retail &amp; Marketing</b>	<b>5,067,972</b>	<b>7,726,235</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.20</b>	<b>0</b>	<b>0.20</b>	<b>0</b>
Rompetrol Downstream (Romania)	783,499	5,040,355	0	1	0	0	0	1.28	0	1.28	0
Rompetrol Bulgaria	140,396	626,207	0	0	0	0	0	0	0	0	0
Rompetrol Georgia	1,964,159	513,020	0	0	0	0	0	0	0	0	0
Rompetrol Moldova	2,008,279	1,413,024	0	0	0	0	0	0	0	0	0
Rompetrol Gas	171,639	133,629	0	0	0	0	0	0	0	0	0
<b>Group Total</b>	<b>10,929,315</b>	<b>13,294,732</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>27.45</b>	<b>0.46</b>	<b>0.00</b>	<b>0.46</b>	<b>0.14</b>

### 2020 HSE Index

GROUP DIVISIONS	WORK HRS.	KM DRIVEN	Safety Incidents - Numbers				Safety Incidents - Rates				HSE INDEX
			FTL	TRI	MVC M+C	MVCT	FIR	TRIR	MVCR	LTIF	
<b>OPERATIONAL BLOCK</b>	<b>7,434,036</b>	<b>8,028,085</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0.13</b>	<b>0</b>	<b>0.13</b>	<b>0.04</b>
<b>Trading &amp; Supply Chain</b>	<b>489,227</b>	<b>440,838</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KMG Trading (Vector Energy)	53,025	12,000	0	0	0	0	0	0	0	0	0
Rompetrol Turkey	9,920	6,000	0	0	0	0	0	0	0	0	0
Midia Marine Terminal	410,402	287,155	0	0	0	0	0	0	0	0	0
Byron Shipping	15,880	135,683	0	0	0	0	0	0	0	0	0
<b>Retail &amp; Marketing</b>	<b>4,924,258</b>	<b>7,071,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rompetrol Downstream (Romania)	779,489	4,163,935	0	0	0	4	0	0	0	0	0
Rompetrol Bulgaria	143,010	619,081	0	0	0	0	0	0	0	0	0
Rompetrol Georgia	1,787,970	641,193	0	0	0	0	0	0	0	0	0
Rompetrol Moldova	2,041,906	1,516,051	0	0	0	0	0	0	0	0	0
Rompetrol Gas	171,883	131,199	0	0	0	0	0	0	0	0	0
<b>Group Total</b>	<b>11,877,026</b>	<b>13,359,620</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>15</b>	<b>0</b>	<b>0.25</b>	<b>0.07</b>	<b>0.25</b>	<b>0.091</b>

## 2019 HSE Index

GROUP DIVISIONS	WORK HRS.	KM DRIVEN	Safety Incidents - Numbers				Safety Incidents - Rates				HSE INDEX
			FTL	TRI	MVC	MVCT	FIR	TRIR	MVCR	LTIF	
<b>OPERATIONAL BLOCK</b>	<b>6,999,397</b>	<b>10,506,896</b>	<b>0</b>	<b>1</b>	<b>6</b>	<b>-</b>	<b>0</b>	<b>0.14</b>	<b>0</b>	<b>-</b>	<b>0.04</b>
<b>Trading &amp; Supply Chain</b>	<b>481,275</b>	<b>484,273</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>
KMG Trading (Vector Energy)	59,929	12,000	0	0	0	-	0	0	0	-	0
Rompetrol Turkey	10,824	6,000	0	0	0	-	0	0	0	-	0
Midia Marine Terminal	395,070	278,506	0	0	1	-	0	0	0	-	0
Byron Shipping	15,452	187,767	0	0	0	-	0	0	0	-	0
<b>Retail &amp; Marketing</b>	<b>4,541,470</b>	<b>9,376,626</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>
Rompetrol Downstream (ROU)	749,132	6,108,292	0	0	2	-	0	0	0	-	0
Rompetrol Bulgaria	134,260	803,551	0	0	0	-	0	0	0	-	0
Rompetrol Georgia	1,480,065	696,253	0	0	0	-	0	0	0	-	0
Rompetrol Moldova	2,005,525	1,581,803	0	0	2	-	0	0	0	-	0
Rompetrol Gas	172,488	186,727	0	0	0	-	0	0	0	-	0
<b>Group Total</b>	<b>11,545,469</b>	<b>15,918,962</b>	<b>0</b>	<b>3</b>	<b>11</b>	<b>-</b>	<b>0</b>	<b>0.26</b>	<b>0.06</b>	<b>-</b>	<b>0.09</b>

GROUP DIVISIONS	WORK HRS.	FTL	FAC	MTC	RWDC	DAFWC	LTI	TRI
<b>Retail &amp; Marketing</b>								
Rompetrol Downstream (Romania)	783,499	0	0	0	0	1	1	1
Rompetrol Bulgaria	140,396	0	0	0	0	0	0	0
Rompetrol Georgia	1,964,159	0	0	0	0	0	0	0
Rompetrol Moldova	2,008,279	0	1	0	0	0	0	0
Rompetrol Gas	171,639	0	0	0	0	0	0	0

GROUP DIVISIONS	FIR	LTIF	TRIR
<b>Retail &amp; Marketing</b>			
Rompetrol Downstream (Romania)	0	1	1
Rompetrol Bulgaria	0	0	0
Rompetrol Georgia	0	0	0
Rompetrol Moldova	0	0	0
Rompetrol Gas	0	0	0

## QHSE training

In compliance with GD 1425/2006 and Law 319/2006, Rompetrol Downstream and Rompetrol Gas provide regular occupational health & safety training and induction training.

- QHSE training at employment and periodically, depending on the job, for a number of about 470 workers (Rompetrol Downstream), respectively 100 workers (Rompetrol Gas)

- 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.

Warehouse managers perform monthly occupational health and safety 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 QHSE 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 and the QHSE departments carry out checks and inspections in the fuel distribution stations. Also, there is a program in place to verify compliance with QHSE requirements by Management, Operational and QHSE Departments. At the same time, there are regular controls and inspections carried out by local authorities with occupational health and safety 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 in client's car, fuel truck and discharge spout
- 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.

## Product safety

Rompetrol Downstream and Rompetrol Gas have dedicated QHSE provisions in their contracts and

agreements with all service providers, including those operating the stations (dealers). Contractors and subcontractors have the obligation to comply with the relevant national legislation regarding occupational safety and health and they are periodically verified and assessed.

Fuels and LPG are labeled according to Regulation (EC) 1272/2008 based on the information in the safety data sheets. Information about the use, impact and risks of the products is detailed in the product labeling system.

In conformity with GD nr. 80/2018, there is an internal monitoring system in place to check fuel quality, while gas stations self-monitor each food category produced in their gastro section. Safety Data Sheets and analysis reports for both fuels & gastro are regularly reviewed and measures for improvement are proposed. Also, there is air-water-soil analysis, waste reporting in place, along with dedicated reports on the quantities of fuel transited and CO2 emissions, including the amount of VOC generated when handling petrol.

Product HSE hazards and risk controls to customers and the general public, including information on transportation and handling of products are communicated by way of:

- safety signaling at pumps, unloading area, store entrance, tank park, pump house
- instructions on how to handle dangerous substances placed on products and in fuel distributions sites
- warnings about potentially explosive atmosphere in risk-exposed areas
- risk assessments.

To encourage sustainable materials consumption, including approaches to reduce, reuse and recycle our products, we provide comprehensive information to our customers, we report on waste management and, in the food areas within the gas stations network, we use biodegradable packing.

According to our product monitoring and self-monitoring programs, in 2021, there were product assessments conducted for all new and existing products and all our SDSs met requirements within their applicable review periods. Furthermore, there were no non-compliances regarding the health and safety or labeling impacts of products and services registered by Rompetrol Downstream or Rompetrol Gas, same as the previous years (2019-2021).

**GRI**  
GRI 2-25  
**IPIECA**  
SHS-1 C1, C2, C3, A1, A2  
SHS-2 C1, C2, C3, A3  
SHS-3 C1, C2, C3, C4, A1, A2, A4  
SHS-4 C1, C2, C3, A1  
SHS-5 C1, C2, C3, A2, A4  
SHS-6 C3, A4

## ROMINSERV SRL AND ROMPETROL ENERGY SA

The occupational health and safety management system of Rominserv, “turnkey” industrial solution provider of KMG International, is developed in compliance with ISO 45001 and law 319/2016. The occupational health and safety management system is constantly improved by continuous assessment via internal audits and follow-ups.

Rompertol Energy, KMG Group member company responsible for the development of the cogeneration plant on Petromidia platform, as a new company on the market, aims to obtain and to maintain certification on the following ISO standards:

- ISO 9001 / 2015
- ISO 14001 / 2015
- ISO 45001 / 2018.

Both companies have contracts in place with external prevention and protection services for the implementation of HSE requirements, like SEVESO III and firefighting system assessments. There is also a program to verify compliance with HSE requirements by Management, Operational Departments and QHSE.

### Hazard identification and risk management

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 HSE Convention and records of the certification of the contractor / subcontractor’s employees prior to any activities carried out on site.

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.

**Contractors are being assessed by the formula below:**

**P QHSE = Input data / LEA**

Input data: accidents / incidents / NCs vs. positive actions

LEA – number of working hours performed by contractor for evaluated month per number of working hours from evaluated month.

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 company and contractor performance. A Protection and Prevention Plan is developed according to legal requirements, after each job risk assessment.

The occupational health and safety management system covers all 4,700 Rominserv external employees and 221 Rompetrol Energy external employees.

Worker engagement & communication on occupational health and safety

The integrated management system includes 4 tools for worker engagement 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. QHSE Committee meetings are held quarterly as per Romanian law requirements, in the presence of employee representatives and an occupational health and safety doctor.

The main tasks of the occupational safety committee include making QHSE development and improvement proposals to the employer, monitoring the implementation of the occupational safety and health policy and internal procedures, along with QHSE training and employee engagement.

### Promotion of worker health

Employees’ health is assessed on a 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, the health services are performed by competent persons with certifications approved by the Ministry of Health and Ministry of Education.

The contractors and subcontractors must have health certificates approved by a certified doctor.

Medical facilities on the premises are available for staff / contractors / subcontractors for medical emergencies. Employees also benefit from private insurance/ subscription in the Medlife healthcare system.

Worker health management is promoted as part of internal communication programs (e.g.: 1 Life/ 1 Viata), via internal decisions and announcements to the entire workforce. Safety indicators are reported quarterly by both staff and contractors/ subcontractors.

The Rompetrol Energy HSE database is used for KPI’s weekly, to analyze the performance of own equipment, employees and contractors / subcontractors. Follow-up actions that may result from this analysis may include:

- Revision of the procedures / method statement / work instructions or risk registry;
- Revision of HAZOP and HAZID’s performed for existing plant and future investments;
- Notification of 3rd parties as per HSE Convention.

In 2021, 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 caused by transport incidents in 2021.

### Rominserv

Rominserv recorded no fatalities, no OSH or road accidents and no work-related injuries. With 1 First Aid Case and 1 Near Miss, Rominserv also registered 59 non-occupational illnesses (COVID-19), of which 58 were Rominserv employees and 1 was a contractor.

- 0 fatalities;
- 0 OSH accidents;
- 0 road accidents;
- 0 fatalities;
- 0 days away from work case;
- 0 restricted workday case;
- 0 medical treatment case;
- 1 first aid case;
- 1 Near Miss;
- 0 rate of fatalities as a result of work-related injury
- 0 rate of high-consequence work-related injuries (excluding fatalities);
- 0 rate of recordable work related injuries.

### Rompertol Energy

We have 7 safety indicators that we constantly 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 %.

We have developed internal safety campaigns like “stop work” and “safety audit” training to address safety incidents. Over the reporting period, Rompetrol Energy had 1 Near Miss case and 3 non-occupational illnesses (COVID-19), of which 2 were Rompetrol Energy employees and 1 was a contractor.

- 221 external employees / 3 months;
- 40,880 work hours / 3 months;
- 34,943 driven kilometers/3 months;
- 0 fatalities;
- 0 OHS accidents;
- 0 road accidents;
- 0 fatalities;
- 0 days away from work case 0;
- 0 restricted work day case 0;
- 0 medical treatment case 0;

- 0 first aid case 0;
- 1 Near Miss;
- 0 rate of fatalities as result of work-related injury;
- 0 rate of high-consequence work-related injuries (excluding fatalities);
- 0 rate of recordable work related injuries.

The most significant incident during the reporting period was a bitumen roof isolation small fire at the old machine hall that was under demolition after an oxy-gas cutting of a metal bridle from the structural concrete beam. Due to improper protection or elimination of combustible material (bitumen roof isolation) for 10 meters from the hot work place, a small fire (3 meters long) in the insulation was produced. The fire was extinguished in about 10 min by contractor and local firefighting company. The oxy-gas cutting was performed for demolition works.

The incident was treated as near miss. Corrective actions taken included establishing a “stop work” campaign for all involved parties, developing a “lesson learned” system for Rompetrol Energy, training of the team on the procedure RPE-QHS-PR-C08-022-R1, training of Site Manager and HSE Supervisors with Emergency Communication flowchart and notification of EPC Contractor as per HSE Convention, followed by informing all the employees, contractors and subcontractors.

### QHSE Training

Training needs are assessed according to a dedicated 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 QHSE 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 in-house for different categories like electricians and riggers.

In 2021, both Rominserv and Rompetrol Energy provided a significant number of training hours for contractors, subcontractors, rescuers, licensed issuers, annual retraining of own staff:

- Rominserv - 2,550 training hours;
- Rompetrol Energy – 1,142 training hours.

### Product safety

Products for external clients are controlled internally before being placed on the market. The safety data sheets of the substances/mixtures produced by the company are constantly updated and were revised in accordance with Regulation 878/2020.

All MSDs, as per European regulation include:

- First aid measures;
- Firefighting measures;
- Handling and storage;
- Protection measures (collective, individual (PPE)), technical (detectors, rescue showers, security signaling, etc.), organizational (intervention plan, evacuation).

Safety Data Sheets are displayed on chemical / product containers and the management of packaging resulting from the use of chemicals and preparations is handled in accordance with the applicable procedures.

To communicate product HSE hazards and risk controls to customers and the general public, we provide trainings on the MSDs of products. Also, to encourage sustainable materials consumption, reduce, reuse and recycle our products, we provide comprehensive information to our customers and we fully comply with the requirements and regularly communicate on our waste management, dangerous substances management, and gas emission reducing efforts.

Our approach to health, safety and environmental management of products addresses:

- monitoring and self-monitoring programs regarding product quality;
- air-water-soil analysis;
- product labeling;
- waste reporting;
- reporting the quantities of fuel transited and CO2 emissions, including the amount of VOC generated when handling oil.

In 2021, there were no non-compliances regarding the health and safety or labeling impacts of products and services at Rompetrol Downstream or Rompetrol Gas.

<b>GRI</b>	<b>SASB</b>	
GRI 2-25	EM-MD-540a.1	SHS-4 C1, A4, A5, A7
GRI 403-1 - 10	<b>IPIECA</b>	SHS-5 C2, A1
GRI 11.8.3	SHS-1 C1, C2, C3, A1	SHS-6 C3
GRI 11.9.2 - 11.9.11	SHS-2 A4	
GRI 11.15.4	SHS-3 C1, C3, A1, A3, A4	

## ROMPETROL WELL SERVICES SA

Rompetrol Well Services QHSE 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 QHSE 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 2021;
- Incident investigation according to Romanian law;
- JSA and Risk assessment for all operations;
- Mandatory trainings, professional trainings.

As part of its QHSE management system, the company provides road safety awareness campaigns, fleet GPS monitoring and defensive driving programs to ensure transport safety (indicators are reported in weekly management meetings).

### Hazard identification and risk management

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. Prizes 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. QHSE issues are addressed in the safety

committee. Moreover, Health and Safety performance is discussed in periodical meetings with contractors.

### Promoting worker health

The company has mandatory medical check-ups in place for all employees, according to the applicable legislation, and additional medical check for professional drivers. They are all confidential (all interested parties have signed GDPR agreements).

Medical check-ups are performed by a contracted doctor in a private medical office located near all RWS locations. All expenses are covered by RWS.

**With a total worked man-hours of 255,620 in 2021, Rompetrol Well Services recorded no fatalities or work-related injuries:**

- TRIR – 0
- LTIR – 0
- Fatalities – 0
- FAR – 0
- FAR – 0

**Rates have been calculated based on 1,000,000 hours worked.**

Since the beginning of the COVID-19 pandemic, there were 13 non-occupational illnesses (COVID-19) recorded in Rompetrol Well Services, of which 1 fatality. Mandatory rules for prevention and protection against the SARS-CoV-2 infection were followed according to the COVID-19 internal procedure implemented at Group level.

There were no pipeline incidents reported in 2021, along with no Tier 1 and Tier 2 process safety events or grievances from local communities.

### QHSE 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.

Product HSE hazards and risk controls to our customers and the general public are communicated in SDSs trainings. Moreover, to monitor, track, evaluate and manage product related incidents, the company uses procedures, simulations, and trainings such as:

- Hazardous Substances Policy
- Chemical Hazard Communication
- Chemical Handling
- Chemical Storage and Disposal
- Chemical Exposure.

All training expenses are covered by the company. Trainings and audits are also extended to contractors, together with communications on various HSE topics.

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

13 CLIMATE ACTION

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

# COMMUNITY

- Overview
- Key projects

We have the responsibility to ensure the safety and wellbeing of our communities. We respond to both today and tomorrow's challenges not only through our products and services, but also through our community engagement and social stewardship.



**GRI**  
 GRI 3-3  
 GRI 11.14.2  
 GRI 11.14.4  
 GRI 11.15.1  
 GRI 413-1 & GRI 55 11.15.2  
 GRI 201-1  
 GRI 203-1  
 GRI 203-2  
**SASB**  
 RT-CH-210a.1  
**IPIECA**  
 SH52-A1  
 SH52-A2  
 SOC9-C1-C3  
 SOC13-C1-C2  
 SOC13-A1-A2  
 SOC13-A5

## OVERVIEW

2021 continued to pose many challenges to our communities due to the COVID-19 pandemic, economic uncertainty, or the inability to participate in in-person activities and events. We continued the efforts of the previous year and adapted our community programs to provide the necessary relief in pandemic-linked activities, while also helping in new ways to support the needs of the community, including through technology and digital applications.

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. 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.

Since the beginning of the COVID-19 pandemic, Rompetrol contributed with over USD 2.5 million to our communities through financial contributions, in-kind donations of goods/fuel, and public events fundraising. 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.

**We target our community support efforts on the following areas that align with our strategy and values:**

## Health and medical relief

We have a long tradition in contributing to causes that promote the health, safety, and wellbeing of our communities. The COVID-19 pandemic has put great stress on social services and disaster response organizations. We responded by making significant contributions and donations to the cause either directly or through relevant NGOs active in the field.

The health crisis that began last year has not yet been solved, so we continue to show solidarity and demonstrate responsibility towards local communities and support medical staff in managing the pandemic. During this period, we are focusing our efforts on supporting affected sectors such as health, as well as implementing various education projects to help children in the rural areas to receive online education, to provide vocational training for young people, and to protect the environment.

**Iskander Abdibaitov**  
 Chief Officer Corporate Development  
 KMG International



## Education and skill development

We invest and get involved in impactful projects that serve the purpose of providing education and opportunity to all people, especially underserved communities - from trainings and internship programs for students and high school students organized by Rompetrol, to partnerships with universities ("Ovidius" University of Constanța, Ploiești Oil & Gas University), equipping rural schools with the technical infrastructure to provide quality online education in times of pandemic (with Dăruiește Aripă), or supporting teachers (through Teach for Romania), leadership programs in education (with the Association for Values in Education - AVE Romania) to non-formal education and vocational counseling projects (together with the CONCORDIA Humanitarian Organization).

## Environmental stewardship

We promote clean air and water, biodiversity, and nature-based climate solutions throughout overall actions devised within our sustainability strategy. One of the ways we do that is by supporting **afforestation** in our areas of operations, as well as across the countries, in areas severely affected by deforestation. Tree planting contributes to the capture of carbon dioxide, with 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.



## Culture

Classical music and film provided much needed relief to many people during the COVID-19 pandemic, acting many times as refuge and psychological support. We continued to nurture our long-term partnerships in the cultural field, by supporting the further development and progression of projects dear to Rompetrol, like the "George Enescu" International Festival and Competition, to only name one. In such hard pandemic situations, solidarity and support are very important, in order to send a message of trust and support the continuity of prestigious cultural events, and implicitly all music artists who promote beauty, love for classical music and values inherited from the Romanian composer.



**In 2022, we will extend long-lasting projects while also advancing new projects that respond to the communities' needs in the areas of interest to both KMG International and all our stakeholders.**



GRI	IPECA
GRI 413-1 & 2	SHS2-A1
GRI 55 11.15.2	SHS2-A2
GRI 203-1	SOC13-A1
GRI 203-2	SOC13-A5

## KEY PROJECTS

### Medical relief for local hospitals

Together with our long-standing partners, the Foundation for SMURD we bought intensive care beds, individually equipped with ventilators, vital signs monitoring system, consoles with injectors, infusion pumps and donated to the **ICU unit of Ploiești County Hospital**.

The donated medical equipment meets all clinical requirements, provides patients in critical condition with continuous monitoring, and care at high intensive care standards. Thus, the AICU capacity at the level of Ploiești County Hospital increased to 20 patients simultaneously.

This continued the effort from the end of 2020, when Rompetrol purchased **four intensive care beds** with all the necessary equipment, which were donated to Constanța County Hospital and Matei Bals Hospital in Bucharest.

### Support for local health centers and paramedics

The Group purchased and donated medical equipment for the health center in Corbu commune, Constanța. The equipment - portable ultrasound, vital functions monitor, defibrillator, stretchers, oxygen concentrator, EKG devices, sterilizer, beds - will serve the 6,500 inhabitants of Luminița, Vadu and Corbu villages. The medical office was recently rehabilitated and employs 3 doctors who provide services to the local community.

We have 1,893 colleagues who work on the Petromidia platform of which 135 live in Corbu commune, and through this project we address them and all those who need medical services locally.

In partnership with the Foundation for SMURD, the Group equipped the Năvodari Health Medical Center with EUR 300,000 worth of medical equipment and supplies:

- microbiology and immunology equipment that will allow the Năvodari Health Center to perform highly complex medical tests (over 50 investigations), from tumor markers and hormonal tests to cultures and exudates, but also SARS-CoV-2 antibody determination: automatic immunology analyzer with UPS, calibrated hygrometer, automatic pipettes, biological safety hood with laminar flow and UV lamp included, calibrated microbiological incubator, autoclave, calibrated densitometer, microscope, automatic analyzer for antibiogram / antifungal identification with UPS, medical refrigerator, mobile UV lamp;
- high-end radiology equipment, which will allow the medical staff to treat a much wider range of medical emergencies.

In 2021 we also supported the SMURD paramedical staff by purchasing modular protective equipment, suitable for the cold season, but also with a smart display for the training center within the Constanța - Palas fire brigade, a center rehabilitated with the support of Rompetrol in 2012.

### Transport facilitation for medical cases

For a second 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 diseases in Constanța County. The project was initiated in March 2018, the first of its kind in Romania, and currently supports 162 children, patients with cancer and severe diseases in Dobrogea and neighboring areas. Children enrolled in the "Circuit of Trust and Hope – Home Care for Children with Cancer" project benefited from home visits where they were monitored, tested, or provided out-of-hospital treatment. Mixed medical teams, which include doctors and nurses from Constanța County Hospital, made more than 160 visits to the homes of children with serious illnesses.

In March 2020, state of emergency was declared as a result of the COVID-19 pandemic evolution, and in the context of a never-before health crisis, children with oncological diseases faced major restrictions as a result of the high risk. To meet their needs, Magic Association and Rompetrol launched "Soul Driver", a project that has mobilized a large community of volunteers with their own cars to ensure the safe transportation of children to the hospital and back home. Since then, Rompetrol has been providing



the fuel needed to transport children in need of cancer treatment, helping families who already bear the burden of high treatment costs. One year in, the project had some impressive outcomes to show for.

**Overall Soul Driver Figures (2020-2021):**

- 6,929 children and accompanying parents
- No COVID cases, no road accidents
- All children arrived on time for treatment
- 337 volunteers enrolled in the project
- 1,156,379 km covered (Romania, Moldova, Ukraine)

**Rompetrol Run and Care**

Run and Care 2021 in figures would look like this: 2,100 runners, 13,650 km, and 27,300 liters of fuel. More than 2,000 people attended the eighth edition of the Rompetrol Run and Care event, which took place on September 18th. The run was individual, respecting the conditions imposed by the pandemic, in any location of the runners' choice. Participants ran distances of at least 2 km, monitored themselves with any mobility application and subsequently published their results on Facebook using the hashtags #rompetrolhospice and #rompetrolmagic.

13,650 kilometers were converted into liters of fuel, which were donated by Rompetrol to support the specialized palliative care services provider HOSPICE Casa Speranței and a similar amount was donated to the Magic Association to support the Soul Driver project. Event participants were colleagues within the KMG International Group and their families, as well as volunteers, passionate runners, high-performance athletes, direct and indirect beneficiaries of the two NGOs, from Romania and other countries. In appreciation of their efforts, the Group planted one tree for each runner in Prahova County in the first part of November.

**Education for underserved communities**

In 2021, KMG International supported the CONCORDIA Humanitarian Organization to fulfill its mission by providing care and education for children and young people in family-type homes, vocational education, vocational training, and counseling, sheltered housing, independent living skills workshops, night shelter, day center for children and community services. Program was carried out mainly in Prahova

County - in Ploiești and Ariceștii Rahtivani, but also in Bucharest and Dâmbovița, providing support to over 2,000 disadvantaged people annually. Financial support during the pandemic also covered food, supplies, clothing and footwear, social and medical care, psychological counseling and therapy, financial education, personal development, and training for independent living for the youth in the state protection system.

14 schools from rural areas in Constanța County were connected to the internet and equipped with laptops and video projectors to facilitate quality education and online classes for over children in secondary and high school. Due to the project implemented by KMG International in partnership with Daruieste Aripa Association (launched in 2020 and continued throughout 2021) 3,181 children now have access to new pedagogical support and an internet connection for additional information while at school and extended support for online the context of the pandemic.

Children are unstoppable, but we need to give them wings to find their way. For many children from vulnerable communities, education is their only chance to fly above the limitations posed by their environment. We are happy to have partners like Rompetrol, understanding the importance of school attendance and participation in classes, regardless of the difficulties we all face.

**Alina Pătrăhău**  
President of Dăruiește Aripa Association

We continued to support Teach for Romania, a non-governmental organization that has developed training programs for teachers motivated to produce positive change and contribute to children's development, inspire them and be agents of change in long-term education. KMG International's support mainly covers rural areas in Constanța County. Teachers engaged in the program conduct various extracurricular activities and projects with a positive impact on the community, thus acting as true leaders among students and parents, colleagues, representatives of local institutions. At the same time, they benefit from counseling in the diversification of activities and methods of classroom teaching - learning - assessment, as well as access to the expertise of multiple key players in the field of international education.

**Driving excellence in education**

The Association for Values in Education - 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 support their Leadership Academy and School Management programs to contribute to the future of education in Romania.

KMG International is partner of the Romanian robotics team AutoVortex Romania, consisting of high school students and students with outstanding international performance - 2021 winners of the International Robotics Championship in Chicago, Robotics Competition held by the Russian Federation Robotics Competition and the Asia Pacific Robotics Championship. Especially for the EXPO DUBAI 2020, the AutoVortex Romania robotics team, supported by Rompetrol, created a humanoid robot, which will interact between October 1, 2021 - March 31, 2022, with the over 25 million visitors from around the world present both physically and online at the event.

"Chess in School" is a project initiated in 2021 in which online chess lessons, visits and open hours or chess competitions were organized for children from Constanța, Prahova and Iași counties. Also, the project supported the development of a chess manual for the 1st, 2nd, and 3rd year of study, printed in over 10,000 copies and distributed to children both in urban and rural areas. Educating children through chess has proven long-term results in developing intelligence, improving self-confidence, increasing exam passing rates, and developing civic spirit.

**20 years of Rompetrol Internship**

2021 marked the 20th anniversary of the internship program "Ready for Your Career", with 48 high school and university students from Constanța, Ploiești, Bucharest, Cluj and Iași being enrolled. For 20 years we have been training future industry professionals through our traditional Internship program, graduated over the years by more 1,500 young people.

Due to the challenging external context, this year's edition was a hybrid between face-to-face and online activities. After comprehensive induction sessions designed to help interns better understand the oil and gas industry, Rompetrol's activities, the fundamentals of a refinery activity and its economic implications, the 48 interns went through 2 weeks of online study, followed by on-site training provided by mentors at Vega and Petromidia refineries, as well as on the Rompetrol Well Services platform.

The online curricula consisted in the development of soft skills: communication, project management, personal branding and other skills required at the start of the career, while on-site learning was focused on technical skills development. The anniversary edition of the program went beyond knowledge transfer and skill development and included a shared value component, the "Community Challenge" project which provoked the interns to also bring change in their communities by addressing real needs and humanitarian causes.



**Civil Society Gala**

Rompetrol has been a partner of the Civil Society Gala for the past 17 years. The 2021 edition included over 130 associations, foundations, initiative groups or individuals with civic initiative identified and implemented those initiatives that help local communities, contributing to the promotion of civic education.

Rompetrol offered a fuel voucher valued at USD 1,000 for each of the 16 winners of the first place in each of the categories of the competition, to support the missions of the projects and the work of the people behind them.

## Planting trees for clean air

In 2021, the Group continued its partnership with EcoAssist Association, withing the “Planting Good Deeds” initiative. The autumn session took place in the city of Ploiești, after the spring campaign carried on in the communes of Blejoi and Mănești, thus covering a total area of 5 hectares planted. The initiative is part of the company’s strategy to combat climate change and its commitment to contribute to the growth of forested areas and ensure clean air for the inhabitants of the Prahova community. On the occasion of the planting campaign in Prahova County, we also fulfilled our promise to the participants in the Rompetrol Run and Care event, which took place in September 2021 - for each participant in the run we planted a tree.

We owe perhaps the most to our forests and, nowadays, we are more and more aware that the path to a beneficial communion with nature is long and difficult. But mandatory. Our mission is, even after these ten years of activity, to grow along with our seedlings. Here, in Ploiești, on the land that covers an ecological landfill, the duty is even higher. It is both awareness and responsibility for all involved. We plant because we love nature.

**Marin Toma**  
President of EcoAssist Association



## Support for arts and culture

KMG International, under the Rompetrol brand, carried on its long-term partnership with the **George Enescu International Festival and Competition**, sponsoring both the musical magic of the International Competition in May – 9 concerts and recitals, along with the finals in cello, violin, and piano - and the Festival in September, when Rompetrol also sponsored the closing concert offered by the Royal Concertgebouw Orchestra in Amsterdam.

- 2021 marked a double anniversary - 140 years since the birth of the Romanian composer and the 25th edition of the Festival regaling the classical music aficionados with 4 weeks of special concerts after a year and a half of restrictions generated by the pandemic.

- The closing concert on September 26, sponsored by Rompetrol, was conducted by Daniel Harding, and had a special program with Wagner, Dvorak, and Bruckner, and what can almost be called a premiere - ‘Pastorale - Fantaisie pour petit orchestre’ by George Enescu, composition which took 118 years to reach the concert hall again.

The 6th edition of the Kazakh Film Festival supported by Rompetrol to facilitate the cultural exchanges between Romania and Kazakhstan took place online in 2021, due to the restrictions imposed by the pandemic evolutions. During the three day of the festival (March 16th – 18th), one of the biggest of its kind in Europe, the following art films were screened: Tomiris (2019) internationally awarded with Grand Prix la L’Étrange Festival in Paris, Walnut Tree | Zhangak Tal (2015), Road to Home | Doroga Domoy (2015).



## Playgrounds for the local community

Through Rominserv, our turnkey industrial services provider, we invested in the construction of four new playgrounds in Ploiești city, in partnership with the local City Hall. The new **playgrounds** are designed to be harmoniously integrated into the urban landscape, being paved with elastic rubber tiles, provided with modern urban furniture, and pleasantly colored playground equipment, all in full compliance with quality and safety standards in force.



SUSTAINABLE DEVELOPMENT GOALS



# MARKETPLACE

- Introduction
- Market overview
- Sustainable suppliers
- Procurement and supply chain operations
- Product sustainability
- Customer satisfaction

Sustainability is constantly observed throughout the Group's entire supply chain, as clear statement that we are dedicated to using our resources in a conscientious manner while, at the same time, improving operations, saving costs, and increasing our productivity.



GRI  
GRI 2-6 GRI 3-3  
GRI 2-8 GRI 11.10.1

## INTRODUCTION

We are aware of the risks entailed by the operations we carry out, which is why our commitment to sustainability has been unwavering. To best leverage our influence and improve efficiency, we have implemented responsible practices not only into direct operations but throughout the Group's entire value chain.

Our supply chain operational activities are conducted in accordance with our corporate policies and guidelines, in a professional, transparent, and ethical environment. This also applies to our network of suppliers, contractors, and subcontractors.

We only work with third parties that constantly operate in line with our company values and in compliance with national and international legislation in the fields of environmental protection, work health & safety, quality management, ethics and anti-corruption, corporate social responsibility, human rights and labor standards.



## MARKET OVERVIEW

2021 continued to be a difficult year for KMG International due to the external context and overall burden on the oil&gas industry, as well as internal developments that affected Group operations and results.

Due to a force majeure fire incident which occurred within the Diesel Hydrotreater Unit (DHT Unit) on Petromidia Platform on July 2nd, 2021, four other refining units, the Naphtha Hydrotreater (NHT), the Catalytic Reformer (CR), the Kerosene Hydrotreater (KERO HT), and the Saturated Gas Plant (SGP) were affected. This led to the entire refinery being shut down for a total of 83 days and a subsequent significant drop in feedstock processing by 1,415,908 tons (24% from the quantity provided in the Income & Expenditure Budget).

The production activities of the Petromidia Refinery restarted at the end of September 2021, with the impacted technological installations being restarted in stages, after a series of restoration works.

The Diesel Hydrotreater Unit (HPM) is still under reconstruction and is scheduled to be restarted during 2022. As a result, the total throughput of Petromidia Refinery during the reporting period was 4.59 million tons, lower by 5.7% compared to the previous year (4.86 million tons).

Given the synergy of the Group's two refining units, Vega refinery was also affected by the incident on the Petromidia platform, registering a total throughput of 321,052 tons in 2021, lower by 11.75% compared to the previous year (363,803 tons).

To ensure sales on the domestic market and within the Rompetrol distribution network in Bulgaria, Georgia and Moldova while the production activity was stopped, the Group imported components for automotive and aviation fuels.

Nevertheless, the cost of sold goods recorded in 2021 was 30% above the budgeted level, the variation being mainly determined by the volatility of the international oil and natural gas market environment that generated higher quotations than included in the budget during the reporting period.

Romanian currency depreciated versus the American Dollar by approximately 10% during the reporting period. However, in terms of yearly average, USD/ RON was traded lower than in 2020, 4.16 versus 4.24 in 2020. In terms of EUR/ RON, the Romanian currency depreciated by approximately 2% versus EUR (4.92 in 2021 versus 4.84 in 2020).

Although the inflation rate reached 8.19% (calculated based on Consumer Price Index – CPI), Standard & Poor's rating agency improved Romania's outlook from negative to stable in 2021. Romanian industrial production showed an increasing trend and retail sales returned in positive territory.

Gasoline cracks against Urals (main crude oil type) recorded an average level of 169 \$/MT in 2021 compared to 81\$/MT in 2020. European gasoline cracks increased to levels last seen in October 2019, supported by growing mobility in EU which sent the ARA (Amsterdam, Rotterdam and Antwerp) hub stocks to their lowest level since 2016 (almost 50% lower y-o-y at a total of 6.2mil bbl.) and by numerous

bookings, especially from the U.S., which was hit by very cold temperatures in February, and by Ida Hurricane in August, disrupting production.

Diesel cracks settled at an average level of 79\$/MT in 2021 vs. 61\$/MT in 2020. Diesel cracks reached their highest value since April 2020 due to increasing exports to the U.S. European domestic demand recovered considerably, supported by rising mobility levels and by a stronger performance of the agricultural and manufacturing sectors, which are fostering diesel consumption for goods transportation.

Jet cracks reached 92\$/MT in 2021 compared to 40\$/MT in 2020, their highest level since the start of the COVID pandemic. This was helped by the removal of quarantine requirements across much of the EU countries and the U.S. Also, favorable import-export dynamics helped the cracks, as flows from the Middle East and Asia to Europe dropped and departures from Europe towards the U.S. saw an upward trend.

GRI	GRI 407-1	GRI 11.10.8	IPEICA
GRI 2-6	GRI 408-1	GRI 11.10.9	SOC-2 C2, C2
GRI 2-8	GRI 409-1	GRI 11.12.2	SOC-14 C1, A3, A7
GRI 204-1	GRI 414-1	GRI 11.13.2	
GRI 308-1	GRI 414-2	GRI 11.14.6	

## SUSTAINABLE SUPPLIERS

KMG International, its subsidiaries and all suppliers operate in full compliance with all applicable national and international laws and regulations with respect to human rights, safe working conditions, promoting fair employment conditions, responsible management of environmental issues and high ethical standards. All these principles are thoroughly detailed in our Supplier Code of Conduct, which is mandatory in any supplier agreement concluded by the Group and its subsidiaries.

All suppliers and their subcontractors must comply with the Group's Supplier Code of Conduct, verify compliance by providing information to the Group, and allow access on their premises for regular assessments. The Supplier Code of Conduct is constantly updated and improved to reflect alignment with local and international regulations, as well as any evolutions with potential impact on our activities.

According to our internal policies and procedures, we conduct extensive screening when selecting suppliers and subcontractors. We routinely monitor our business relationships and address any red flag that may arise. We continually review and measure our performance and that of our suppliers, so that we can improve the quality, efficiency, and effectiveness of our services. As part of our selection process, 100% of the prequalified suppliers are screened using strict environmental and labor practices criteria, which are assessed and improved each year to comprise extended relevant data, in line with international regulations and best practices.

The prequalification is an internal two-step process aimed at obtaining accurate, complete, and updated information of potential suppliers as well as identifying the ones that are financially, reputationally and technically capable of undertaking our projects. This is the reason why, they have to fill in a comprehensive questionnaire and undergo our assessment prior to receiving, reviewing and signing that they respect the ethical principles stated in the KMG International Supplier Code of Conduct and take responsibility for the provided services and products and all data communicated to KMG International, including their commitment to meeting the Group's environmental, labor, social and human rights standards.

Moreover, suppliers are subjected to follow-up, assessment, and monitoring activities on a regular basis as part of the company's risk mitigation efforts, while potential suppliers and contractors go through a complex screening and selection process before any deal is signed with the company. The local procurement function may perform audits of strategic suppliers. Any failed attempt to meet KMG International requirements may ultimately result in contract termination.

In 2021, 324 suppliers were screened against social criteria included in the Group's internal prequalification questionnaire. However the Procurement Function checks all vendors for any acquisition over 10,000 USD. Local capacity assessments were carried out in Romania, Bulgaria, Moldova and Georgia during the reporting period.

No operations and suppliers in which the right to freedom of association and collective bargaining may be at risk were identified in 2021. Moreover, no suppliers at significant risk for incidents of child labor or forced labor were identified during the reporting period.

The proportion of local suppliers during the reporting period was 66% (not including local subsidiaries of multinationals), while the proportion of spending on local suppliers exceeds 80%. In the context of the CoGen project's implementation debut in 2021, 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 (9 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. 0.5 million USD)
- design works 100% contracted with local companies (worth approx. 2 million EUR)
- various equipment contracted from local companies in Romania
- catering services for the entire year (for approx. 100 people) provided by local companies.

The technical-material supply regarding materials and products necessary to develop the activities is achieved by both internal and import sources. The Group's Refining Business Unit, which includes the two refineries, Petromidia and Vega, along with the Petrochemical plant, has the supply sources for the development under good conditions of its activity, and the inventories of raw material and materials are accordingly dimensioned to ensure the continuation of operation of all three entities.

Petromidia Refinery relies on raw materials purchased under important contracts concluded both on the import and on the domestic market. The main raw material used by Rompetrol Rafinare, crude oil, comes exclusively from import, based on firm contracts signed on an annual basis (contract signed for five years in 2021). This ensures the stability and safety that the refinery needs to operate at maximum capacity. The main source of crude oil is Kazakhstan, reaching Romania through Midia Marine Terminal. Other raw materials come from both external and internal sources.

When it comes to the purchase of raw materials, the Group follows the trends and quotations on international markets, and, as a rule, the reference quotation calculation (Brent, Ural) is used. Each year, the level is influenced by fluctuations in the market, by the

<b>GRI</b>	GRI 301-5	GRI 301-14	GRI 301-23
GRI 2-6	GRI 301-6	GRI 301-15	GRI 301-24
GRI 2-25	GRI 301-7	GRI 301-16	GRI 301-25
GRI 201-1	GRI 301-8	GRI 301-17	GRI 301-26
GRI 206-1	GRI 301-9	GRI 301-18	GRI 301-27
GRI 301-1	GRI 301-10	GRI 301-19	GRI 417-1
GRI 301-2	GRI 301-11	GRI 301-20	<b>IPIECA</b>
GRI 301-3	GRI 301-12	GRI 301-21	SHS-5 C1
GRI 301-4	GRI 301-13	GRI 301-22	

## PROCUREMENT AND SUPPLY CHAIN OPERATIONS

The Group's procurement and supply chain operations are responsible for contract and material management, commercial strategies, procurement systems, logistics and indirect procurement. Supply chain operational activities, which generate short and mid-term plans are based on production scenarios, forecasts, annual delivery plans and daily schedules, covering 3 major business areas: feedstock purchasing, planning & production optimization and volumes allocations & overall logistics for all the Group subsidiaries.

international context influenced by geopolitical or economic factors. All factors are ultimately reflected in the level of purchase prices of raw materials.

KazMunayGaz Trading A.G. company, the trader of the KMG International Group, was the one that contracted the amount of crude oil required for the year 2021. KazMunayGaz Trading A.G. is located in Switzerland and is a company specialized in commercial operations with crude oil and petroleum products: it ensures imports of crude oil and other raw materials, and on the downstream side, it facilitates the sale of oil products on foreign markets.

For discharging crude oil from Kazakhstan, The Group uses the modern Midia Marine Terminal, located near Petromidia Refinery. For raw materials and petroleum products loading and unloading in the ports of Constanta and Midia, contracts were signed with service providers such as Conpet S.A., Oil Terminal S.A. and Midia Marine Terminal S.R.L., respectively Decirom S.A. (for solid products).

## Supply and production

### Petromidia Refinery

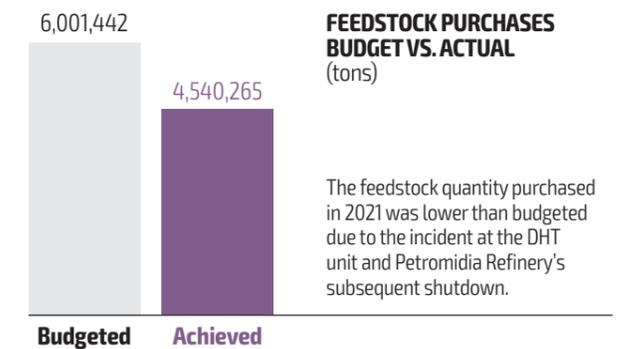
Despite its 83-day shutdown, Petromidia Refinery processed approximately 4.6 million tons of raw materials (4.86 million in 2020), producing 1.13 million tons of gasoline and almost 2.5 million tons of diesel and special aviation fuel. The refinery obtained a white products yield of 86.12% wt, an increase compared to 2020, and the highest diesel and jet fuel efficiency ever achieved, 54.3% wt.

#### STRUCTURE OF PHYSICAL PRODUCTION

Finished products	BUDGETED		ACHIEVED	
	tons	yield	tons	yield
Gasoline	1,489,085	24.81%	1,102,170	24.04%
Diesel fuel	2,942,031	49.02%	2,331,096	50.84%
Jet	246,408	4.11%	155,952	3.40%
Fuel oil	171,315	2.85%	145,930	3.18%
Propylene	158,854	2.65%	109,799	2.39%
LPG	289,013	4.82%	197,921	4.32%
Petroleum coke	242,790	4.05%	199,837	4.36%
Petroleum sulphur	46,598	0.78%	42,086	0.92%
Other products	263,853	4.40%	185,271	4.04%
<b>Total production</b>	<b>5,849,947</b>	<b>97.48%</b>	<b>4,470,062</b>	<b>97.48%</b>
<b>Technological consumption</b>	<b>151,494</b>	<b>2.52%</b>	<b>110,464</b>	<b>2.41%</b>
<b>White products obtained</b>		<b>86.51%</b>		<b>86.12%</b>

The evolution of the crude oil market registered an annual increase of 70.16% as compared to the budget forecast. The price of oil products followed the same upward trend increasing by 68.81% compared to budgetary provisions for 2021.

Crude oil purchase price was budgeted at USD 291.15/ton vs. the actual average final price of USD 494.41/ton. The average value of the finished products was budgeted at USD 365.99/ton but reached an average price of USD 617.81/ton.



All feedstock volumes purchased in 2021 from external sources (4,426,276 tons) were lower than in 2020 (4,730,249 tons). Domestic acquisitions amounted to 89,338 mt, compared to 99,828 tons in the previous year. Volumes transferred from Vega Refinery represented 24,651 tons compared to 27,324 tons in 2020.

Domestic suppliers in 2021:

- Socar Petroleum - methanol
- Prio Biocombustibil, Expur - biodiesel
- OMV Petrom - gasoline component.

STRUCTURE OF DELIVERIES	DOMESTIC		EXPORT		TRANSFER		TOTAL
	tons	share	tons	share	tons	share	tons
Gasoline	301,277	30.88%	674,439	69.12%	-	-	975,716
Gasoline for chemical use	-	-	6,284	4.30%	139,899	95.70%	146,182
Petroleum	114,301	73.69%	29,193	18.89%	11,047	7.15%	154,541
Auto Diesel fuel	1,923,171	82.29%	413,876	17.71%	-	-	2,337,047
Fuel oil	11,607	7.97%	12,795	8.79%	121,235	83.24%	145,637
Propylene propane	-	-	-	-	109,799	100%	109,799
LPG	196,353	100%	-	-	-	-	196,353
Petroleum coke	177,762	86.95%	26,688	13.05%	-	-	204,450
Petroleum sulphur	123	0.32%	38,142	99.68%	-	-	38,265
Other products	35,832	40.71%	-	-	52,182	59.29%	88,014
<b>Total deliveries</b>	<b>2,760,425</b>	<b>62.79%</b>	<b>1,201,417</b>	<b>27.33%</b>	<b>434,161</b>	<b>9.88%</b>	<b>4,396,003</b>

The quantities delivered for domestic consumption include petroleum products marketed on the domestic market. The deliveries to Vega and Petrochemical are included in the "transfer" column.

## Vega Refinery

Vega Refinery, the only domestic producer of bitumen and hexane, processed 321 kt of raw materials in 2021, lower than the previous year. However, it managed to obtain a very good hexane yield (50% wt).

### The main markets for external channel were:

- Hungary, Poland, Bulgaria, Moldova, Slovakia for naphtha
- India, Turkey, Ukraine, Bulgaria, Russia for hexane
- Germany, Hungary, Ukraine, Moldova for ecological solvents
- Bulgaria, Moldova for white spirit.

STRUCTURE OF DELIVERIES	DOMESTIC		EXPORT		TOTAL	
	tons	share	tons	share	tons	share
Bitumen	93,277	100%	-	-	93,277	29.26%
Naphta gasoline	16,332	19.42%	67,748	80.58%	84,080	26.37%
Hexane	3,694	5.40%	64,707	94.60%	68,401	21.46%
Ecologic solvents	666	2.05%	31,891	97.95%	32,557	10.21%
Heavy fuel oil	23,010	100%	-	-	23,010	7.22%
Heating fuels	12,009	100%	-	-	12,009	3.77%
Petroleum and White spirit	2,714	49.69%	2,749	50.31%	5,463	1.71%
<b>Total deliveries</b>	<b>151,702</b>	<b>47.59%</b>	<b>167,095</b>	<b>52.41%</b>	<b>318,797</b>	<b>100%</b>

STRUCTURE OF PRODUCTION	BUDGETED	ACHIEVED
<b>Finished products</b>	<b>tons</b>	<b>tons</b>
Gasoline + solvents	158,123	119,110
n-Hexane	82,142	69,120
White spirit and Comb P	7,889	4,938
Calor Extra I	3,146	4,428
Light oil fuel type III	6,329	6,802
Heavy fuel oil	26,726	21,948
Bitumen	120,421	93,272
<b>Total production</b>	<b>404,776</b>	<b>319,618</b>
<b>WHITE PRODUCTS OBTAINED</b>	<b>BUDGETED</b>	<b>ACHIEVED</b>
Related to total throughput	60.8%	60.2%
Related to commercial products	61.3%	60.4%

## Petrochemical Unit

The Petrochemical unit comprises the petrochemical activity of both Rompetrol Rafinare and Rompetrol Petrochemicals companies. The total polymer production was 106 kt in 2021, a decrease by 26% compared to 2020, due to the non-functioning of the polymer installations between July and September 2021 (lack of necessary raw material). However, the company managed to process a total of 110 kt of propylene, a level similar to that of 2020.

Of the total polymer production, 70,173 tons were PP, and 35,994 tons were LDPE. The average cost for processed raw materials in 2021 reached 907 USD/ton for propane-propylene mixture (budgeted at 487 USD/ton) and 1,505 USD/ton for ethylene (budgeted at 705 USD/ton).

The Low-Density Polyethylene (LDPE) plant of the petrochemical unit operates 100% with imported ethylene, and the Polypropylene (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	BUDGETED	ACHIEVED
<b>Finished products</b>	<b>tons</b>	<b>tons</b>
Polymers, of which	171,910	106,167
Polypropylene (PP)	92,485	70,173
Low-density polyethylene (LDPE)	79,425	35,994
Polymerizable propylene	31,982	15,389
<b>Total production</b>	<b>203,892</b>	<b>121,536</b>

STRUCTURE OF DELIVERIES	DOMESTIC		EXPORT		TOTAL	
Product groups	tons	share	tons	share	tons	share
Polypropylene (PP)	36,471	55%	30,122	45%	66,593	68%
Low-density polyethylene (LDPE)	17,881	57%	13,262	43%	31,143	32%
<b>Total deliveries</b>	<b>54,352</b>	<b>55.61%</b>	<b>43,384</b>	<b>44.39%</b>	<b>97,736</b>	<b>100%</b>

## Sales

Total sales in 2021 were influenced by the July 2nd incident and the subsequent shutdown of Petromidia Refinery. Thus overall traded volumes showed a decrease compared to the previous year. Sales on the domestic market accounted for 70% of total sales, slightly higher than in 2020. External sales had as final destination both the European Community and non-EU countries. Intra-Community deliveries accounted for about 18% of the total finished products sold on the external market, lower than in 2020 (29%).

### Main destinations for sales in 2021 were:

- Gasolines - Gibraltar, Georgia, Tunisia, Turkey, Moldova
- Diesel fuel - Bulgaria, Georgia, Moldova, Greece, Serbia
- Jet fuel - Moldova, Bulgaria
- Petroleum coke - Moldova, Egypt, Serbia
- Petroleum sulphur - Egypt.

The distribution of oil products sold on the domestic market was carried out by road and railway, as well as by barges. On external channels, most of the sales were largely dispatched by sea via the Midia and Constanta ports, but also by road and rail transportation.

Fuel sales (retail and wholesale) amounted to 2.115 million tons, up 6% compared to 2020, while quantities sold in retail increased by 17%. This segment brought total fuel sales (including LPG) to 2.43 million tons, up by 4 percent from 2020.

In 2021, compared to the previous year, the average Platts quotations (FOB Med Italy) expressed in USD (reference currency) increased by 60% for diesel and 75% for gasoline, respectively. In relation to national currency, the international price of diesel increased by 57%, and that of gasoline by 72%, compared to 2020.

The share of motor fuels (gasoline and diesel) reached 84% of total finished products sales. The domestic market absorbed about 67% of total motor fuels sold in 2021. Sales of gasoline and diesel for domestic market intended for national consumption through the fuel distribution stations network covered all areas of Romania. The highest share (approximately 86%) of total motor fuels sold nationwide was represented by diesel sales.

Polymer sales on the international market targeted both the European Community and non-European states. Deliveries within the EU represented approximately 79% of the total finished goods sold on the international market. The distribution of petrochemical products was carried out by road and railway for domestic sales and by road and through maritime transport through the ports of Agigea and Constanța for sales on external channels.

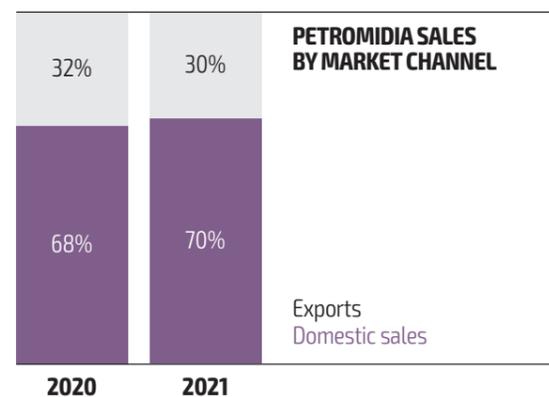
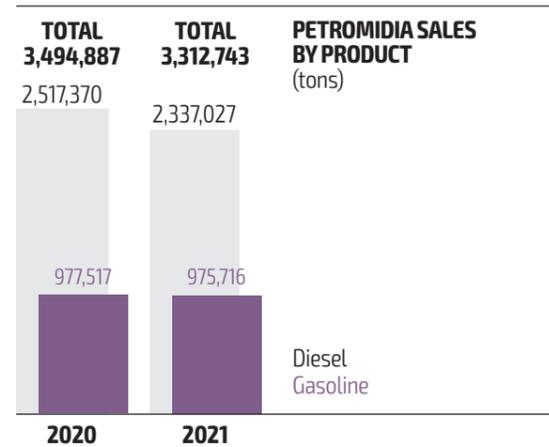
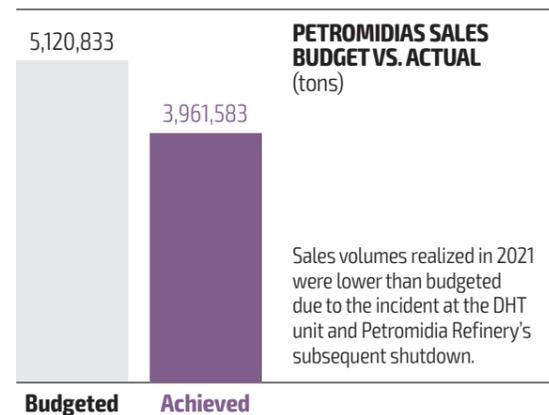
The most important markets for polymer sales (PP, LDPE, HDPE, PET and PVC) in 2021 were Romania, Bulgaria, the Republic of Serbia and Italy. The distribution of the petrochemical products was performed by road and railway for domestic sales, while for the external markets, distribution was performed by road as well as by sea via Agigea and Constanța ports.

The total value of exports in 2021 (by Petromidia, Vega and Petrochemical Unit) amounted to approximately \$959 million, Rompetrol Rafinare maintaining a constant presence in regional markets through the combined efforts of companies to meet the demand for fuels and other petroleum products, despite Petromidia Refinery's non-operation period.

For 2022, the Group is looking into consolidating existing markets, along with penetrating new ones. For the domestic market, Rompetrol's main objective is to continue to increase market share through an extended network of fuel distribution stations at national level.

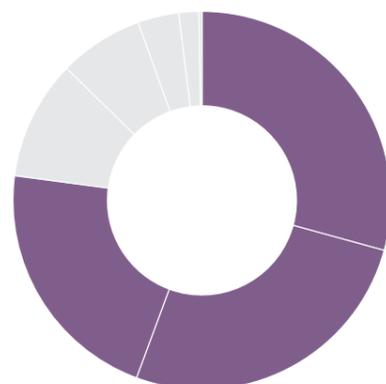
### Petromidia Refinery

Rompetrol Downstream continued to expand its fuel distribution network. During the reporting period, it reached a network of 1,207 units, compared to the 1,061 fuel distribution points at the end of 2020. The distribution network in Romania includes the network of own stations, partner stations and mobile stations: express, internal bases of 9 m<sup>3</sup> and 20 m<sup>3</sup>.



### Vega Refinery

2021 sales of Vega Refinery amounted to 318,797 tons, of which 151,702 tons on the domestic market (48%) and 167,095 tons on external markets (52%). White products sales (naphtha, ecological solvents, n-hexane and white spirit) represented about 60% of total sales during the reporting period.



**VEGA SALES BY PRODUCT**

Bitumen	29.26%
Naphta gasoline	26.37%
Hexane	21.46%
Ecological solvents	10.21%
Fuel oil	7.22%
Heating oils	3.51%
Petrol and White spirit	1.71%
Gasoil -15	0.25%

### Petrochemical Unit

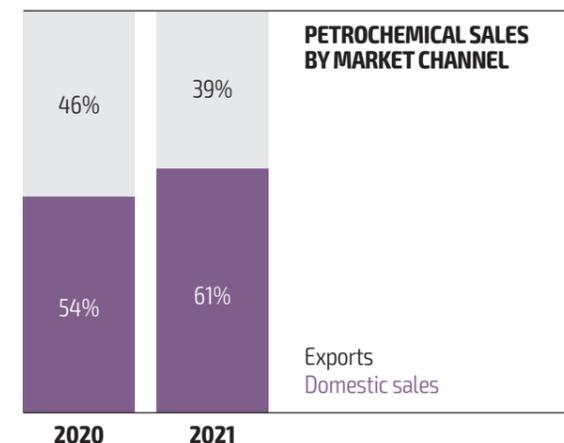
Aside from own products, the company also sells a wide range of third-party products in demand on the Romanian market, like high-density polyethylene variants (HDPE pipe variants), linear low-density polyethylene (LLDPE), PVC, PET and PP. Total sales of the Petrochemical unit in 2021 reached 111,856 tons. 60% of total sales were represented by polypropylene (PP), 28% by polyethylene (LDPE and HDPE) and the remaining 12% represented the sales of propylene and trading activity.

61% of total volumes sold were traded on the domestic market and the rest of 39% went to export. There was a change in the sales structure compared to 2020 in terms of distributing a larger percentage of products on the domestic market. External sales of polymers were directed at both the European Union and non-EU countries. Intra-communitarian deliveries represented approximately 85% of total exports of finished goods, the difference representing the export sales on the non-EU markets.

The most important distribution channels for polymers (PP, LDPE, HDPE, PET and PVC) in 2021 were Romania (55%), Bulgaria (15%), Turkey (11%) and Italy (4%).

The average sale price for finished products in 2021 was 1,635 USD/ton for PP (budgeted at 842 USD/ton) and 2,007 USD/ton for LDPE (budgeted at 923 USD/ton).

**During the reporting period, the refining segment of the Group was subject to several fines from relevant authorities, mostly following the accident on Petromidia platform, in the amount of RON 54,520 (approximately USD 12,000) – SEVESO non-conformities and olfactory discomfort grievances.**



GRI 3-3 GRI 417-1 IPECA SHS-5 C1  
GRI 416-1 GRI 11.3.3

## PRODUCT SUSTAINABILITY

Rompetrol 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 according to GD no. 928/2012 - minimum requirements for market introduction of fuel amended by GD no. 80/2018.

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.

In 2021, Rompetrol Rafinare continued to produce "Diesel 55" and "Efix S Diesel 55" fuel with improved winter properties. Marketed in fuel distribution stations as "Xtreme Winter Efix S", it is designed to be

resistant to temperatures of up to -35 C degrees.

In 2022, the company will continue to deliver only Euro 5 fuels (max Sulphur content 10 mg/kg) and a content of biofuel of minimum 8% in volume for gasoline/ minimum 6,5% in volume for Diesel (in compliance with Law No. 311/2018) to the domestic market. There is no portfolio expansion foreseen for the following reporting period. In terms of Vega proprietary products, the company will continue to be focused on the production of solvents (SE 30/60, n-Hexane, White spirit), naphtha, light and heavy liquid fuels for heating, normal road bitumen and polymer modified bitumen, without any plans to expand its portfolio in 2022.

New grades debuted by the Petrochemical unit during the COVID-19 pandemic represented ~17.4 % of the PP production. If until 2021 the maximum value reached for MFI was 45 [g/10min], at present the PP unit has the capacity to produce grades with MFI up to 67 [g/10min]. J1450, J1500, J1550, J1600 grades were added to current portfolio. Future developments will focus on optimizing current grades and improving their properties by using the last generation of additives (such as RTF3 – thermoforming application). A project to add new capabilities to LDPE production, underway during the reporting period, is set to increase the number of additivated grades to meet actual market demand.

There are 1,747 total active products in Rompetrol fuel distribution stations shop area, of which 252 are local products (14.5%), while 27.2% of total producers (136) represented in the shop area are local (37).

The Group's strategy includes objectives like increasing loyalty and strengthening customer confidence, gaining new customers, and building stronger business relations. Thus, surveys and studies carried out throughout its retail network are aimed at monitoring customer perception, loyalty, customer satisfaction and claims related to the range of products commercialized by the Group.

The objectives of these actions, carried out by the Group's Research Function refer to:

- Obtaining market knowledge - conducting strategic research studies to support business growth: market measurement, market segmentation, customer satisfaction, brand equity, audit of the gas stations network, market potential
- Generating Ideas & Consumer Insights by new approaches / methodologies, ideas generation processes, to contribute, improve, up-grade

GRI 2-29 GRI 418-1 IPECA  
GRI 4-16 GOV-2 A4  
GRI 11.3.3

## CUSTOMER SATISFACTION

We have procedures in place to rate customer satisfaction and claims across our business units, in accordance with international standards ISO 9001:2015 and ISO 14001:2015 for the refining segment, and ISO 9001:2015 and ISO 14001:2015 on OHSAS 45001:2018 for the retail segment.

Each year, KMG International conducts extensive consumer surveys across its operations, to identify its best assets, as well as all segments that might require improvement in terms of customer satisfaction.

products & services and support the decision-making process in marketing

- Offering Support to marketing teams in making based on consumer behavior analysis: identifying the problem, defining the need, extracting the insight, interpreting the research results.
- Following up on research results - workshops on key findings, market performance monitoring following implementation of research results
- Making predictions on brand performance, analysis on market trends

Based on such surveys, The Group constantly implements projects and actions to improve delivery logistics and seeks to improve and expand its product portfolio.

Dedicated Customer Satisfaction or Usage & Attitudes surveys where Customer Satisfaction Chapters were included are carried out regularly within the Group's retail operations. For each business segment and each country the measurement is done on an annual basis.

TYPES OF MARKET KNOWLEDGE ACQUIRED	ROU	BGR	GEO	MDA
Market shares	yes	yes	yes	yes
Consumer behavior	yes	yes	yes	yes
Customer satisfaction	yes	no	yes	yes
Market segmentation	yes	no	yes	yes
Mystery Motorist Audit	yes	no	yes	yes
Shop & Gastro knowledge	yes	no	yes	yes
Market opportunities	yes	yes	yes	yes

**In 2021, Rompetrol was once again selected Romanian Superbrand.** Held under the tagline "Superbrands: The Braves", the 2021 edition was dedicated to all the brave brands that managed to maintain both high quality standards and consumer trust in the context of the global COVID-19 pandemic. The criteria considered in the selection process were reputation, trust, quality and market differentiation. For Romanian consumers, Rompetrol is a creative, strong, modern brand, a reliable partner dedicated to quality, innovation and sustainability.

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.

In 2021, the Rompetrol Go loyalty B2C program reached over 550,000 members, adding 125.000 new members only during the reporting period. Our customers expressed interest and appreciated the various features of our mobile application, with 170,000 accounts created in the application by the end of 2021. No substantiated complaints concerning breaches of customer privacy and losses of customer data were recorded during the reporting period.

The Group is constantly investing in its Customer Service Strategy showing Rompetrol's commitment to providing high quality products and services and meet or even exceed its customers' needs and expectations.

## Competition investigation in the Republic of Moldova

On January 20, 2021, the Competition Council of Moldova ("CCM") performed a dawn raid on the premises of the main 6 oil & gas companies (including but not limited to Rompetrol Moldova) established in the Republic of Moldova based on allegation that the said companies breached the competition law and mutually established the retail prices of petroleum products (including LPG).

The Company rejected the allegations emphasizing the internal control of its activity and the independence of its business views and operations from the actions of other market players.

The company submitted its request to be part of the commitment procedure on May 14, 2021, which means that without recognizing any breach of the competition law, the company undertook to adjust its further commercial approach to mitigate any concerns of the CCM referring to the competition law. However, the CCM rejected the application for commitment from all companies, as well as all subsequent complaints. According to the administrative law, further proceedings are being carried out, following the last rejection of the Company's complaint to the CCM, with the first hearing being set for April 4, 2022.

# APPENDICES

[Financial brief \(IFRS\)](#)  
[Shareholding structure](#)  
[Standards annex](#)  
[Independent assurance report](#)  
[Contacts](#)  
[Stakeholder feedback form](#)

## FINANCIAL BRIEF (IFRS)

### Consolidated financial position

INDICATOR	2021 (USD)	2020 (USD)	2019 (USD)
Total non-current assets	1,336,467,614	1,375,131,743	1,389,144,645
Total current assets	1,144,427,300	971,328,986	1,088,301,424
<b>Total assets</b>	<b>2,480,894,914</b>	<b>2,346,460,729</b>	<b>2,477,446,069</b>
Equity attributable to equity holders of the parent	945,144,610	952,106,544	1,115,445,287
Non-controlling interest	(406,869,820)	(362,768,299)	(260,908,156)
<b>Total equity</b>	<b>538,274,790</b>	<b>589,338,245</b>	<b>854,537,131</b>
Total non-current liabilities	468,640,043	471,662,990	425,712,794
Total current liabilities	1,473,980,081	1,285,459,494	1,197,196,144
<b>Total liabilities</b>	<b>1,942,620,124</b>	<b>1,757,122,484</b>	<b>1,622,908,938</b>

### Consolidated income statement

INDICATOR	2021 (USD)	2020 (USD)	2019 (USD)
Revenue	7,927,357,734	4,895,047,811	9,289,739,299
Cost of sales	(7,628,681,427)	(4,695,317,950)	(8,927,808,493)
<b>Gross profit</b>	<b>298,676,307</b>	<b>199,729,861</b>	<b>361,930,806</b>
<b>Operating profit</b>	<b>(22,689,437)</b>	<b>(121,327,832)</b>	<b>65,811,392</b>
<b>Profit (Loss) before tax</b>	<b>(64,171,735)</b>	<b>(163,061,229)</b>	<b>20,555,080</b>
Income tax	(27,640,977)	(48,286,794)	(17,416,874)
<b>Profit (Loss) for the year</b>	<b>(91,812,712)</b>	<b>(211,348,021)</b>	<b>3,138,206</b>

### 2021 Financial results

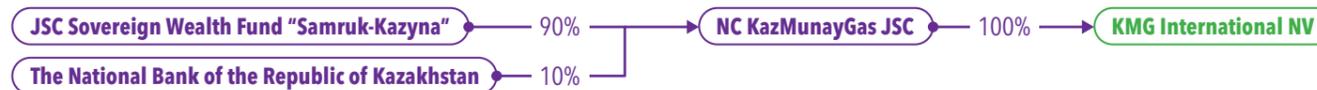
INDICATOR	REFINING (USD)	RETAIL (USD)	TRADING (USD)	NON-CORE (USD)	ADJUSTMENTS (USD)	CONSOLIDATED (USD)
Net revenues	3,067,584,920	2,627,095,575	7,390,656,672	168,838,098	(5,326,817,530)	7,927,357,734
Gross profit	(35,088,550)	236,582,204	37,598,025	49,600,105	9,984,525	298,676,308
CAPEX	43,094,939	26,730,919	1,566,997	36,581,804	1,065,198	109,039,857
Net result	(143,066,008)	27,832,842	16,253,129	(4,229,501)	11,396,828	(91,812,712)
<b>EBITDA</b>	<b>31,892,407</b>	<b>88,947,557</b>	<b>26,549,441</b>	<b>(3,255,181)</b>	<b>19,167,584</b>	<b>163,301,808</b>

# SHAREHOLDING STRUCTURE

**54** LEGAL ENTITIES

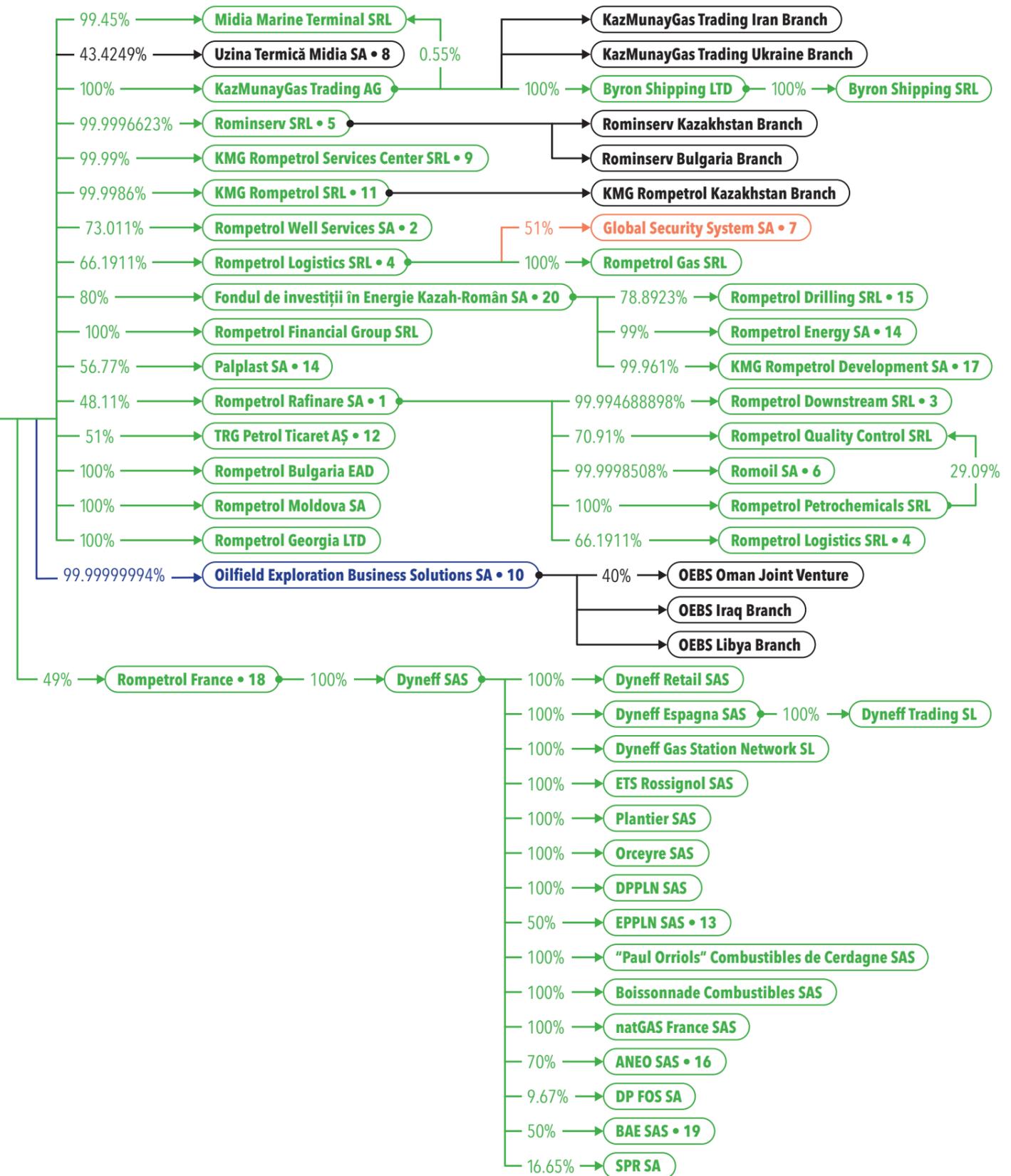
**45** legal entities: joint stock companies, limited liability companies

**9** branches, subsidiaries, representative offices, joint ventures



### Minority shareholders in "•" companies:

- Romanian state - 44.6959% | Rompetrol Well Services SA - 0.0498% | Rompetrol Rafinare SA - 6.4705%
- Minority shareholders - 26.989%
- KMG International NV - 0.005309775% | Rompetrol SA - 0.000001327%
- KMG International NV - 26.7689% | Rompetrol Well Services SA - 6.9803% | Rompetrol Downstream SRL - 0.0597%
- Rompetrol Financial Group SRL - 0.0003377%
- Rompetrol Logistics SRL - 0.0001492%
- Gabriel Badea - 49%
- MEEMA - 56.57503%
- KMG Rompetrol SRL - 0.01%
- Rompetrol Financial Group SRL - 0.00000006%
- Rompetrol Financial Group SRL - 0.0014%
- Hace Downstream BV - 24.5% | Saverra LTD - 24.5%
- Total Marketing France - 50%
- Uzina Termică Midia SA - 21.0697% | Rominserv SRL - 0.038%
- Rompetrol Well Services SA - 1%
- Nicolas Besson - 15% | Philippe Gschwind - 15%
- KMG International NV - 0.038% | Rompetrol Downstream SRL - 0.001%
- CEFC China Energy - 51%, through Anan Asset Management & Equity Investment (Hong Kong) CO. LTD
- Raisinor France - 50%
- Societatea de Administrare a Participațiilor în Energie SA - 20%



## INDEPENDENT OPINION



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### Independent Assurance Report

To the management of KMG International N.V.

#### 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 2021 (the "Subject Matter") contained in the KMG International 2021 Sustainability Report (the "Report").

#### Selected information:

- GRI 2-26 Mechanisms for seeking advice and raising concerns
- GRI 204-1 Proportion of spending on local suppliers
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-7 Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions
- GRI 302-3 Energy intensity
- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 306-3 Significant spills
- GRI 403-5 Worker training on occupational health and safety
- GRI 403-8 Workers covered by an occupational health and safety management system
- GRI 403-9 Work-related injuries
- GRI 404-1 Average hours of training per year per employee
- GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.

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, 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 26 January 2022. 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 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 visits at the Petromidia Refinery and Midia Marine Terminal, 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 2021, in order for it to be in accordance with the Criteria.

On behalf of,  
Ernst & Young Assurance Services S.R.L.  
Partner: Gelu Gherghescu  
28 June 2022  
Bucharest, Romania

# STANDARDS ANNEX

## GRI Content Index

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
<b>GENERAL DISCLOSURES</b>		
GRI 2: General Disclosures 2021	2-1 Organizational details	<b>PROFILE</b> <b>GOVERNANCE</b>
	2-2 Entities included in the organization's sustainability reporting	<b>GOVERNANCE</b> <b>APPENDICES</b> Financial brief (IFRS) 2-2a. All Group entities mentioned in Governance chapter and corresponding Annexes. The entities reported under 2-2-a form the basis for reporting the disclosures in this Standard and for determining the organization's material topics. Reporting focus placed on stock-exchange listed companies (production), supply chain and industrial services. 2-2b. All entities included in KMGi sustainability reporting are also included in the Group's financial reporting, as reflected by the Group annual report and IFRS consolidated statements. 2-2c. There were no adjustments to information for entities with minority interests. Any mergers, acquisitions, and disposal of entities or parts of entities carried out during the reporting period are included in the report."
	2-3 Reporting period, frequency and contact point	<b>INTRODUCTION</b> About this report <b>APPENDICES</b> Contacts
	2-4 Restatements of information	<b>PEOPLE</b> Training and skill development A change in methodology for training hours was applied. Previously, the indicator was calculated as: 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, as per GRI guidelines. The new formula used to calculate this indicator was retroactively applied to 2020 and 2019 to provide an accurate reflection of the indicator's evolution.
	2-5 External assurance	<b>INTRODUCTION</b> About this report <b>APPENDICES</b> Independent opinion
	2-6 Activities, value chain and other business relationships	<b>PROFILE</b> Operations overview Brands Memberships and affiliations <b>GOVERNANCE</b> KMG International N.V. <b>MARKETPLACE</b> Sustainable suppliers Supply chain operations
	2-7 Employees	<b>PEOPLE</b> Employee total headcount and breakdown by gender, region, age, permanent, temporary, full-time & part-time employment, as well as by entity are reported in the Workforce structure title, as headcount average throughout the year Employee turnover and retention, along with new hires, parental leave & return to work evolutions are reported in the Diversity and inclusion title. Report also discloses evolutions regarding employed expats and evolution of promotions within the Group.

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
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	-
					-
					GOV-2 C3, A2
					-
					GOV-1A4
					-
					-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	<b>PEOPLE</b> Workforce structure <b>MARKETPLACE</b> Sustainable suppliers
	2-9 Governance structure and composition	<b>GOVERNANCE</b> KMG International N.V - Management Romp petrol Rafinare SA - Management Romp petrol Well Services SA - Management Rominserv SRL - Management <b>PEOPLE</b> Diversity and inclusion Composition and breakdown by gender, nationality, region of the Group's Board of Directors is covered in the People chapter.
	2-10 Nomination and selection of the highest governance body	<b>GOVERNANCE</b> KMG International N.V - Management Romp petrol Rafinare SA - Management Romp petrol Well Services SA - Management Rominserv SRL - Management
	2-11 Chair of the highest governance body	<b>GOVERNANCE</b> KMG International N.V - Management Romp petrol Rafinare SA - Management Romp petrol Well Services SA - Management Rominserv SRL - Management
	2-12 Role of the highest governance body in overseeing the management of impacts	<b>GOVERNANCE</b> KMG International N.V - Management Romp petrol Rafinare SA - Management Romp petrol Well Services SA - Management Rominserv SRL - Management
	2-13 Delegation of responsibility for managing impacts	<b>GOVERNANCE</b> KMG International N.V - Management Romp petrol Rafinare SA - Management Romp petrol Well Services SA - Management Rominserv SRL - Management
	2-14 Role of the highest governance body in sustainability reporting	<b>INTRODUCTION</b> About this report Material issues within a global context
	2-15 Conflicts of interest	<b>PROFILE</b> Compliance - Conflict of interest procedure
	2-16 Communication of critical concerns	<b>PROFILE</b> Compliance
	2-17 Collective knowledge of the highest governance body	<b>GOVERNANCE</b> KMG International N.V - Management

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
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
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
-	-	-	-	-	GOV-1 C1
-	-	-	-	-	GOV-1 C1, C5, A1
-	-	-	-	-	GOV-1 C1, C5
-	-	-	-	-	GOV-2 C3, A2, A4
-	-	-	-	-	GOV-1 C2, A2, A3 GOV-2 A2 GOV-3 C1, C3, C4, A1
-	-	-	-	-	-
-	-	-	-	-	GOV-1 A1

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	<b>GOVERNANCE</b> KMG International NV - Management <b>PEOPLE</b> Training and skill development
	2-19 Remuneration policies	<b>GOVERNANCE</b> KMG International NV - Management <b>PEOPLE</b> Remuneration, compensation and benefits
	2-20 Process to determine remuneration	<b>PEOPLE</b> Remuneration, compensation and benefits
	2-21 Annual total compensation ratio	Not reported

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
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-1A6
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.	-	-	-
2-20a. 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-1A5 SOC-5A2
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	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	<b>PROLOGUE</b> Message from the Chairman of the Board of Directors Interview with the Chief Corporate Development Officer
	2-23 Policy commitments	<b>PROFILE</b> Compliance Group commitments to responsible business conduct and respect for human rights are included in its Code of Ethics and Business Conduct, which is communicated to all employees and relevant third parties. It is also available on the Group's website: <a href="https://www.rompetrol.com/who-we-are/corporate-governance#">https://www.rompetrol.com/who-we-are/corporate-governance#</a>
	2-24 Embedding policy commitments	<b>PROFILE</b> Compliance <b>ENVIRONMENT</b> Decarbonization strategy <b>MARKETPLACE</b> Sustainable suppliers
	2-25 Processes to remediate negative impacts	<b>PROFILE</b> Compliance <b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rompetrol Gas SRL Romp petrol Energy SA Rominserv SRL <b>SAFETY</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rompetrol Gas SRL Rominserv SRL and Rompetrol Energy SA Romp petrol Well Services SA <b>MARKETPLACE</b> Procurement and supply chain operations
	2-26 Mechanisms for seeking advice and raising concerns	<b>PROFILE</b> Compliance
	2-27 Compliance with laws and regulations	<b>PROFILE</b> Compliance <b>ENVIRONMENT</b> Environmental compliance <b>MARKETPLACE</b> Procurement and supply chain operations
	2-28 Membership associations	<b>PROFILE</b> Memberships & affiliations
	2-29 Approach to stakeholder engagement	<b>INTRODUCTION</b> Material issues within a global context
	2-30 Collective bargaining agreements	<b>PROFILE</b> Compliance <b>PEOPLE</b> Collective bargaining agreements & labor practices

**MATERIAL TOPICS**

GRI 3: Material Topics 2021	3-1 Process to determine material topics	<b>INTRODUCTION</b> Material issues within a global context
	3-2 List of material topics	<b>INTRODUCTION</b> Material issues within a global context

**ECONOMIC PERFORMANCE**

GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>APPENDICES</b> Financial brief (IFRS)
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REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	-	-	-
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
-	-	-	-	-	GOV-1 C2, A2, A3 GOV-3 C1, C3, C4, CCE-1A1 CCE-3 C1, A1, A2 SOC-2 C2, A2 SOC-8 C1, A1, A2, A3, A4 SOC-14 C1, A3, A7
-	-	-	-	-	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	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<b>APPENDICES</b> Financial brief (IFRS) <b>PEOPLE</b> Remuneration, compensation and benefits <b>COMMUNITY</b> Overview <b>MARKETPLACE</b> Procurement and supply chain operations
	201-2 Financial implications and other risks and opportunities due to climate change	<b>APPROACH</b> Mapping our sustainable development risks <b>ENVIRONMENT</b> Environmental strategy and climate-related risks
	201-3 Defined benefit plan obligations and other retirement plans	<b>PEOPLE</b> Remuneration, compensation and benefits
	201-4 Financial assistance received from government	Not reported

MARKET PRESENCE

GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>APPENDICES</b> Financial brief (IFRS) <b>PEOPLE</b> Remuneration, compensation and benefits
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<b>PEOPLE</b> Remuneration, compensation and benefits
	202-2 Proportion of senior management hired from the local community	<b>PEOPLE</b> Diversity and inclusion

INDIRECT ECONOMIC IMPACTS

GRI 3: Material Topics 2021	3-3 Management of material topics	<b>ENVIRONMENT</b> Management approach Environmental compliance <b>COMMUNITY</b> Overview
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	<b>COMMUNITY</b> Overview Key projects <b>ENVIRONMENT</b> Rompétrol Rafinare SA Rompétrol Energy SA <b>PROFILE</b> Brands
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	<b>COMMUNITY</b> Overview Key projects <b>ENVIRONMENT</b> Rompétrol Rafinare SA Rompétrol Energy SA

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
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
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	-	-
-	-	-	-	-	-
-	-	-	-	-	SOC-5 A2
-	-	-	11.11.2 11.14.3	-	SOC-5 C3, A2, A4 SOC 15 C1, A1, A2
-	-	-	-	-	-
-	-	-	11.14.4	-	SHS-2 A1, A2 SOC9-C1, C3 SOC13-C1,C2 SOC13-A1, A5
-	-	-	11.14.5	-	SHS-2 A1, A2 SOC-9 C1, C3 SOC-13 C1,C2 SOC-13 A1, A5 SOC-14 A8

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
<b>PROCUREMENT PRACTICES</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>MARKETPLACE</b> Sustainable suppliers Procurement and supply chain operations
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	<b>MARKETPLACE</b> Sustainable suppliers
<b>ANTI-CORRUPTION</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PROFILE</b> Compliance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<b>APPROACH</b> Mapping our sustainable development risks <b>PROFILE</b> Compliance
	205-2 Communication and training about anti-corruption policies and procedures	<b>PROFILE</b> Compliance KMG International's Anti-Bribery and Anti-Corruption Policy is communicated, easily accessible on the Corporate Intranet and applicable to all Group entities, employees, business units and collaborators. Training on anti-corruption issues is delivered to all employees (including governance body members) and all entities (regions) on a regular basis and to all new hires during induction.
	205-3 Confirmed incidents of corruption and actions taken	<b>PROFILE</b> Compliance No corruption incidents were identified during the reporting period. The Group has zero tolerance to fraud, bribery and corruption acts or dealing with counterparties on International Sanctions lists. It has implemented strong controls in order to ensure that such a risk will not materialize, controls that were reviewed and updated in 2021.
<b>ANTI-COMPETITIVE BEHAVIOR</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>APPROACH</b> Mapping our sustainable development risks <b>PROFILE</b> Compliance
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<b>MARKETPLACE</b> Procurement and supply chain operations
<b>TAX</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>APPROACH</b> Mapping our sustainable development risks
GRI 207: Tax 2019	207-1 Approach to tax	<b>APPROACH</b> Mapping our sustainable development risks The KMG Tax Risk Register, which includes KMG tax strategy and tax risk control measures, is not publicly available.

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	-	-	-
-	-	-	11.14.6	-	"SOC-2 A2 SOC-14 C1, A3, A7, A8"
-	-	-	11.20.1	-	-
The reporting organization shall report the following information: a. Total number and percentage of operations assessed for risks related to corruption.	Information unavailable/incomplete	In 2021, a comprehensive project which included an Anti-Bribery and Anti-Corruption Risk and Control Assessment was initiated (to be completed by June 2022). Assessment results to be provided in the KMG Sustainability Report for the following reporting period (January - December 2022)	11.20.2	EM-SV-510a.2 EM-EP-510a.2	GOV-1 C2 GOV-2 C1, C2 GOV-3 C1, C3, C4, A1
-	-	-	11.20.3	-	GOV-1 A7 GOV-3 C3, A1, A4
-	-	-	11.20.4	-	-
-	-	-	11.19.1	-	-
-	-	-	11.19.2	-	-
-	-	-	11.21.1	-	-
207-1aii The governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review	Information unavailable/incomplete	Information is not provided in the sustainability report	11.21.4	-	GOV 4 C2

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	<b>APPROACH</b> Mapping our sustainable development risks The KMG Tax Risk Register, which includes KMG tax strategy and tax risk control measures, is not publicly available. All disclosures on tax are audited by an external audit provider and included in the Group's annual report and stock market reports"
	207-3 Stakeholder engagement and management of concerns related to tax	Not reported
	207-4 Country-by-country reporting	Not reported

**MATERIALS**

GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>ENVIRONMENT</b> Environmental strategy and climate-related risks <b>MARKETPLACE</b> Procurement and supply chain operations
GRI 301: Materials 2016	301-1 Materials used by weight or volume	<b>ENVIRONMENT</b> Environmental strategy and climate-related risks Romp petrol Raffinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rom inserv SRL <b>MARKETPLACE</b> Procurement and supply chain operations
	301-2 Recycled input materials used	<b>ENVIRONMENT</b> Romp petrol Raffinare SA Rom inserv SRL For Rom petrol Raffinare, the recycled input materials are reported as total weight instead of percentage.
	301-3 Reclaimed products and their packaging materials	Not reported

**ENERGY**

GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>APPROACH</b> Mapping our sustainable development risks <b>ENVIRONMENT</b> Environmental strategy and climate-related risks
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<b>ENVIRONMENT</b> Romp petrol Raffinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rom inserv SRL
	302-2 Energy consumption outside of the organization	<b>ENVIRONMENT</b> Romp petrol Raffinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
"2017-2 b.A description of the mechanisms to raise concerns about the organization's business conduct and the organization's integrity in relation to tax. c. A description of the assurance process for disclosures on tax including, if applicable, a link or reference to the external assurance report(s) or assurance statement(s)."	Information unavailable/incomplete	Information is not provided in the sustainability report	11.21.5	-	-
207-3 a	Information unavailable/incomplete	Information is not provided in the sustainability report	11.21.6	-	-
207-4 a.b.c.	Information unavailable/incomplete	Information is not provided in the sustainability report	11.21.7	-	-

-	-	-	-	-	-
-	-	-	-	EM-RM-000.A EM-RM-000.B EM-MD-000.A	ENV-7 C1
-	-	-	-	-	-
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

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 302: Energy 2016	302-3 Energy intensity	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	302-4 Reduction of energy consumption	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	302-5 Reductions in energy requirements of products and services	<b>ENVIRONMENT</b> Rompetrol Downstream and Rompetrol Gas

**WATER AND EFFLUENTS**

GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>APPROACH</b> Mapping our sustainable development risks <b>ENVIRONMENT</b> Environmental strategy and climate-related risks
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	303-2 Management of water discharge-related impacts	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	303-3 Water withdrawal	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	303-4 Water discharge	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	303-5 Water consumption	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL* Rompetrol Energy SA Rominserv SRL

\* Disclosed, but not per GRI formula

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
					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 2021, 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
-	-	-	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

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
<b>BIODIVERSITY</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> 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	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Energy SA
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Energy SA
	304-3 Habitats protected or restored	<b>ENVIRONMENT</b> 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
<b>EMISSIONS</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>ENVIRONMENT</b> Management approach Environmental compliance Environmental strategy and climate related risks
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rominserv SRL
	305-2 Energy indirect (Scope 2) GHG emissions	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rominserv SRL
	305-3 Other indirect (Scope 3) GHG emissions	<b>ENVIRONMENT</b> Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA
	305-4 GHG emissions intensity	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rominserv SRL
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rominserv SRL
	305-6 Emissions of ozone-depleting substances (ODS)	<b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Rominserv SRL

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	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"	-	-
305-1c.	Biogenic CO2 emissions in metric tons of CO2	Not applicable	KMGI does not use biomass in its operations	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
-	-	-	11.1.8	-	CCE-4 C4
-	-	-	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 a.b.c.d.	Not applicable	There are no emissions of ozone-depleting substances (ODS) generated within KMGI operations (the Group does not import, produce or export any ODS)	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA
<b>WASTE</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>ENVIRONMENT</b> Management approach Environmental strategy and climate-related risks
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA
	306-2 Management of significant waste-related impacts	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	306-3 Waste generated	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	306-4 Waste diverted from disposal	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
	306-5 Waste directed to disposal	<b>ENVIRONMENT</b> Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PROFILE</b> Compliance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<b>MARKETPLACE</b> Sustainable suppliers As part of our selection process, 100% of the prequalified suppliers are screened using strict environmental and labor practices criteria, which are assessed and improved each year to comprise extended relevant data, in line with international regulations and best practices.
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Not reported
<b>EMPLOYMENT</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PROFILE</b> Compliance <b>PEOPLE</b> Workforce structure Collective bargaining agreements and labor practices

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	11.3.2	EM-RM-120a.1 EM-MD-120a.1 EM-EP-120a.1	ENV-5 C1, C2, A1, A2, A3
<b>WASTE</b>					
-	-	-	11.5.1	-	-
-	-	-	11.5.2	-	ENV-7 C2
-	-	-	11.5.3	-	ENV-7 C2
-	-	-	11.5.4 11.8.2	EM-RM-150a.1	ENV-7 C3, A1, A2
-	-	-	11.5.5	-	ENV-7 C3
-	-	-	11.5.6	-	ENV-7 C3, ENV-8 C2, A1, A4
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>					
-	-	-	-	-	-
-	-	-	-	-	GOV-1 A2
308-2 a.-e.	Information unavailable/incomplete	The information is not provided in the sustainability report	-	-	-
<b>EMPLOYMENT</b>					
-	-	-	11.10.1	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<b>PEOPLE</b> Workforce structure Diversity and inclusion
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<b>PEOPLE</b> Remuneration, compensation and benefits
GRI 401: Employment 2016	401-3 Parental leave	<b>PEOPLE</b> Diversity and inclusion
<b>LABOR/MANAGEMENT RELATIONS</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>PROFILE</b> Compliance
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	<b>PEOPLE</b> Collective bargaining agreements and labor practices
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>SAFETY</b> Introduction KMG International QHSE Framework
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<b>SAFETY</b> Introduction KMG International QHSE Framework Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Well Services SA
	403-2 Hazard identification, risk assessment, and incident investigation	<b>APPROACH</b> Mapping our sustainable development risks <b>SAFETY</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Rominserv SRL and Rom petrol Energy SA Romp petrol Well Services SA
	403-3 Occupational health services	<b>SAFETY</b> KMG International QHSE Framework Romp petrol Rafinare Romp petrol Downstream and Rom petrol Gas Rominserv & Rom petrol Energy Romp petrol Well Services"
	403-4 Worker participation, consultation, and communication on occupational health and safety	<b>SAFETY</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Rominserv SRL and Rom petrol Energy SA Romp petrol Well Services SA
	403-5 Worker training on occupational health and safety	<b>SAFETY</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Rominserv SRL and Rom petrol Energy SA Romp petrol Well Services SA
	403-6 Promotion of worker health	<b>SAFETY</b> Introduction KMG International QHSE Framework Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Rominserv SRL and Rom petrol Energy SA Romp petrol Well Services SA <b>PEOPLE</b> People's health and well-being

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	11.10.2	-	SOC-6 A1
-	-	-	11.10.3	-	"GOV-1A5 SOC-5 A2"
-	-	-	11.10.4 11.11.3	-	-
-	-	-	-	-	-
-	-	-	-	11.7.2 11.10.5	-
-	-	-	11.9.1	-	-
"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, C2, C3, A1 SHS-3 C3, C4, A2, A3, A4 SHS-7 C1, C2, A1"
-	-	-	11.9.3	"EM-RM-320a.2 EM-EP-320a.2 EM-SV-320a.2"	"SHS-1 C1, C2, C3, A1 SHS-3 C3, C4, A2, A3, A4 SHS-6 C3 SHS-7 C3, A2"
-	-	-	11.9.4	-	-
-	-	-	11.9.5	-	"SHS-1 C1 "
-	-	-	11.9.6	-	SHS-1 C2
-	-	-	11.9.7	-	SHS-2 C1, A4 SOC-6 A1, A2, A3, A4, C1, C2, C3

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<b>SAFETY</b> Introduction
	403-8 Workers covered by an occupational health and safety management system	<b>SAFETY</b> Rompetro Rafinare SA Rompetro Downstream SRL and Rompetrol Gas SRL Rominserv SRL and Rompetrol Energy SA Rompetro Well Services SA The Group reports workers covered by an occupational health and safety management system in numbers and not percentages.
	403-9 Work-related injuries	<b>SAFETY</b> Rompetro Rafinare SA Rompetro Downstream SRL and Rompetrol Gas SRL Rominserv SRL and Rompetrol Energy SA Rompetro Well Services SA
	403-10 Work-related ill health	<b>SAFETY</b> Rompetro Rafinare SA Rompetro Downstream SRL and Rompetrol Gas SRL Rominserv SRL and Rompetrol Energy SA Rompetro Well Services SA
<b>TRAINING AND EDUCATION</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PEOPLE</b> Training and skill development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<b>PEOPLE</b> Training and skill development
	404-2 Programs for upgrading employee skills and transition assistance programs	<b>PEOPLE</b> Training and skill development
	404-3 Percentage of employees receiving regular performance and career development reviews	<b>PEOPLE</b> Training and skill development
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>GOVERNANCE</b> KMG International NV
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<b>PEOPLE</b> Diversity and inclusion
	405-2 Ratio of basic salary and remuneration of women to men	<b>PEOPLE</b> Remuneration, compensation and benefits
<b>NON-DISCRIMINATION</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context Sustainable Development Goals <b>PROFILE</b> Compliance <b>PEOPLE</b> Diversity and inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<b>PROFILE</b> Compliance <b>PEOPLE</b> Diversity and inclusion

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	11.9.8	-	-
"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
-	-	-	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, C2, C3, A1, A5
-	-	-	11.9.11	EM-RM-320a.1 EM-EP-320a.1 EM-SV-320a.1	SHS-3 A1
<b>APPENDICES</b>					
-	-	-	-	-	-
-	-	-	11.10.6 11.11.4	-	SOC-7 C1,C2
-	-	-	11.7.3 11.10.7	-	GOV-1 A5 SOC-7 A2, C1, C2 SOC-15 A3
-	-	-	-	-	-
<b>APPENDICES</b>					
-	-	-	11.11.1	-	-
-	-	-	11.11.5	-	SOC-5 C2, C3
-	-	-	11.11.6	-	SOC-5 A2
<b>APPENDICES</b>					
-	-	-	11.11.1	-	-
-	-	-	11.11.7	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PROFILE</b> Compliance <b>PEOPLE</b> Collective bargaining agreements and labor practices
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	<b>PEOPLE</b> Collective bargaining agreements and labor practices
<b>CHILD LABOR</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PROFILE</b> Compliance <b>PEOPLE</b> Collective bargaining agreements and labor practices
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<b>PEOPLE</b> Collective bargaining agreements and labor practices
<b>FORCED OR COMPULSORY LABOR</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>PROFILE</b> Compliance
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<b>PEOPLE</b> Collective bargaining agreements and labor practices <b>MARKETPLACE</b> Sustainable suppliers
<b>SECURITY PRACTICES</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	-
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not reported
<b>RIGHTS OF INDIGENOUS PEOPLES</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	-
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not reported
<b>LOCAL COMMUNITIES</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>COMMUNITY</b> Overview

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	11.13.1	-	-
-	-	-	11.13.2	-	-
-	-	-	-	-	-
-	-	-	11.12.1	-	-
-	-	-	11.12.2	-	-
-	-	-	11.18.1	-	-
-	-	-	11.18.2	-	-
-	-	-	11.17.1	-	-
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.	Information unavailable/incomplete	Information is not provided in the sustainability report	11.17.2	-	-
b. Whether training requirements also apply to third-party organizations providing security personnel.					
-	-	-	11.15.1	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<b>ENVIRONMENT</b> Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA <b>COMMUNITY</b> Introduction Key projects 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"
	413-2 Operations with significant actual and potential negative impacts on local communities	<b>ENVIRONMENT</b> Rompetrol Downstream SRL and Rompetrol Gas SRL
	"Report the number and type of grievances from local communities identified, including: • percentage of the grievances that were addressed and resolved; • percentage of the grievances that were resolved through remediation"	<b>ENVIRONMENT</b> Environmental compliance Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL <b>SAFETY</b> Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Well Services SA
????		
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	<b>MARKETPLACE</b> Sustainable suppliers
	414-2 Negative social impacts in the supply chain and actions taken	<b>MARKETPLACE</b> Sustainable suppliers
PUBLIC POLICY		
GRI 3: Material Topics 2021	3-3 Management of material topics	-
GRI 415: Public Policy 2016	415-1 Political contributions	Not reported
CUSTOMER HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>SAFETY</b> KMG International QHSE framework
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	<b>SAFETY</b> KMG International QHSE framework <b>MARKETPLACE</b> Customer satisfaction
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<b>SAFETY</b> KMG International QHSE framework Rompetrol Downstream SRL and Rompetrol Gas SRL
MARKETING AND LABELING		
GRI 3: Material Topics 2021	3-3 Management of material topics	<b>INTRODUCTION</b> Material issues within a global context <b>MARKETPLACE</b> Product sustainability

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
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
-	-	-	11.15.3	-	SHS-2 A1, A2 SOC-9 C1-C3 SOC-13 C1,C2, A1, A2, A5
-	-	-	11.15.4	-	SOC-12 C1, C2, A1
-	-	-	-	-	-
-	-	-	11.10.8 11.12.3	-	SOC-2 C2, A2
-	-	-	11.10.9	-	SOC-3 C3, A4
-	-	-	11.22.1	-	-
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	-	-
-	-	-	-	-	-
-	-	-	11.3.3	EM-RM-410a.1	SHS-5 C1, C2, C3, A1, A2, A3, A4
-	-	-	-	-	SHS-5 C1, C2, C3, A1, A2, A3, A5
-	-	-	-	-	-

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE REPORT
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	<b>MARKETPLACE</b> Product sustainability Procurement and supply chain operations <b>ENVIRONMENT</b> Rompetrol Downstream SRL and Rompetrol Gas SRL <b>SAFETY</b> KMG International QHSE framework Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL
	417-2 Incidents of non-compliance concerning product and service information and labeling	<b>ENVIRONMENT</b> Rompetrol Downstream SRL and Rompetrol Gas SRL <b>SAFETY</b> KMG International QHSE framework Rompetrol Downstream SRL and Rompetrol Gas SRL
	417-3 Incidents of non-compliance concerning marketing communications	Not reported
<b>CUSTOMER PRIVACY</b>		
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	<b>MARKETPLACE</b> Customer satisfaction

TOPIC	EXPLANATION	LINK TO SASB	LINK TO IPECA
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**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 & 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: <b>ENVIRONMENT</b> Environmental compliance Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA Rominserv SRL	EM-MD-160a.4 EM-EP-160a.2	ENV-6 C1- C4
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**Statement of use:** KMG International has reported in accordance with the GRI Standards for the period [Jan.-Dec. 2021].

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

REQUIREMENTS OMITTED	REASON FOR OMISSION	EXPLANATION FOR OMISSION	GRI SECTOR REF. NO.	LINK TO SASB	LINK TO IPECA
-	-	-	-	-	SHS-5 C2
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	SHS-5 C1, C2

## TCFD Annex

INDICATOR	DISCLOSURE	CHAPTER	PAGE
<b>GOVERNANCE</b>			
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"> <li>processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues;</li> <li>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</li> <li>how the board monitors and oversees progress against goals and targets for addressing climate-related issues.</li> </ul>	<b>APPROACH</b> Mapping our sustainable development risks <b>ENVIRONMENT</b> Environmental strategy and climate-related risks	<b>CDSB</b> REQ-01 Governance REQ-02 Management's environmental policies, strategy and targets REQ-03 Risks and opportunities
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"> <li>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;</li> <li>a description of the associated organizational structure(s);</li> <li>processes by which management is informed about climate-related issues; and</li> <li>how management (through specific positions and/or management committees) monitors climate-related issues.</li> </ul>	<b>GOVERNANCE</b> KMG International NV Rompetrol Rafinare SA Rompetrol Well Services SA Rominserv SRL <b>ENVIRONMENT</b> Management approach Environmental strategy and climate-related risks	<b>CDSB</b> REQ-01 Governance REQ-02 Management's environmental policies, strategy and targets REQ-03 Risks and opportunities
<b>STRATEGY</b>			
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"> <li>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;</li> <li>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</li> <li>a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization.</li> </ul> Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.	<b>APPROACH</b> Mapping our sustainable development risks <b>ENVIRONMENT</b> Environmental strategy and climate-related risks Rompetrol Energy SA	<b>CDSB</b> REQ-03 Risks and opportunities

INDICATOR	DISCLOSURE	CHAPTER	PAGE
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	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: <ul style="list-style-type: none"> <li>Products and services</li> <li>Supply chain and/or value chain</li> <li>Adaptation and mitigation activities</li> <li>Investment in research and development</li> <li>Operations (including types of operations and location of facilities)</li> <li>Acquisitions or divestments</li> <li>Access to capital</li> </ul> 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.	<b>APPROACH</b> Mapping our sustainable development risks <b>ENVIRONMENT</b> Environmental strategy and climate related risks Rompetrol Rafinare SA Rompetrol Downstream SRL and Rompetrol Gas SRL Rompetrol Energy SA	<b>CDSB</b> REQ-06 Outlook
	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.		
	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.		
	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: <ul style="list-style-type: none"> <li>Research and development (R&amp;D) and adoption of new technology.</li> <li>Existing and committed future activities such as investments, restructuring, writedowns, or impairment of assets.</li> <li>Critical planning assumptions around legacy assets, for example, strategies to lower carbon-, energy-, and/or water-intensive operations.</li> <li>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.</li> <li>The organization's flexibility in positioning/repositioning capital to address emerging climate-related risks and opportunities.</li> </ul>		

INDICATOR	DISCLOSURE	CHAPTER	PAGE
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"> <li>where they believe their strategies may be affected by climate-related risks and opportunities;</li> <li>how their strategies might change to address such potential risks and opportunities;</li> <li>the potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities); and</li> <li>the climate-related scenarios and associated time horizon(s) considered.</li> </ul> <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> <ul style="list-style-type: none"> <li>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.</li> <li>Potential qualitative or quantitative financial implications of the climate-related scenarios, if any.</li> </ul>	<b>ENVIRONMENT</b> Environmental strategy and climate-related risks	-

**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"> <li>processes for assessing the potential size and scope of identified climate-related risks and</li> <li>definitions of risk terminology used or references to existing risk classification frameworks used</li> </ul>	<p><b>INTRODUCTION</b> Material issues within a global context</p> <p><b>APPROACH</b> Mapping our sustainable development risks</p> <p><b>ENVIRONMENT</b> Environmental strategy and climate-related risks</p>	<p><b>CDSB</b> REQ-01 Governance REQ-03 Risks and opportunities</p>
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INDICATOR	DISCLOSURE	CHAPTER	PAGE
b. Describe the organization's processes for managing climate-related risks.	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><b>APPROACH</b> Mapping our sustainable development risks</p> <p><b>GOVERNANCE</b> <b>ENVIRONMENT</b> Environmental strategy and climate-related risks</p>	<p><b>CDSB</b> REQ-01 Governance REQ-03 Risks and opportunities</p>
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	<p><b>APPROACH</b> Mapping our sustainable development risks</p> <p><b>GOVERNANCE</b> <b>ENVIRONMENT</b> Environmental strategy and climate-related risks</p>	<p><b>CDSB</b> REQ-01 Governance REQ-03 Risks and opportunities</p>

**METRICS AND TARGETS**

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information 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><b>ENVIRONMENT</b> Rompetro Refinare SA Rompetro Downstream SRL and Rompetrol Gas SRL Rompetro Energy SA</p>	<p><b>CDSB</b> REQ-04 Sources of environmental impacts REQ-05 Performance and comparative analysis</p>
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INDICATOR	DISCLOSURE	CHAPTER	PAGE
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><b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA</p>	<p><b>CDSB</b> REQ-04 Sources of environmental impacts REQ-05 Performance and comparative analysis</p>
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"> <li>• whether the target is absolute or intensity based;</li> <li>• time frames over which the target applies;</li> <li>• base year from which progress is measured; and</li> <li>• key performance indicators used to assess progress against targets.</li> </ul> <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><b>ENVIRONMENT</b> Romp petrol Rafinare SA Romp petrol Downstream SRL and Rom petrol Gas SRL Romp petrol Energy SA Environmental strategy and climate-related risks</p>	<p><b>CDSB</b> REQ-04 Sources of environmental impacts REQ-05 Performance and comparative analysis</p>

## GLOSSARY OF TERMS AND ABBREVIATIONS

TERM / ABBREVIATION	DEFINITION
<b>ALARP</b>	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
<b>BAT</b>	Best Available Techniques
<b>BAT BREF</b>	Best Available Techniques Reference Document
<b>bbl</b>	barrel
<b>BoD</b>	Board of Directors
<b>boe</b>	barrel of oil equivalent
<b>BSE</b>	Bucharest Stock Exchange
<b>CAPEX</b>	Capital expenditure
<b>Carbon dioxide (CO2) emissions</b>	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
<b>Carbon dioxide (CO2) emission reductions</b>	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)
<b>Carbon dioxide (CO2) equivalents</b>	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
<b>Carbon neutrality</b>	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
<b>CBOS</b>	5-day biochemical oxygen consumption
<b>CCOCr</b>	Determination of chemical oxygen consumption
<b>CCRF</b>	Climate Change Framework
<b>CCS</b>	Carbon capture and storage
<b>CCU</b>	Carbon capture and utilization
<b>CCUS</b>	Carbon capture, utilization and storage
<b>CDSB</b>	Climate Disclosure Standards Board
<b>CEO</b>	Chief Executive Officer
<b>CH4</b>	methane
<b>CHP</b>	Cogeneration or Combined Heat & Power
<b>Circular economy</b>	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
<b>CLA</b>	Collective labor agreement
<b>CLP</b>	Classification, Labelling, and Packaging
<b>CO</b>	carbon monoxide
<b>CO2</b>	carbon dioxide

TERM / ABBREVIATION	DEFINITION
<b>Compliance</b>	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
<b>Corporate Social Responsibility</b>	CSR describes companies' responsibility for their impact on society. This includes social, environmental and economic aspects
<b>CSSM</b>	Work Health and Safety Committee
<b>DN</b>	Diameter nominal (DN) denotes the size of a pipe (specifically, its inside diameter) in millimeters (mm)
<b>DWS</b>	Rompetrol Downstream
<b>EC</b>	European Commission
<b>EGMS</b>	Extraordinary General Meeting of the Shareholders
<b>ELV</b>	Emission limit value
<b>EMEP/EEA</b>	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
<b>Emissions factor</b>	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
<b>Energy consumption</b>	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
<b>EPC</b>	Engineering, procurement, and construction
<b>ESG</b>	Environmental, social, and governance
<b>EU</b>	European Union
<b>EUA</b>	EU Allowances (EUA) are climate credits (or carbon credits) used in the European Union Emissions Trading Scheme (EU ETS)
<b>EU ETS</b>	EU Emissions Trading System
<b>EU Taxonomy</b>	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
<b>Fit for 55</b>	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
<b>Flared hydrocarbons</b>	Weight of hydrocarbons combusted in operational flare systems
<b>Fluorinated gases</b>	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
<b>Freshwater</b>	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.
<b>GD</b>	Government Decision
<b>GDPR</b>	General Data Protection Regulation
<b>GEO</b>	Government Emergency Ordinance
<b>GHG</b>	Greenhouse gases - carbon dioxide, methane, nitrous oxide and other greenhouse gases are a major driver of climate change
<b>GHG Scope 1</b>	Direct emissions from operations that are owned or controlled by the organization
<b>GHG Scope 2</b>	Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam

TERM / ABBREVIATION	DEFINITION
<b>GHG Scope 3</b>	Other indirect emissions that occur outside the organization
<b>GJ</b>	gigajoule
<b>GMS</b>	General Meeting of Shareholders
<b>GRI</b>	Global Reporting Initiative
<b>GWh</b>	gigawatt hour
<b>GWP</b>	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 (CO2)
<b>H</b>	Hydrogen
<b>H<sub>2</sub>S</b>	Hydrogen sulfide
<b>Hazardous waste</b>	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
<b>HAZID</b>	HAZID (Hazard Identification) is a general risk analysis tool designed to alert management of any threats and hazards on the jobsite
<b>HAZOP</b>	HAZOP (Hazard and Operability Study) is used to identify abnormalities in the work environment and pinpoint their root causes
<b>HDPE</b>	High density polyethylene
<b>HFCs</b>	Hydrofluorocarbons
<b>HR</b>	Human Resources
<b>HSE</b>	Health, Safety, and Environment
<b>HVO</b>	Hydrogenated vegetable oil
<b>IFRS</b>	International Financial Reporting Standards
<b>IIRC</b>	International Integrated Reporting Council
<b>IPCC</b>	The Intergovernmental Panel on Climate Change (IPCC) is an intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change
<b>IPIECA</b>	International Petroleum Industry Environmental Conservation Association
<b>ISCC</b>	International Sustainability & Carbon Certification
<b>ISO</b>	International Organization for Standardization
<b>JSA</b>	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
<b>kt</b>	kiloton
<b>KWh</b>	Kilowatt-hour
<b>KYC</b>	Know Your Customer
<b>L</b>	liter
<b>LDAR</b>	Leak Detection and Repair
<b>LDPE</b>	Low density polyethylene
<b>LPG</b>	Liquefied Petroleum Gas
<b>LRF</b>	Linear Reduction Factor
<b>LTIR</b>	Lost-Time Injury Rate
<b>LTSA</b>	Long-Term Service Agreement

TERM / ABBREVIATION	DEFINITION
<b>M</b>	million
<b>m2</b>	square meter
<b>m3</b>	cubic meter
<b>Materiality analysis</b>	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
<b>ML</b>	megaliters
<b>SDS</b>	Safety Data Sheet
<b>MW</b>	megawatt
<b>MWe</b>	megawatt electrical
<b>NC</b>	Non-conformity
<b>NEG</b>	National Environmental Guard
<b>Net-zero emissions</b>	Net zero means reducing Earth's carbon footprint to zero in net terms (after removing emissions through natural or artificial sinks)
<b>NGO</b>	Non-governmental organization. A non-profit organization that operates independently of any government
<b>NF3</b>	Nitrogen trifluoride
<b>Nm3</b>	Normal meter cube (Nm3) 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
<b>NOx</b>	Nitrogen oxides
<b>NPP</b>	Nuclear Power Plant
<b>OGMS</b>	Ordinary General Meeting of the Shareholders
<b>OPEC</b>	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.
<b>OPEX</b>	Operating Expenses
<b>OSH</b>	Occupational safety and health
<b>Paris Agreement</b>	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
<b>PE</b>	Polyethylene
<b>PET</b>	Polyethylene terephthalate
<b>PFCs</b>	Perfluorocarbons
<b>PM</b>	Particulate matter
<b>Polyolefins</b>	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
<b>PP</b>	Polypropylene
<b>PPE</b>	Personal protective equipment
<b>PV</b>	Photovoltaic
<b>PVC</b>	Polyvinyl chloride
<b>REACH</b>	Registration, Evaluation, Authorization, and Restriction of Chemicals

TERM / ABBREVIATION	DEFINITION
<b>QHSE</b>	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
<b>RED</b>	Renewable Energy Directive
<b>RGF</b>	Flare Gas Recovery Facility
<b>RPE</b>	Rompetrol Energy
<b>RRC</b>	Rompetrol Rafinare
<b>SAP ERP</b>	Enterprise resource planning software - modular software made to integrate the main functions of an organization's core business processes into a unified system
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SDGs</b>	Sustainable Development Goals
<b>SDS</b>	Safety data sheet
<b>SEVESO</b>	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)
<b>SF6</b>	Sulfur hexafluoride
<b>SOx</b>	Sulfur oxides
<b>SPM</b>	Single Point Mooring
<b>SRU</b>	Sulfur Recovery Unit
<b>t</b>	ton
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TJ</b>	terajoule
<b>toe</b>	ton of oil equivalent
<b>TRIR</b>	Total Recordable Injury Rate
<b>UNGC</b>	UN Global Compact
<b>USD</b>	Unites States Dollar
<b>value chain</b>	The value chain describes the steps along the production chain in order
<b>VD</b>	Vacuum distillation
<b>VOC</b>	Volatile organic compound
<b>VRU</b>	Vapor Recovery Unit

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## STAKEHOLDER FEEDBACK FORM

Please take a few minutes to fill out this questionnaire on the 2021 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

