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

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

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

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

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

# BUILDING A NEW FRAME OF REFERENCE

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# BUILDING A NEW FRAME OF REFERENCE

# INTRODUCTION

## Message from the Chairman of the Board

**GRI** GRI 2-22

#### DRIVING SUSTAINABLE DEVELOPMENT IN THE ENERGY TRANSITION

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

While we take pride in these achievements, we also recognize the need to address climate change and embrace sustainability as essential components of our business strategy. In the face of evolving challenges and changing industry dynamics, we have developed a comprehensive strategy to support the objectives of the European Union and the Paris Agreement. Our focus is on leveraging our assets and expanding our range of services and solutions to meet these new and fast pace developing legislative requirements and market demands. Last year the Board approved the Decarbonization Strategy and commit to invest in projects such as biofuel production, as well as expanding our EV charging network to decarbonize road transport. Moreover, we recognize the importance of carbon capture, utilization, and storage as a critical technology to mitigate emissions across various industrial sectors. Our decarbonization strategy acknowledges this and outlines our technology outlook for the transition to lower-carbon and renewable energy sources.

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

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

Thank you for your continued support and partnership.

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



## Message from the CEO

#### Dear Partners,

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

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

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

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

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

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

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

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

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

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

#### GRI GRI 2-22

#### Ilvas Kuldzhanov Chief Executive Officer

of KMG International NV



GRI

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**IPIECA** 

GOV-2 C3, A2

**GRI 1** Foundation 2021 Requirements 1, 2

The revised Universal Standards represent the most significant update since GRI transitioned from providing guidance to setting standards in 2016. The Universal Standards<sup>1</sup> strengthen the very foundations of all reporting through GRI, delivering the highest level of transparency for organizational impacts on the economy, environment, and people.

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

# limiting our impact on available resources.

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

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

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

The 2022 Sustainability Report serves as a reference for the questionnaire on the Communication on Progress in line with the UN Global Compact<sup>2</sup>. We also considered the relevant requirements of the IFRS Foundation<sup>3</sup> (Sustainability Accounting Standards Board - SASB & Integrated Reporting Framework) and the 2020 IPIECA voluntary guidance for the oil and gas industry when developing this edition of our report.

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

## **About this report**

Our sustainability strategy is a direct reflection of our company's commitment to creating value for our multiple stakeholders and increasing our efficiency while

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

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

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

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

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

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

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

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

#### CORPORATE **SUSTAINABILITY** REPORTING DIRECTIVE (CSRD)

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

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

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

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

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

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

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

## THE EU TAXONOMY

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

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

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

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

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

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

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

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

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

## THE SOCIAL TAXONOMY

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

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

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

#### **OBJECTIVE 1: EMPLOYEES**

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

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

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

#### **OBJECTIVE 3: SUSTAINABLE AND INCLUSIVE COMMUNITIES**

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

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

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

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

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

## Material issues within a global context

#### MATERIALITY ASSESSMENT

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

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

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

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

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

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

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

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

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

GRI **GRI 1 Foundation 2021** Requirements 1, 2 GRÍ 2-3 **GRI 2-5** GRI 2-14

GRI 2-29 GRI 3-1 thru 3-3 **IPIECA** 

GOV-2 C3, A2

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



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

## STAKEHOLDER ENGAGEMENT

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

We regularly engage with four broad stakeholder groups relevant to our activities: authorities, market, industry society, which include several internal and external stakeholders. Our stakeholders include persons or groups whom our operations have a significant impact on, those with a vested interest in our sustainability or environmental, social and governance (ESG) performance, and those in public positions who influence our activities. We use various mechanisms tailored to each relevant group and we gather opinions and advice from our stakeholders in various ways, including formal and informal meetings, surveys, and research. Their valued input informs our decisions and the actions we take to live up to our responsibilities and mitigate any potential negative impact on society or the environment, as well as any significant risk to our business. Moreover, their feedback and input help us ensure that coverage is balanced, relevant and complete.

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



| Sector  | Approach  |
|---|---|
| REGULATORY  |   |
| Public authorities<br>Regulatory bodies<br>Local institutions | We use various mechanisms to er<br>both directly or through other org<br>on topics such as emissions or en<br>communication on several econo<br>meetings, to dedicated events an  |
| MARKET  |   |
| Shareholders<br>Business Partners<br>Clients<br>Media         | We value transparency, integrity a<br>actors. Customer health and safet<br>and shareholders or media comm<br>a regular basis. We do this throug<br>research and satisfaction surveys,   |
| INDUSTRY  |   |
| Professional associations<br>Suppliers                        | As part of our operations, we consolver operators from the industry well as to implement the most efficustomers. Our interactions inclus screening of new suppliers to the submitted to their review in order   |
| Students/academics  | Moreover, to leverage both our expeers, we are members of several in the different skill development high education institutions, such molding the new generation of o  |
| SOCIETY   |   |
| Trade unions  | We maintain constant and open of<br>partner organizations where we of<br>also consider their needs. Thus, we<br>needs of our employees, from eq<br>to diverse trainings, professional<br>Also, we have several mechanism<br>suggestions for improvement from<br>assessed and implemented into o |
| Employees<br>Local communities<br>NGOs                        | Our local communities are engag<br>meetings/ events, online surveys/<br>issues while we also encourage th<br>safety and environment.  |
|   | Furthermore, we are always open<br>order to address issues aligned w<br>partnerships with local as well as<br>regularly engaged through direct<br>dedicated company departments.  |

#### **GRI** GRI 2-25 GRI 2-29

ngage with government representatives and regulators – ganizations, whether it's official institutional communication avironmental compliance, or formal and informal omic or policy related topics, from interviews and one to one and happenings addressing said topics.

and quality in our communication with relevant market ty, customer privacy, interactions with business partners nunication are all topics we carefully follow and address on gh direct consultation or through extensive annual market , to make sure we cover all grounds.

stantly engage with our suppliers, trade associations and i, in order to adhere to the best practices in the field, as ficient solutions and deliver high quality services to our de a wide range of processes and mechanisms, from the pre e extensive questionnaires and forms which are periodically r to identify any arising material issues or concerns.

xpertise in business best practices and that of our industry I industry associations. Our expertise is also put to good use t programs that we develop in collaboration with middle and as our Internship program or courses and trainings aimed at il & gas professionals.

dialogue with our employees, local communities and operate, so that both our sustainability and business plans we have developed various initiatives in order to ensure the jual pay and freedom of association and collective bargaining and personal skill development or transfer of know how. Ins in place to make sure all potential grievances, as well as im our employees reach company decision makers, they are company operations accordingly.

yed in constant consultations (face to face discussions/ / dedicated grievance mechanisms) on relevant and sensitive hem to raise any potential concerns regarding topics such as

a to discussions with relevant actors from the civil society in vith our values. In this regard, we have developed strong national NGOs that have a profound impact which are t physical or online communication with representatives from s.

## Sustainable Development Goals \_\_\_\_\_

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

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

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

#### **GOAL 3: GOOD HEALTH AND WELL-BEING**

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

In chapters: People, Safety, Community

#### **GOAL 4: QUALITY EDUCATION**

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

In chapters: People, Community

#### **GOAL 5: GENDER EQUALITY & GOAL 10: REDUCED INEQUALITIES**

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

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

**In chapters:** Profile, People, Community







## **GOAL 6: CLEAN WATER AND SANITATION**

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

#### In chapter: Environment

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

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

#### In chapter: Environment

#### **GOAL 8: DECENT WORK** AND ECONOMIC GROWTH

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

#### In chapters: Profile, People

#### **GOAL 9: INDUSTRY, INNOVATION,** AND INFRASTRUCTURE

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

In chapters: Profile, Environment













#### GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

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

**In chapters:** Environment, Marketplace

#### **GOAL 13: CLIMATE ACTION**

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

In chapter: Environment

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

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



14 LIFE BELOW WATER

13 CLIMATE ACTION

the second

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

#### In chapters: Profile, Environment



#### GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

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

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

#### In chapters: Introduction, Profile, Community, Marketplace

#### **GOAL 17: PARTNERSHIPS FOR THE GOALS**

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

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







# BUILDING A NEW FRAME OF REFERENCE

## **Operations overview**

#### **COUNTRIES OF** MAIN OPERATIONS **AND MAIN COMPANIES**

#### Kazakhstan

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

**The Netherlands** KMG International NV

Switzerland KMG Trading AG

Spain Dyneff España SL Dyneff Gas Stations Network SL

France **Rompetrol France SAS** Dyneff SAS

Gibraltar (UK) Byron Shipping LTD Romania (main market) **Rompetrol Rafinare SA** 

**Rompetrol Downstream SRL Rompetrol Petrochemicals SRL** Rompetrol Gas SRL KMG Rompetrol SA Rompetrol Well Services SA **Oil Exploration Business Solutions SA** Midia Marine Terminal SRL **Rompetrol Logistics SRL** Byron Shipping SRL **Rominserv SRL Rompetrol Energy SA** Rom Oil SA

**Republic of Moldova** Rompetrol Moldova SA

Lugano KMG Trading AG HQ

**M**sterdan

Montpellier Dyneff SAS HQ

**Girona** Dyneff Espana SL HQ

Bulgaria Rompetrol Bulgaria EAD

Rominserv SRL branch Georgia

Rompetrol Georgia LTD

Turkey TRG Petrol Ticaret AS

Libya **OEBS SA branch** 

Năvodari Rompetrol Rafinare SA HQ

**Bucharest** KMG Rompetrol HQ

Istanbu

Sofia I Bulgaria EAD H G Petrol Ticaret AS HQ

**Chişinău** Rompetrol Moldova SA HQ

Novorossiysk CPC marine terminal

Atyrau CPC pumping station

> Tengiz **CPC** pumping stati

Tbilisi

Batumi

Gibraltar Shipping Ltd HO

Murzuq OEBS SA brar

PAGE 22

## **EXPORT MARKETS**

**N-hexane** Bulgaria Ukraine Russia Turkey

Bitumen Bulgaria

**Eco-solvents** Moldova Ukraine Hungary Germany

White spirit Bulgaria Moldova

#### Naphta

Hungary Slovakia Czechia Poland Spain

Petroleum Bulgaria Moldova

Petroleum Coke Moldova Ukraine Serbia

Sulphur Egypt

PETRO

Diesel Bulgaria Moldova Serbia Greece Turkey Georgia

Gasoline Bulgaria Moldova Albania Greece Turkey Georgia

Pavlodar Rominserv SRL b

Astan



#### TRADING AND **SUPPLY CHAIN ACHIEVEMENTS**





GROUP CORE DIVISIONS AND SUPPLY CHAIN

(S) Tanker ship (B) Barge (R)







PAGE 27

## **Brands**

**gri** Gri 2-6

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

## THE CORPORATE BRAND

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

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



#### THE TRADEMARK PORTFOLIO

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

## RETAIL PORTFOLIO

#### Rompetrol

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

#### hei

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

#### efix

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



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

#### Fill&Go

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

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

#### **Rompetrol Go**

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

#### REFINING AND PETROCHEMICALS PORTFOLIO

#### **Petromidia Refinery**

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

#### Vega Refinery

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

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

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

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

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



#### INDUSTRIAL SERVICES PORTFOLIO

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

#### Rominserv

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

#### **Rompetrol Well Services**

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

#### **Rompetrol Quality Control**

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

## TRADING PORTFOLIO

#### **KMG Trading**

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

#### **Midia Marine Terminal**

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

## **Compliance**

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

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

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

| ESG Objectives  | Target |
|---|--------|
| Perform training on Business Conduct<br>and Ethics Code implementation<br>(including the observance of human rights) to:<br>• newly hired employees<br>• management level employees<br>• sales force employees<br>• procurement employees | 100%   |
| <b>Perform trainings on the protection</b><br><b>of personal data</b> for respecting this<br>fundamental right of individuals recognized<br>by the Charter of Fundamental Rights of   | 100%   |
| the European Union and the Treaty on the<br>Functioning of the European Union, to the<br>following categories of targeted employees:  |        |
| <ul> <li>HR Department</li> <li>Internal Communications</li> </ul>  |        |
| Public Relations  |        |

- Marketing Department
- QHSE department
- Procurement Department
- Gas station managers Commercial department
- Administrative department
- Credit Control and Collection
- Back Office

#### Evaluate business relationships

by analyzing business partners from a reputational perspective, including ethics principles and human rights observance

## CODE OF ETHICS AND **BUSINESS CONDUCT**

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

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

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

- Analyzing reports of non-compliance received from the Company employees
- Providing support and consultancy to the managers and employees to comply with the provisions of the Code
- Advising on the implementation of KMG International Group policies and practices, as well as the Group's Business Conduct and Ethics Code
- Conducting ethical investigations

100%

- 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 ad-• ministration of the Code to the Group Management Committee.

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

GRI 2-15 GRI 2-16 GRI 2-23 GRI 2-24 **GRI 2-25 GRI 2-26 GRI 2-30** GRI 3-3 GRI 205-2 GRI 205-3 GRI 406-1 GRI 413-1 GRI 11.10.1 GRI 11.11.1 GRI 11.11.7

GRI 11.12.1

GRI 11.20.3

GRI 11.20.4

GRI

**IPIECA** GOV-1 C2, A2, A3 GOV-2 C3, A2 GOV-3 C1, C3, C4, A1 SOC-8 C1, A1, A2, A3, A4

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

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

#### Our people

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

#### Care, integrity, and responsibility

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

#### Determination

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

#### **Environmental protection**

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

#### **Sustainability**

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

#### **High quality**

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

#### **Commitment to leadership**

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

#### CORF PRINCIPLES Health, safety, and security

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

#### **Risk management**

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

#### **Respect for our employees**

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

#### **Continuous involvement**

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

#### **Education and leadership**

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

#### **Respect for the local community**

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

#### Best practices

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

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

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

### SUPPLIER CODE OF CONDUCT

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

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

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

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

#### COMMUNICATION AND TRAINING

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

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

#### ADVICE AND GRIEVANCE **MECHANISMS**

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

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

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

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

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

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

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

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

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

#### The Whistleblower Mechanism is managed by the Internal Control Department

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

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

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

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

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

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

#### **Other Advice Mechanisms**

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

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

## COMMITMENT TO CUSTOMERS

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

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

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

#### **COMMITMENT TO SHAREHOLDERS** AND STAKEHOLDERS

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

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

### **CONFLICT OF INTEREST** PROCEDURE

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

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

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

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

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

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

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

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

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

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

### ANTI-BRIBERY AND **ANTI-CORRUPTION POLICY**

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

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

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

#### The purpose of the Policy is to:

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

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

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

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

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

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

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

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

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

#### The assessment included mainly the following activities:

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

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

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

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

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

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



## LABOR PRACTICES

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

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

#### NON-DISCRIMINATION AND EQUALITY

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

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

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

#### NON-RETALIATION

During the reporting period (January-December 2022) there

regarding discrimination

received through the Group's

mechanisms for seeking advice.

were no concerns or complaints

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

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

#### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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

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

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

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

#### CHILD LABOR

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

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

#### FORCED OR COMPULSORY LABOR

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

## **Memberships and affiliations**

GRI GRI 2-28 **IPIECA** GOV-5 A3

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

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

#### **FIC - THE FOREIGN INVESTORS COUNCIL**

ROMANIA

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

#### **AMCHAM ROMANIA - AMERICAN CHAMBER OF COMMERCE IN ROMANIA**

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

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

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

#### **IAA - INTERNATIONAL ADVERTISING ASSOCIATION**

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

#### **NRCC - THE NETHERLANDS ROMANIAN CHAMBER OF COMMERCE**

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

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

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

#### **CRE - ROMANIAN ENERGY CENTER**

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

#### RAC – ROMANIAN ADVERTISING COUNCIL

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

## NEAR ABROAD

## **REPUBLIC OF MOLDOVA** AMCHAM

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

#### FOREIGN INVESTORS ASSOCIATION

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

#### ASSOCIATION OF ROMANIAN **INVESTORS IN MOLDOVA**

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

## GEORGIA **BUSINESS ASSOCIATION OF GEORGIA**

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

#### **KAZAKH-GEORGIAN ECONOMIC UNION**

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

#### BULGARIA **BULGARIAN PETROLEUM** AND GAS ASSOCIATION

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



# BUILDING A NEW FRAME OF REFERENCE

Tax transparency Mapping our Sustainable Development Goals Taxonomy analysis



## Tax transparency

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

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

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

## **APPROACH TO TAX**

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

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

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

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

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

To ensure tax regulatory compliance, the Group has set certain policies that meet regulatory requirements, such as the Group's Transfer Pricing Policy, for example. This was designed to ensure an appropriate transfer pricing compliance in all jurisdictions where KMG International Group has a presence. Other internal regulations were also formalized to provide a consistent fiscal treatment of operations/transactions carried out by the Group, in accordance with tax legislation. Moreover, a proactive interaction with tax authorities resulted in Group enGRI GRI 207-1 GRI 207-2 GRI 207-3 tities obtaining several Advanced Pricing Agreements negotiated with the Romanian tax authority for the main intercompany transactions, thus effectively reducing the risk of disputes over the application or interpretation of the law in relation to transfer pricing.

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

#### **ROLES AND** RESPONSIBILITIES

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

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

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

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

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

#### **STAKEHOLDER ENGAGEMENT AND** MANAGEMENT OF **CONCERNS RELATED** ΤΟ ΤΑΧ

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

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

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

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

## **Mapping our sustainable** development risks

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

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

#### **RISK MANAGEMENT** PROCESS

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

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

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

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

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

GRI

GRI 201-2 GRI 205-1

GRI 207-2

GRI 403-2

GRI 11.9.4

GOV-1 C3

GOV-2 C2

CCE-1 A3

CCE-2 C1 & C2

SHS-7 C3, A2

**IPIECA** 

GRI 11.21.5

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

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

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

#### **ROLES AND** RESPONSIBILITIES

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

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

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

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

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

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

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

## **KMG INTERNATIONAL GROUP RISK PROFILE**

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

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

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

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

## ANALYSIS OF **MAJOR RISKS** MARKET RISKS

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

#### **A. COMMODITY PRICE RISK**

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

To protect the Group against the volatility of oil prices, a hedging program for Rompetrol Rafinare has been implemented since 2011. The current strategy is under review. According to the hedge policy, on the commodity side, the flat price risk for priced inventories above a certain threshold (base operating stock for Rompetrol Rafinare) is hedged using Futures contracts traded on the ICE Exchange and/or some OTC instruments. The base operating stock is the equivalent of priced stocks that are held at any moment in time by the Group. Hence, price fluctuations would not affect the cash-flow.

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

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

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

#### **B. INTEREST RATE RISK**

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

#### **C. FOREIGN CURRENCY RISK**

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

## FINANCIAL RISKS

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

#### **A. CREDIT RISK**

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

#### **B. LIQUIDITY RISK**

Pressure was put on liquidity in early 2022 due to the war in Ukraine, which determined adverse market movements with negative impact on the Group's liquidity but proper cash management measures were implemented both in the operational and financial areas. The liquidity risk is mainly managed through financial processes, cash-flow projections, and stress tests, maintaining a sufficient cash buffer, regular reviews of market conditions and our planning and investment processes.

#### C. CAPITAL AND FINANCIAL STABILITY RISK

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

#### **D. INVESTMENT PROJECTS RISK**

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

#### SAFETY AND OPERATIONAL RISKS

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

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

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

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

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

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

# B. IT INFRASTRUCTURE AND CYBERSECURITY RISKS

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

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

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

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

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

#### **C. SUPPLY CHAIN & LOGISTICS RISKS**

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

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

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

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

#### **D. LEGAL AND REGULATORY COMPLIANCE RISKS**

There is increased pressure to comply with various global, European, or local norms and regulations on various matters like data protection and security, sustainability standards, environmental compliance, etc. The Group is committed to ensure compliance with laws and 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. Group practices are constantly monitored and reviewed to ensure full compliance with applicable regulations throughout our value chain.

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

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

#### **E. CUSTOMER RELATIONS RISKS**

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

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

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

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

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

## STRATEGIC RISKS

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

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

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

#### **A. COUNTRY RISK**

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

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

#### **B. MACROECONOMIC ENVIRONMENT RISK**

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

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

#### **C. CLIMATE CHANGE RISK**

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

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

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

#### **ROLES & RESPONSIBILITIES**

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

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

#### **CLIMATE RISK MANAGEMENT PROCESS**

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

#### **1. Risk identification**

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

#### 2. Risk Assessment and prioritization

After listing all risks it is important to articulate the potential impact on business operations and strategy. For physical risk, data is available from external providers or publicly available sources (maps of temperatures or sea levels rise for example). Internal risk assessment will be required to assess the adaptive capacity and vulnerability of our facilities and assets. Risk prioritization involves ranking the risks in order of their importance to allow proper decision making and capital allocation. The following aspects are considered in the prioritization process:

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

## 3. Implementation of risk response (risk management plan)

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

#### 4. Risk review

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

## 5. Communication, reporting and disclosure

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

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



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## Taxonomy analysis

## INTRODUCTION

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

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

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

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

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

#### ARTICLE 8 TAXONOMY REGULATION

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

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

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

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

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

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

Proportion of

## OVERVIEW

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

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

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

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

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

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

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

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

## **OUR ACTIVITIES**

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

#### **Rompetrol Rafinare SA**

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

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

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

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

activity 3.10. Manufacture of hydrogen

activity 3.14. Manufacture of organic basic chemicals activity 4.9. Transmission and distribution of electricity activity 4.15. District heating/cooling distribution activity 4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system activity 5.1. Construction, extension and operation of water collection, treatment, and supply systems activity 5.3. Construction, extension, and operation of waste water collection and treatment

activity 6.2. Freight rail transport

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

#### **Rompetrol Downstream SRL**

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

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

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

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

activity 4.1. Electricity generation using solar photovoltaic technology

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

activity 6.14. Infrastructure for rail transport

activity 7.1. Construction of new buildings

activity 7.2. Renovation of existing buildings

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

activity 8.1. Data processing, hosting and related activities

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

#### **Rompetrol Well Services SA**

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

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

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

activity 6.6. Freight transport services by road

activity 7.2. Renovation of existing buildings

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

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

#### **Rominserv SRL**

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

#### **Rompetrol Energy SA**

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

| Section       | Eligible<br>economic<br>activity  | Entity                   | Contribution<br>to climate<br>change<br>mitigation | Contribution<br>to climate<br>change<br>adaptation | Aligned to<br>DNSH and<br>social criteria |
|---------------|---|--------------------------|--|--|---|
|               | 3.10 – Manufacture of hydrogen  | Rompetrol Rafinare SA    | ( )  | ( x )  | no  |
| Manufacturing | 3.14 – Manufacture of organic<br>basic chemicals  | Rompetrol Rafinare SA    | ( )  | ( x )  | no  |
| Energy        | 4.1 – Electricity generation using<br>solar photovoltaic technology   | Rompetrol Downstream SRL | ( x )  | ( x )  | yes                                       |
|               | 4.9 – Transmission and distribution of electricity  | Rompetrol Rafinare SA    | ( )  | ( x )  | yes                                       |
|               | 4.15 – District heating/cooling distribution  | Rompetrol Rafinare SA    | ( )  | ( x )  | yes                                       |
|               | 4.30 – High-efficiency<br>co-generation of heat/cool<br>and power from fossil<br>gaseous fuels                        | Rompetrol Energy SA      | ( )  | ( x )  | n/a <sup>1</sup>                          |
|               | 4.31 – Production of heat/cool<br>from fossil gaseous fuels in an<br>efficient district heating and<br>cooling system | Rompetrol Rafinare SA    | ( )  | ( x )  | n/a²                                      |

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

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

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

These activities are eligible for taxonomy.

#### **ECONOMIC ACTIVITIES ELIGIBLE** FOR TAXONOMY AND THEIR **EVALUATION FOR ALIGNMENT**

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

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

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

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

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

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

According to the analysis carried out, during the reporting period 01.01.2022 - 31.12.2022 the following activities carried out by KMG International NV entities contribute significantly to one of the two environmental objectives (Adaptation to climate change/Climate change mitigation) and do not significantly undermine any of the other 5 environmental objectives defined in art. 17 of Regulation (EU) 2020/852.

- water collection and treatment

- technology
- waste in source segregated fractions

- 6.6. Freight transport services by road
- efficiency equipment

The activities aligned to the taxonomy are: International activities was carried out. Thus, based on the sensitivity, exposure and vulnerability analyses, it **Rompetrol Rafinare SA** appears that there are no significant vulnerabilities or • 4.9. Transmission and distribution of electricity risks following the measures already implemented on individual sites for Rompetrol Rafinare SA (Vega Refin-• 4.15. District heating/cooling distribution ery, Petromidia Refinery) and Rompetrol Energy SA, as 5.1. Construction, extension and operation of water well as for the other analyzed KMGI entities. collection, treatment and supply systems • 5.3. Construction, extension and operation of waste Potential exposure (medium or high risk) is already mitigated in the earlier stages of construction of the buildings on the site, as well as equipping the site with **Rompetrol Downstream SRL** fire-fighting equipment. The level of seismic risk is already taken into account in the design standards (regu- 4.1. Electricity generation using solar photovoltaic latory standard) and implemented during the construction of the site buildings. Measures have already been • 5.5. Collection and transport of non-hazardous implemented at the sites. • 7.4. Installation, maintenance and repair of The DNSH evaluation of the 6 environmental objectives charging stations for electric vehicles in buildings shows that the following activities carried out by the en-(and parking spaces attached to buildings) tities Rompetrol Rafinare SA, Rompetrol Downstream SRL and Rompetrol Well Services SA comply with the **Rompetrol Well Services SA** technical examination requirements, contributing to one of the two environmental objectives, without prejudicing any of the others 5 objectives: • 7.3 Installation, maintenance and repair of energy • 4.9. Transmission and distribution of electricity Following the assessments carried out, no taxono-• 4.15. District heating/cooling distribution my-aligned activities were identified for the entities • 5.1. Construction, extension and operation of water Rominserv SRL and Rompetrol Energy SA (for 2022). collection, treatment and supply systems The results regarding the alignment of the activities • 5.3. Construction, extension and operation of waste water collection and treatment to the taxonomy were obtained from the DNSH (Do No Significant Harm) and minimum social guarantees • 4.1. Electricity generation using solar photovoltaic compliance assessments of eligible activities. technology **Results of DNSH analysis** • 5.5. Collection and transport of non-hazardous waste in source segregated fractions In order to align the eligible activities, a DNSH (Do No • 7.4. Installation, maintenance and repair of Significant Harm) assessment was carried out. Based on charging stations for electric vehicles in buildings this, the following were analyzed: (and parking spaces attached to buildings) · the substantial contribution of the two environ- 6.6. Freight transport services by road mental objectives (Adaptation to Climate Change\* • 7.3. Installation, maintenance and repair of energy and Climate Change Mitigation) efficiency equipment • the potential harm that eligible activities could have on Climate Change Adaptation\*, Climate The result of the verification Change Mitigation, Sustainable Use and Protection of the fulfillment of the of Water and Marine Resources, Transition to a Cirminimum social criteria cular Economy, Pollution Prevention and Control According to the analysis regarding the fulfillment and Protection and Restoration of Biodiversity and of the minimum social criteria carried out, the mem-Ecosystems ber entities of the KMG International Group carry out \* In order to analyze the substantial contribution, but economic activities aligned with the OECD Guidelines for Multinational Organizations and the UN Guiding

also the potential damage that an activity has on Adaptation to Climate Change, a Climate Risk and Vulnerability Assessment Study associated with eligible KMG

Principles on Business and Human Rights (including

gender equality and child labor exploitation, as well

as the principles and rights established in the eight fundamental conventions identified in the Declaration International Labor Organization on fundamental principles and rights at work and the International Charter of Human Rights). The analysis includes all activities (including eligible activities) related to the financial year 2022 of Rompetrol Rafinare SA, Rompetrol Downstream SRL, Rompetrol Well Services SA, Rominserv SRL and Rompetrol Energy SA.

Result

#### Summary - Meeting the minimum social criteria

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

## TAXONOMY-ELIGIBLE CAPEX AND OPEX

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

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

#### **TURNOVER KPI**

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

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

#### CAPEX KPIS

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

#### **OPEX KPIS**

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

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



| KPI INDICATORS   |                             | (NO)                 | ver                 | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|--|-----------------------------|----------------------|---------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| <b>Turnover</b><br>Rompetrol Rafinare SA   | Codes                       | Absolute turnover (F | Proportion of turno | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE AC  | τινιτ                       | IES                  |                     |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTAIN  | ABLE                        | ACTIVITIES (TAXO     | NOMY-A              | LIGNED                            | )                               |                               |                     |           |                                |  |  |
| Transmission and distribution of electricity   | 4.9                         | 8,788,576            | 0.04%               | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| District heating/cooling distribution  | 4.15                        | 916,583              | 0%                  | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| Construction, extension and<br>operation of water collection,<br>treatment and supply systems                        | 5.1                         | 7,028,982            | 0.03%               | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| Construction, extension and operation of waste water collection and treatment  | 5.3                         | 8,840,417            | 0.04%               | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| Turnover of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | 4.9<br>4.15<br>5.1<br>5.3   | 25,574,558           | 0.11%               |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT NO   | DT-ENV                      | IRONMENTALLY S       | SUSTAIN             | ABLE AC                           | TIVITIES                        | (NOT T                        | AXONON              | IY-ALIG   | NED)                           |  |  |
| Manufacture of hydrogen  | 3.10                        | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Manufacture of organic basic chemicals   | 3.14                        | 41,304,559           | 0.18%               |                                   |                                 |                               |                     |           |                                |  |  |
| Production of heat/cool from fossil<br>gaseous fuels in an efficient district<br>heating and cooling system          | 4.31                        | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Freight rail transport   | 6.2                         | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 3.10<br>3.14<br>4.31<br>6.2 | 41,304,559           | 0.18%               |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)  | -                           | 66,879,117           | 0.29%               |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIGIB   | LE AC                       | TIVITIES             |                     |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of<br>Taxonomy-non-eligible<br>activities (B)   | -                           | 22,959,898,489       | 99.71%              |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)  | -                           | 23,026,777,606       | 100%                |                                   |                                 |                               |                     |           |                                |  |  |

| D                            | NSH crite                       | ria ("Do n                    | o significa         | ant harm  | ")                             |                                | ver,   | Ver,   |                                   |                                 |  |  |
|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--------------------------------|--|--|-----------------------------------|---------------------------------|--|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turno<br>year 2022 | Taxonomy-aligned<br>proportion of turno<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
| yes                          | yes                             | n/a                           | yes                 | yes       | yes                            | yes                            | 0.04%  |  |                                   |                                 |  |  |
| n/a                          | yes                             | yes                           | n/a                 | yes       | yes                            | yes                            | 0%   |  |                                   |                                 |  |  |
| n/a                          | yes                             | yes                           | n/a                 | n/a       | yes                            | yes                            | 0.03%  |  |                                   |                                 |  |  |
| yes                          | yes                             | yes                           | n/a                 | yes       | yes                            | yes                            | 0.04%  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                | yes                            | 0.11%  | n/a  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |  |

|   |                             | (N                 | J                   | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|---|-----------------------------|--------------------|---------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| <b>CAPEX</b><br>Rompetrol Rafinare SA   | Codes                       | Absolute CAPEX (RO | Proportion of CAPE) | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE AC   | τινιτι                      | ES                 |                     |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTAIN   | ABLE A                      | CTIVITIES (TAX)    | DNOMY-AI            | LIGNED                            | )                               |                               |                     |           |                                |  |  |
| Transmission and distribution<br>of electricity   | 4.9                         | 21,098,885         | 8.01%               | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| District heating/cooling distribution   | 4.15                        | 9,587,852          | 3.64%               | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| Construction, extension and<br>operation of water collection,<br>treatment and supply systems                     | 5.1                         | 0                  | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Construction, extension and operation of waste water collection and treatment                                     | 5.3                         | 0                  | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| CAPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | 4.9<br>4.15<br>5.1<br>5.3   | 30,677,467         | 11.65%              |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT NO  | )T-ENVI                     | RONMENTALLY        | SUSTAINA            | ABLE AC                           | TIVITIES                        | (NOT T                        | AXONOM              | IY-ALIG   | NED)                           |  |  |
| Manufacture of hydrogen   | 3.10                        | 0                  | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Manufacture of organic basic chemicals  | 3.14                        | 0                  | 0%                  |                                   |                                 | -                             |                     |           |                                |  |  |
| Production of heat/cool from fossil<br>gaseous fuels in an efficient district<br>heating and cooling system       | 4.31                        | 9,587,852          | 3.64%               |                                   |                                 |                               |                     |           |                                |  |  |
| Freight rail transport  | 6.2                         | 0                  | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| CAPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 3.10<br>3.14<br>4.31<br>6.2 | 9,587,852          | 3.64%               |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)   | •                           | 40,265,319         | 15.29%              |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIGIB  | LE ACT                      | IVITIES            |                     |                                   |                                 |                               |                     |           |                                |  |  |
| CAPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -                           | 222,939,422        | 84.71%              |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)   | -                           | 263,204,741        | 100%                |                                   |                                 |                               |                     |           |                                |  |  |

| D                     | NSH crite            | ria ("Do n | o significa       | ant harm | ")                   | ver,               |                                |                               |                       |            |   |
|-----------------------|----------------------|------------|-------------------|----------|----------------------|--------------------|--------------------------------|-------------------------------|-----------------------|------------|---|
| hange<br>n            | on to<br>hange       | d marine   |                   |          | ity and<br>ns        | ו (social)<br>es   | y-aligned<br>in of turn        | y-aligned<br>in of turn       | on activity           | n activity |   |
| limate c<br>iitigatio | daptatic<br>imate cl | /ater an   | ircular<br>conomy | ollution | iodivers<br>cosyster | linimun<br>uarante | axonom<br>roportio<br>ear 2023 | axonom<br>roportio<br>ear 202 | acilitatio<br>ategory | ansitio    |   |
| UE                    | ₹5                   | <u> </u>   | 00                | <u> </u> | <u>0</u> 0           | 2 5                | P d X                          | E G X                         | 12 B                  | <u> </u>   |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
| yes                   | yes                  | n/a        | yes               | yes      | yes                  | yes                | 8.01%                          |                               |                       |            |   |
| n/a                   | yes                  | yes        | n/a               | yes      | yes                  | yes                | 3.64%                          |                               |                       |            |   |
|                       |                      |            |                   |          |                      | yes                | 0%                             |                               |                       |            |   |
|                       |                      |            |                   |          |                      | yes                | 0%                             |                               |                       |            |   |
|                       |                      |            |                   |          |                      | yes                | 11.65%                         | n/a                           |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            | - |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |
|                       |                      |            |                   |          |                      |                    |                                |                               |                       |            |   |

|  |                             | Ē                  |                    | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|--|-----------------------------|--------------------|--------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| <b>OPEX</b><br>Rompetrol Rafinare SA   | Codes                       | Absolute OPEX (RON | Proportion of OPEX | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE AC  | τινιτι                      | ES                 |                    |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTAIN  | IABLE A                     | CTIVITIES (TAXO    | N O M Y-A          | LIGNED                            | )                               |                               |                     |           |                                |  |  |
| Transmission and distribution<br>of electricity  | 4.9                         | 21,833,933         | 2.89%              | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| District heating/cooling distribution  | 4.15                        | 1,533,380          | 0.20%              | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| Construction, extension and operation of water collection, treatment and supply systems                          | 5.1                         | 14,134,132         | 0.61%              | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| Construction, extension and operation of waste water collection and treatment                                    | 5.3                         | 10,212,480         | 0.44%              | 0%                                | 100%                            | 0%                            | 0%                  | 0%        | 0%                             |  |  |
| OPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | 4.9<br>4.15<br>5.1<br>5.3   | 47,713,925         | 2.05%              |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT NO   | DT-ENVI                     | RONMENTALLY        | SUSTAINA           | ABLE AC                           | TIVITIES                        | (NOT T                        | AXONON              | IY-ALIG   | NED)                           |  |  |
| Manufacture of hydrogen  | 3.10                        | 31,245,704         | 4.13%              |                                   |                                 |                               |                     |           |                                |  |  |
| Manufacture of organic basic chemicals   | 3.14                        | 3,245,396          | 0.44%              |                                   |                                 |                               |                     |           |                                |  |  |
| Production of heat/cool from fossil<br>gaseous fuels in an efficient district<br>heating and cooling system      | 4.31                        | 11,150,421         | 1.48%              |                                   |                                 |                               |                     |           |                                |  |  |
| Freight rail transport   | 6.2                         | 30,064,828         | 3.98%              |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 3.10<br>3.14<br>4.31<br>6.2 | 75,706,349         | 10.03%             |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)  | -                           | 123,420,274        | 16.34%             |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIGIB   | LE ACT                      | TIVITIES           |                    |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -                           | 2,208,742,448      | 83.66%             |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)  |                             | 2,332,162,722      | 100%               |                                   |                                 |                               |                     |           |                                |  |  |

| D                            | NSH crite                       | ria ("Do n                    | o significa         | ant harm  | ")                             |                                | ver,   | ver,   |                                   |                                 |  |
|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--------------------------------|--|--|-----------------------------------|---------------------------------|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turno<br>year 2022 | Taxonomy-aligned<br>proportion of turno<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
| yes                          | yes                             | n/a                           | yes                 | yes       | yes                            | yes                            | 2.89%  |  |                                   |                                 |  |
| n/a                          | yes                             | yes                           | n/a                 | yes       | yes                            | yes                            | 0.20%  |  |                                   |                                 |  |
| n/a                          | yes                             | yes                           | n/a                 | n/a       | yes                            | yes                            | 0.61%  |  |                                   |                                 |  |
| yes                          | yes                             | yes                           | n/a                 | yes       | yes                            | yes                            | 0.44%  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                | yes                            | 2.05%  | n/a  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |

| Substantial cor   |                           |                     |                     |                              |                                 |                               |                     | ntribution criteria |                                |  |  |
|---|---------------------------|---------------------|---------------------|------------------------------|---------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|--|--|
| Turnover<br>Rompetrol Downstream SRL  | Codes                     | Absolute turnover ( | Proportion of turne | Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution           | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE AC   | TIVIT                     | IES                 |                     |                              |                                 |                               |                     |                     |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTAIN   | NABLE A                   | CTIVITIES (TAXOI    | NOMY-A              | LIGNED                       | )                               |                               |                     |                     |                                |  |  |
| Electricity production using solar photovoltaic technology  | 4.1                       | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Collection and transport of non-<br>hazardous waste in source segregated<br>fractions   | 5.5                       | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Installation, maintenance and repair<br>of electric vehicle charging stations<br>in buildings (and in building parking<br>spaces) | 7.4                       | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Turnover of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)   | 4.1<br>5.5<br>7.4         | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT NO  | OT-ENV                    | IRONMENTALLY S      | USTAIN              | ABLE AC                      | TIVITIES                        | (NOT T                        | AXONOM              | Y-ALIGI             | NED)                           |  |  |
| Infrastructure for rail transport   | 6.14                      | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Construction of new buildings   | 7.1                       | 0                   | 0%                  |                              | -                               |                               |                     |                     |                                |  |  |
| Renovation of existing buildings  | 7.2                       | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Data processing, website<br>administration and related activities   | 8.1                       | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Turnover of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2)              | 6.14<br>7.1<br>7.2<br>8.1 | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| Total (A.1 + A.2)   | -                         | 0                   | 0%                  |                              |                                 |                               |                     |                     |                                |  |  |
| B. TAXONOMY-NON-ELIGIB  | LE AC                     | TIVITIES            |                     |                              |                                 |                               |                     |                     |                                |  |  |
| Turnover of<br>Taxonomy-non-eligible<br>activities (B)  | -                         | 16,572,205,378      | 100%                |                              |                                 |                               |                     |                     |                                |  |  |
| Total (A + B)   | -                         | 16,572,205,378      | 100%                |                              |                                 |                               |                     |                     |                                |  |  |

| DNSH criteria ("Do no significant harm")   | over,                            | over,   |                                |  |
|--|----------------------------------|---|--------------------------------|--|
| e change<br>ion to<br>change<br>and marine<br>es<br>iy<br>rrsity and<br>ems<br>ems<br>theos              | my-aligned<br>ion of turno<br>22 | my-aligned<br>ion of turno<br>21<br>tion activity | y<br>on activity<br>y          |  |
| Climate<br>mitigat<br>daaptai<br>Vater a<br>resourc<br>conom<br>econom<br>Pollutic<br>Biodive<br>ecosyst | Taxonol<br>proport<br>year 20    | Taxono<br>proport<br>year 20<br>Facilita          | categor<br>Transiti<br>categor |  |
|  |                                  |   |                                |  |
|  |                                  |   |                                |  |
| yes  | 0%                               |   |                                |  |
| yes  | 0%                               |   |                                |  |
| yes  | 0%                               |   |                                |  |
|  |                                  | n/a   |                                |  |
|  |                                  |   |                                |  |
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|  |                                  |   |                                |  |
|   |                           | (N                 | ا ب                |                              | Substar                         | itial cont                    | ribution            | criteria  |                             |
|---|---------------------------|--------------------|--------------------|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|-----------------------------|
| CAPEX<br>Rompetrol Downstream SRL   | Codes                     | Absolute CAPEX (RC | Proportion of CAPE | Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and ecosystems |
| A. TAXONOMY-ELIGIBLE AC   | TIVITI                    | ES                 |                    |                              |                                 |                               |                     |           |                             |
| A.1 ENVIRONMENTALLY SUSTAIN   | ABLE AG                   | CTIVITIES (TAXO    | ONOMY-A            | LIGNED                       | )                               |                               |                     |           |                             |
| Electricity production using solar photovoltaic technology  | 4.1                       | 250,377            | 0.26%              | 100%                         | 100%                            | 0%                            | 0%                  | 0%        | 0%                          |
| Collection and transport of non-<br>hazardous waste in source segregated<br>fractions   | 5.5                       | 387,000            | 0.40%              | 0%                           | 100%                            | 0%                            | 0%                  | 0%        | 0%                          |
| Installation, maintenance and repair<br>of electric vehicle charging stations<br>in buildings (and in building parking<br>spaces) | 7.4                       | 3,375,000          | 3.50%              | 100%                         | 100%                            | 0%                            | 0%                  | 0%        | 0%                          |
| CAPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)  | 4.1<br>5.5<br>7.4         | 4,012,377          | 4.16%              |                              |                                 |                               |                     |           |                             |
| A.2 TAXONOMY-ELIGIBLE BUT NO  | )T-ENVI                   | RONMENTALLY        | SUSTAINA           | ABLE AC                      | TIVITIES                        | (NOT T                        | XONOM               | IY-ALIG   | NED)                        |
| Infrastructure for rail transport   | 6.14                      | 3,877,857          | 4.03%              |                              |                                 |                               |                     |           |                             |
| Construction of new buildings   | 7.1                       | 7,625,776          | 7.91%              |                              |                                 |                               |                     |           |                             |
| Renovation of existing buildings  | 7.2                       | 412,763            | 0.43%              |                              |                                 |                               |                     |           |                             |
| Data processing, website<br>administration and related activities   | 8.1                       | 4,957,314          | 5.14%              |                              |                                 |                               |                     |           |                             |
| CAPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2)                 | 6.14<br>7.1<br>7.2<br>8.1 | 16,873,710         | 17.51%             |                              |                                 |                               |                     |           |                             |
| Total (A.1 + A.2)   | -                         | 20,886,087         | 21.67%             |                              |                                 |                               |                     |           |                             |
| B. TAXONOMY-NON-ELIGIBI   | LE ACT                    | IVITIES            |                    |                              |                                 |                               |                     |           |                             |
| CAPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -                         | 75,462,974         | 78.33%             |                              |                                 |                               |                     |           |                             |
| Total (A + B)   | -                         | 96,349,061         | 100%               |                              |                                 |                               |                     |           |                             |

| D                            | NSH crite                       | ria ("Do n                    | o significa         | ant harm  | ")                             |                                | ver,   | ver,   |                                   |                                 |  |
|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--------------------------------|--|--|-----------------------------------|---------------------------------|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turno<br>year 2022 | Taxonomy-aligned<br>proportion of turno<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
| n/a                          | yes                             | n/a                           | yes                 | n/a       | yes                            | yes                            | 0.26%  |  |                                   |                                 |  |
| n/a                          | yes                             | n/a                           | yes                 | n/a       | n/a                            | yes                            | 0.40%  |  |                                   |                                 |  |
| not                          | yes                             | n/a                           | n/a                 | n/a       | n/a                            | n/a                            | 3.50%  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                | yes                            | 4.16%  | n/a  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |  |  |                                   |                                 |  |

|   |                           | -                  | 2                  |                              | Substantial contribution criteria |                               |                     |           |                                |  |  |  |
|---|---------------------------|--------------------|--------------------|------------------------------|-----------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|--|
| <b>OPEX</b><br>Rompetrol Downstream SRL   | Codes                     | Absolute OPEX (RON | Proportion of OPEX | Climate change<br>mitigation | Adaptation to<br>climate change   | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |  |
| A. TAXONOMY-ELIGIBLE AC   | τινιτι                    | ES                 |                    |                              |                                   |                               |                     |           |                                |  |  |  |
| A.1 ENVIRONMENTALLY SUSTAIN   | ABLE AG                   | CTIVITIES (TAXC    | ONOMY-A            | LIGNED                       | )                                 |                               |                     |           |                                |  |  |  |
| Electricity production using solar photovoltaic technology  | 4.1                       | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| Collection and transport of non-<br>hazardous waste in source segregated<br>fractions   | 5.5                       | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| Installation, maintenance and repair<br>of electric vehicle charging stations<br>in buildings (and in building parking<br>spaces) | 7.4                       | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| OPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)   | 4.1<br>5.5<br>7.4         | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT NO  | )T-ENVI                   | RONMENTALLY        | SUSTAINA           | ABLE AC                      | TIVITIES                          | (NOT TA                       | XONOM               | Y-ALIG    | NED)                           |  |  |  |
| Infrastructure for rail transport   | 6.14                      | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| Construction of new buildings   | 7.1                       | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| Renovation of existing buildings  | 7.2                       | 0                  | 0%                 |                              |                                   |                               |                     |           |                                |  |  |  |
| Data processing, website<br>administration and related activities   | 8.1                       | 33,605,090         | 7.38%              |                              |                                   |                               |                     |           |                                |  |  |  |
| OPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2)                  | 6.14<br>7.1<br>7.2<br>8.1 | 33,605,090         | 7.38%              |                              |                                   |                               |                     |           |                                |  |  |  |
| Total (A.1 + A.2)   | -                         | 33,605,090         | 7.38%              |                              |                                   |                               |                     |           |                                |  |  |  |
| B. TAXONOMY-NON-ELIGIB  | LE ACT                    | IVITIES            |                    |                              |                                   |                               |                     |           |                                |  |  |  |
| OPEX of<br>Taxonomy-non-eligible<br>activities (B)  | •                         | 421,314,557        | 92.62%             |                              |                                   |                               |                     |           |                                |  |  |  |
| Total (A + B)   | -                         | 454,919,647        | 100%               |                              |                                   |                               |                     |           |                                |  |  |  |

| D                            | NSH crite                       | ria ("Do n                    | o significa         | ant harm  | <b>1")</b>                     |                                |  |
|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--------------------------------|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social)<br>guarantees |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                | yes                            |  |
|                              |                                 |                               |                     |           |                                | yes                            |  |
|                              |                                 |                               |                     |           |                                | yes                            |  |
|                              |                                 |                               |                     |           |                                | yes                            |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
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|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |
|                              |                                 |                               |                     |           |                                |                                |  |

| guarantees | Taxonomy-aligned<br>proportion of turnover,<br>year 2022 | Taxonomy-aligned<br>proportion of turnover,<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|------------|--|--|-----------------------------------|---------------------------------|--|
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
| ;          | 0%   | n/a  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
|            |  |  |                                   |                                 |  |
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|  |            | (NO)                 | ver                 |                              | Substa                          | ntial con                     | tribution           | criteria  |                                |
|--|------------|----------------------|---------------------|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|
| <b>Turnover</b><br>Rompetrol Well Services SA  | Codes      | Absolute turnover (F | Proportion of turno | Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |
| A. TAXONOMY-ELIGIBLE AG  |            | ES                   |                     |                              |                                 |                               |                     |           |                                |
| A.1 ENVIRONMENTALLY SUSTAIL  | NABLE A    | CTIVITIES (TAXC      | N O M Y-A           | LIGNED                       | )                               |                               |                     |           |                                |
| Freight transport services by road   | 6.6        | 0                    | 0%                  |                              |                                 |                               |                     |           |                                |
| Installation, maintenance and repair of energy efficiency equipment  | 7.3        | 0                    | 0%                  |                              |                                 |                               |                     |           |                                |
| Turnover of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | 6.6<br>7.3 | 0                    | 0%                  |                              |                                 |                               |                     |           |                                |
| A.2 TAXONOMY-ELIGIBLE BUT N  | OT-ENVI    | RONMENTALLY          | SUSTAIN             | ABLE AC                      | TIVITIES                        | (NOT T                        | AXONOM              | Y-ALIG    | NED)                           |
| Renovation of existing buildings   | 7.2        | 0                    | 0%                  |                              |                                 |                               |                     |           |                                |
| Turnover of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 7.2        | 0                    | 0%                  |                              |                                 |                               |                     |           |                                |
| Total (A.1 + A.2)  | -          | 0                    | 0%                  |                              |                                 |                               |                     |           |                                |
| B. TAXONOMY-NON-ELIGIB   | LE ACT     | IVITIES              |                     |                              |                                 |                               |                     |           |                                |
| Turnover of<br>Taxonomy-non-eligible<br>activities (B)   | -          | 52,768,046           | 100%                |                              |                                 |                               |                     |           |                                |
| Total (A + B)  | -          | 52,768,046           | 100%                |                              |                                 |                               |                     |           |                                |

| DI                           | NSH crite                       | ria ("Do n                    | o significa         | nt harm"  | ')                             |                                | l<br>over,  | l<br>over,  | -                                 |                                 |  |
|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--------------------------------|---|---|-----------------------------------|---------------------------------|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turn<br>year 2022 | Taxonomy-aligned<br>proportion of turn<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|                              |                                 |                               |                     | _         |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                | 0%  | n/a   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |
|                              |                                 |                               |                     |           |                                |                                |   |   |                                   |                                 |  |

|   |            | Î                  |                     |                              | Substa                          | ntial con                     | tribution           | criteria  |                                |
|---|------------|--------------------|---------------------|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|
| <b>CAPEX</b><br>Rompetrol Well Services SA  | Codes      | Absolute CAPEX (RO | Proportion of CAPEX | Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |
| A. TAXONOMY-ELIGIBLE A  | стіvіті    | ES                 |                     |                              |                                 |                               |                     |           |                                |
| A.1 ENVIRONMENTALLY SUSTAI  | NABLE A    | CTIVITIES (TAX)    | ONOMY-A             | LIGNED                       | )                               |                               |                     |           |                                |
| Freight transport services by road  | 6.6        | 13,610,756         | 78.84%              |                              |                                 |                               |                     |           |                                |
| Installation, maintenance and repair of energy efficiency equipment   | 7.3        | 16,904             | 0.1%                |                              | <u>.</u>                        | -                             |                     |           |                                |
| CAPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | 6.6<br>7.3 | 13,627,660         | 78.94%              |                              |                                 |                               |                     |           |                                |
| A.2 TAXONOMY-ELIGIBLE BUT N   | OT-ENVI    | RONMENTALLY        | SUSTAIN             | ABLE AC                      | TIVITIES                        | S (NOT T                      | AXONOM              | IY-ALIG   | NED)                           |
| Renovation of existing buildings  | 7.2        | 200,845            | 1.16%               |                              |                                 |                               |                     |           |                                |
| CAPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 7.2        | 200,845            | 1.16%               |                              |                                 |                               |                     |           |                                |
| Total (A.1 + A.2)   | 7.2        | 13,828,505         | 80.1%               |                              |                                 |                               |                     |           |                                |
| B. TAXONOMY-NON-ELIGIE  | BLE ACT    | IVITIES            |                     |                              |                                 |                               |                     |           |                                |
| CAPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -          | 3,435,144          | 19.9%               |                              |                                 |                               |                     |           |                                |
| Total (A + B)   | -          | 17,263,649         | 100%                |                              |                                 |                               |                     |           |                                |

| Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turnover,<br>year 2022 | Taxonomy-aligned<br>proportion of turnover,<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|--------------------------------|--|--|-----------------------------------|---------------------------------|--|
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                | 0%   | n/a  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
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|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |

DNSH criteria ("Do no significant harm")

Circular economy Biodiversity and ecosystems

Pollution

Water and marine resources

Adaptation to climate change

Climate change mitigation

|  |            | -                  |                    |                              | Substar                         | ntial con                     | tribution           | criteria  |                             |
|--|------------|--------------------|--------------------|------------------------------|---------------------------------|-------------------------------|---------------------|-----------|-----------------------------|
| <b>OPEX</b><br>Rompetrol Well Services SA  | Codes      | Absolute OPEX (RON | Proportion of OPEX | Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and ecosystems |
| A. TAXONOMY-ELIGIBLE A   | стіvіті    | ES                 |                    |                              |                                 |                               |                     |           |                             |
| A.1 ENVIRONMENTALLY SUSTAI   | NABLE A    | CTIVITIES (TAX)    | ONOMY-A            | LIGNED                       | )                               |                               |                     |           |                             |
| Freight transport services by road   | 6.6        | 0                  | 0%                 |                              |                                 |                               |                     |           |                             |
| Installation, maintenance and repair of energy efficiency equipment  | 7.3        | 7,024              | 0.01%              | 0%                           | 100%                            | 0%                            | 0%                  | 0%        | 0%                          |
| OPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | 6.6<br>7.3 | 7,024              | 0.01%              |                              |                                 |                               |                     |           |                             |
| A.2 TAXONOMY-ELIGIBLE BUT N  | OT-ENVI    | RONMENTALLY        | SUSTAINA           | ABLE AC                      | CTIVITIES                       | (NOT T                        | AXONOM              | 1Y-ALIG   | NED)                        |
| Renovation of existing buildings   | 7.2        | 0                  | 0%                 |                              |                                 |                               |                     |           |                             |
| OPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 7.2        | 0                  | 0%                 |                              |                                 |                               |                     |           |                             |
| Total (A.1 + A.2)  | 7.2        | 7,024              | 0.01%              |                              |                                 |                               |                     |           |                             |
| B. TAXONOMY-NON-ELIGIE   | BLE ACT    | IVITIES            |                    |                              |                                 |                               |                     |           |                             |
| OPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -          | 53,818,955         | 99.99%             |                              |                                 |                               |                     |           |                             |
| Total (A + B)  | -          | 53,825,975         | 100%               |                              |                                 |                               |                     |           |                             |

| D                            | NSH crite                       | ria ("Do n                    | o significa         | a <mark>nt harm</mark> | <b>1")</b>                     |                                | ver,   | ver,   |                                   |                                 |
|------------------------------|---------------------------------|-------------------------------|---------------------|------------------------|--------------------------------|--------------------------------|--|--|-----------------------------------|---------------------------------|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution              | Biodiversity and<br>ecosystems | Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turno<br>year 2022 | Taxonomy-aligned<br>proportion of turno<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |
|                              |                                 |                               |                     |                        |                                |                                |  |  |                                   |                                 |
|                              |                                 |                               |                     |                        |                                |                                |  |  |                                   |                                 |
| yes                          | yes                             | n/a                           | n/a                 | yes                    | n/a                            | yes                            | 0.1%   |  |                                   |                                 |
|                              | -                               |                               |                     | -                      |                                | -                              |  |  |                                   |                                 |
|                              |                                 |                               |                     |                        |                                |                                | 0.01%  | n/a  |                                   |                                 |
|                              |                                 |                               |                     |                        |                                |                                |  |  |                                   |                                 |
|                              |                                 |                               |                     |                        |                                |                                |  |  |                                   |                                 |
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|  |         | SON)                 | ver                 | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|--|---------|----------------------|---------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| <b>Turnover</b><br>Rominserv SRL   | Codes   | Absolute turnover (F | Proportion of turno | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE AC  | τινιτι  | ES                   |                     |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTAIL  | NABLE A | CTIVITIES (TAXO      | NOMY-A              | LIGNED                            | )                               |                               |                     |           |                                |  |  |
| -  | -       | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | -       | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT N  | OT-ENVI | RONMENTALLY          | SUSTAIN             | ABLE AC                           | TIVITIES                        | (NOT T                        | ахолом              | Y-ALIG    | NED)                           |  |  |
| Turnover of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) |         | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)  | -       | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIGIB   | LE ACT  | IVITIES              |                     |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of<br>Taxonomy-non-eligible<br>activities (B)   | -       | 97,353,286           | 100%                |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)  | -       | 97,353,286           | 100%                |                                   |                                 |                               |                     |           |                                |  |  |

| change<br>ion       | ion to<br>change   | nd marine<br>es    | . >                | Ę        | rsity and<br>ems    |
|---------------------|--------------------|--------------------|--------------------|----------|---------------------|
| Climate<br>mitigati | Adaptat<br>climate | Water a<br>resourc | Circular<br>econom | Pollutio | Biodive<br>ecosysto |
|                     |                    |                    |                    |          |                     |
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DNSH criteria ("Do no significant harm")

| Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turnover,<br>year 2022 | Taxonomy-aligned<br>proportion of turnover,<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|--------------------------------|--|--|-----------------------------------|---------------------------------|--|
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                | 0%   | n/a  |                                   |                                 |  |
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|   |           | Î                 | ×                          | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|---|-----------|-------------------|----------------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| CAPEX<br>Rominserv SRL<br>A. TAXONOMY-ELIGIBLE A  | Codes     | Absolute CAPEX (R | <b>Proportion of CAPEX</b> | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE /  |           | ES .              |                            |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUST  | INABLE AC | CTIVITIES (TAX    | 0 N 0 M Y-A                | LIGNED                            | )                               |                               |                     |           |                                |  |  |
|   | -         | 0                 | 0%                         |                                   |                                 |                               |                     |           |                                |  |  |
| CAPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    |           | 0                 | 0%                         |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT   | NOT-ENVIR | RONMENTALLY       | SUSTAIN                    | ABLE AC                           | TIVITIES                        | (NOT T                        | AXONOM              | Y-ALIG    | NED)                           |  |  |
| CAPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | -         | 0                 | 0%                         |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)   | -         | 0                 | 0%                         |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIG  | BLE ACT   | IVITIES           |                            |                                   |                                 |                               |                     |           |                                |  |  |
| CAPEX of<br>Taxonomy-non-eligible<br>activities (B)   |           | 301,045           | 100%                       |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)   | -         | 301,045           | 100%                       |                                   |                                 |                               |                     |           |                                |  |  |

| Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turnover,<br>year 2022 | Taxonomy-aligned<br>proportion of turnover,<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|--------------------------------|--|--|-----------------------------------|---------------------------------|--|
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                | 0%   | n/a  |                                   |                                 |  |
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DNSH criteria ("Do no significant harm")

Circular economy Biodiversity and ecosystems

Pollution

Water and marine resources

Adaptation to climate change

Climate change mitigation

|  |          | (N                 |                    | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|--|----------|--------------------|--------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| OPEX<br>Rominserv SRL  | Codes    | Absolute OPEX (RON | Proportion of OPEX | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE A   | стіvіті  | ES                 |                    |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTAI   | NABLE A  | CTIVITIES (TAXC    | NOMY-A             | LIGNED                            | )                               |                               |                     |           |                                |  |  |
| -  | -        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | -        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT N  | IOT-ENVI | RONMENTALLY        | SUSTAIN            | ABLE AC                           | TIVITIES                        | (NOT T                        | AXONOM              | Y-ALIG    | NED)                           |  |  |
| OPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | -        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)  | -        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIGI  | BLE ACT  | IVITIES            |                    |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -        | 94,007,313         | 100%               |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)  | -        | 94,007,313         | 100%               |                                   |                                 |                               |                     |           |                                |  |  |

| Minimum (social)<br>guarantees | Taxonomy-aligned<br>proportion of turnover,<br>year 2022 | Taxonomy-aligned<br>proportion of turnover,<br>year 2021 | Facilitation activity<br>category | Transition activity<br>category |  |
|--------------------------------|--|--|-----------------------------------|---------------------------------|--|
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                | 0%   | n/a  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
|                                |  |  |                                   |                                 |  |
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|                                |  |  |                                   |                                 |  |

DNSH criteria ("Do no significant harm")

Circular economy Biodiversity and ecosystems

Pollution

Water and marine resources

Adaptation to climate change

Climate change mitigation

|  |           | (NO                  | ver                 | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|--|-----------|----------------------|---------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| <b>Turnover</b><br>Rompetrol Energy SA   | Codes     | Absolute turnover (R | Proportion of turno | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE A   | CTIVITIE  | s                    |                     |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUSTA  | INABLE AC | TIVITIES (TAXO       | NOMY-A              | LIGNED                            | )                               |                               |                     |           |                                |  |  |
| -  | -         | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    |           | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT  | NOT-ENVIR | ONMENTALLY S         | SUSTAIN             | ABLE AC                           | TIVITIES                        | (NOT T                        | AXONOM              | Y-ALIG    | NED)                           |  |  |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels                                       | 4.30      | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 4.30      | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)  | 4.30      | 0                    | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIGI  | BLE ACTI  | VITIES               |                     |                                   |                                 |                               |                     |           |                                |  |  |
| Turnover of<br>Taxonomy-non-eligible<br>activities (B)   |           | 314,850,521          | 100%                |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)  | -         | 314,850,521          | 100%                |                                   |                                 |                               |                     |           |                                |  |  |

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

| DI                           | NSH crite                       | ria ("Do n<br>o              | o significa         | nt harm   | ")                             |                               | ed<br>'nover,                                     | ed<br>nover,                                      | ţŊ                              | ٨                              |  |  |
|------------------------------|---------------------------------|------------------------------|---------------------|-----------|--------------------------------|-------------------------------|---|---|---------------------------------|--------------------------------|--|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marin<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social<br>guarantees | Faxonomy-aligne<br>proportion of tur<br>year 2022 | Faxonomy-aligne<br>proportion of tur<br>year 2021 | Facilitation activi<br>category | Fransition activit<br>category |  |  |
|                              |                                 |                              |                     | _         |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               | 0%  | n/a   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               | 0 /0  |   |                                 |                                |  |  |
| -                            |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |  |

|   |          | Î                  | ×                   | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |  |
|---|----------|--------------------|---------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|--|
| CAPEX<br>Rompetrol Energy SA  | Codes    | Absolute CAPEX (RO | Proportion of CAPEX | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |  |
| A. TAXONOMY-ELIGIBLE /  | ΑCTIVITI | ES                 |                     |                                   |                                 |                               |                     |           |                                |  |  |  |
| A.1 ENVIRONMENTALLY SUSTA   | INABLE A | CTIVITIES (TAXC    | NOMY-A              | LIGNED                            | )                               |                               |                     |           |                                |  |  |  |
| -   | -        | 0                  | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |  |
| CAPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    |          | 0                  | 0%                  |                                   |                                 |                               |                     |           |                                |  |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT   | NOT-ENVI | RONMENTALLY        | SUSTAIN             | ABLE AC                           | TIVITIES                        | S (NOT T                      | AXONOM              | Y-ALIG    | NED)                           |  |  |  |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels                                    | 4.30     | 315,135,093        | 99.6%               |                                   |                                 |                               |                     |           |                                |  |  |  |
| CAPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 4.30     | 315,135,093        | 99.6%               |                                   |                                 |                               |                     |           |                                |  |  |  |
| Total (A.1 + A.2)   | 4.30     | 315,135,093        | 99.6%               |                                   |                                 |                               |                     |           |                                |  |  |  |
| B. TAXONOMY-NON-ELIG  | BLE ACT  | IVITIES            |                     |                                   |                                 |                               |                     |           |                                |  |  |  |
| CAPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -        | 1,265,603          | 0.4%                |                                   |                                 |                               |                     |           |                                |  |  |  |
| Total (A + B)   | -        | 316,400,696        | 100%                |                                   |                                 |                               |                     |           |                                |  |  |  |

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

| D                            | NSH crite                       | ria ("Do n<br>o              | o significa         | nt harm   | ")                             |                               | ed<br>'nover,                                     | ed<br>nover,                                      | ity                             | ٨                              |  |
|------------------------------|---------------------------------|------------------------------|---------------------|-----------|--------------------------------|-------------------------------|---|---|---------------------------------|--------------------------------|--|
| Climate change<br>mitigation | Adaptation to<br>climate change | Water and marin<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems | Minimum (social<br>guarantees | Taxonomy-aligne<br>proportion of tur<br>year 2022 | Taxonomy-aligne<br>proportion of tur<br>year 2021 | Facilitation activi<br>category | Transition activit<br>category |  |
|                              |                                 |                              |                     |           |                                |                               |   | -   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               | 0%  | n/a   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
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|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
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|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |
|                              |                                 |                              |                     |           |                                |                               |   |   |                                 |                                |  |

|  |             | ~                  |                    | Substantial contribution criteria |                                 |                               |                     |           |                                |  |  |
|--|-------------|--------------------|--------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|-----------|--------------------------------|--|--|
| <b>OPEX</b><br>Rompetrol Energy SA   | Codes       | Absolute OPEX (RON | Proportion of OPEX | Climate change<br>mitigation      | Adaptation to<br>climate change | Water and marine<br>resources | Circular<br>economy | Pollution | Biodiversity and<br>ecosystems |  |  |
| A. TAXONOMY-ELIGIBLE   | ACTIVITIES  | 5                  |                    |                                   |                                 |                               |                     |           |                                |  |  |
| A.1 ENVIRONMENTALLY SUST   | AINABLE ACT | IVITIES (TAXO      | N O M Y-A          | LIGNED                            | )                               |                               |                     |           |                                |  |  |
|  | -           | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of environmentally<br>sustainable activities<br>(taxonomy-aligned) (A.1)                                    | -           | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| A.2 TAXONOMY-ELIGIBLE BUT  | NOT-ENVIRO  | ONMENTALLY S       | SUSTAIN            | ABLE AC                           | TIVITIES                        | S (NOT T                      | AXONOM              | IY-ALIG   | NED)                           |  |  |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels                                   | 4.30        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of Taxonomy-eligible<br>but not environmentally<br>sustainable activities<br>(non-aligned activities) (A.2) | 4.30        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A.1 + A.2)  | 4.30        | 0                  | 0%                 |                                   |                                 |                               |                     |           |                                |  |  |
| B. TAXONOMY-NON-ELIG   | IBLE ACTIV  | /ITIES             |                    |                                   |                                 |                               |                     |           |                                |  |  |
| OPEX of<br>Taxonomy-non-eligible<br>activities (B)   | -           | 328,274,515        | 100%               |                                   |                                 |                               |                     |           |                                |  |  |
| Total (A + B)  | -           | 328,274,515        | 100%               |                                   |                                 |                               |                     |           |                                |  |  |

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

| DI                           | NSH criter                     | ria ("Do n                   | o significa         | nt harm  | ")                             |                                       | d<br>10ver,  | d<br>10ver,  | Ŷ.                             |                                |  |
|------------------------------|--------------------------------|------------------------------|---------------------|----------|--------------------------------|---------------------------------------|--|--|--------------------------------|--------------------------------|--|
| Climate change<br>nitigation | Adaptation to<br>limate change | Vater and marine<br>esources | Circular<br>economy | ollution | Biodiversity and<br>ecosystems | Minimum (social)<br><b>guarantees</b> | laxonomy-aligne<br>proportion of turr<br>/ear 2022 | laxonomy-aligne<br>oroportion of turr<br>/ear 2021 | acilitation activit<br>ategory | lransition activity<br>ategory |  |
|                              |                                |                              |                     | -        |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  | · · · · · · · · · · · · · · · · · · ·              |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       | 0%   | n/a  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |
|                              |                                |                              |                     |          |                                |                                       |  |  |                                |                                |  |

### **INFORMATION RELATING TO ACTIVITIES OF ROMPETROL RAFINARE AND ROMPETROL ENERGY**

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

#### **ACTIVITIES CARRIED OUT**

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

#### **Template 1: Fossil gas related activities**

#### **Row Fossil gas-related activities**

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

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

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

Eligible activity Rompetrol Rafinare: 4.31. Production of heat/cool from fossil gaseous fuels in an efficient dis-

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

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

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



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

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

### ECONOMIC ACTIVITIES NON-ELIGIBLE -ROMPETROL RAFINARE SA

#### Template 5: Taxonomy non-eligible economic activities

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

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

Rompetrol Energy 's activity is eligible - the taxonomy alignment of this activity is considered for the reporting cy co-generation of heat/cool and power from fossil period 01 Jan 2023 - 31 Dec 2023.

gaseous fuels;

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

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

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

## ECONOMIC ACTIVITIES NON-ELIGIBLE -ROMPETROL ENERGY SA

#### Template 5: Taxonomy non-eligible economic activities

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



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# BUILDING A NEW FRAME OF REFERENCE G O V E R N A N C E

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



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

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

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

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

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

### **KMG International NV**

# OPERATIONAL PROFILE

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

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

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

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



GRI

GRI 2-12 GRI 2-13 GRI 2-15 thru 2-20 IPIECA IPIECA GOV-1 C1, C5, A1 IPIECA GOV-4 C1



### LEGAL ENTITIES

**KMG International N.V.** Limited liability company (naamloze vennootschap), based in Amsterdam, The Netherlands

**KMG Rompetrol S.R.L.** Limited liability company based in Bucharest, Romania

**Oilfield Exploration Business Solutions S.A.** Joint stock company based in Bucharest, Romania

**Rompetrol Downstream S.R.L.** Limited liability company based in Bucharest, Romania

Rompetrol Rafinare S.A. Joint stock company based in Năvodari, Romania

**Rompetrol Financial Group S.R.L.** Limited liability company based in Bucharest, Romania

**Rompetrol Well Services S.A.** Joint stock company based in Ploiești, Romania

**Rominserv S.R.L.** Limited liability company based in Bucharest, Romania

**Rompetrol Petrochemicals S.R.L.** Limited liability company based in Năvodari, Romania

**Rompetrol Quality Control S.R.L.** Limited liability company based in Năvodari, Romania

**Rompetrol Gas S.R.L.** Limited liability company based in Bucharest, Romania

Rom Oil S.A. Joint stock company based in Zărnești, Romania

Midia Marine Terminal S.R.L. Limited liability company based in Navodari, Romania

Byron Shipping S.R.L. Limited liability company based in Năvodari, Romania

**Rompetrol Logistics S.R.L.** Limited liability company based in Ploiești, Romania

**Global Security Sistem S.A.** Joint stock company based in Bucharest, Romania

**Rompetrol Energy S.A.** Joint stock company based in Năvodari, Romania

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

**KMG Rompetrol Services Center S.R.L.** Limited liability company based in Bucharest, Romania

**Rompetrol Renewables S.R.L.** Limited liability company based in Ploiești, Romania - activity suspended until 04/15/2024.

**KMG Rompetrol Development S.R.L.** Limited liability company based in Bucharest, Romania

**Î.M. Rompetrol Moldova S.A.** Joint stock company based in Chişinău, Rep. of Moldova

**Rompetrol Georgia LTD.** Limited liability company based in Tbilisi, Georgia

**Rompetrol Bulgaria J.S.C.** Joint stock company based in Sofia, Bulgaria

KazMunayGas Trading A.G. Joint stock company based in Lugano, Switzerland

**TRG Petrol Ticaret A.S.** Joint stock company based in Istanbul, Turkey

**Byron Shipping LTD.** Limited liability company headquartered in Gibraltar

Fondul de Investiții în Energie Kazah-Român S.A. Joint stock company based in Bucharest, Romania

### BRANCHES AND JOINT VENTURES

**Rompetrol France S.A.S.** Based in Montpellier, France

Dyneff S.A.S. Based in Montpellier, France

**DPPLN S.A.S.** Based in Port-La-Nouvelle, France

**Dyneff Retail S.A.S.** (formerly Terminal Midi Pyrenees S.A.S.) Based in Montpellier, France

**EPPLN S.A.S.** Based in Port-La-Nouvelle, France

**Dyneff Espana S.L.** Based in Girona, Spain

**Dyneff Gas Stations Network S.L.** Based in Girona, Spain

**Dyneff Trading S.L.** (formerly Bioneff S.L.) Based in Girona, Spain

**ETS Rossignol S.A.S.** Simplified joint stock company based in Route de Saint Juéry, 48310 Fournels, France

**Bio Advanced Energy S.A.S.** Based in Montpellier, France

Depot FOS S.A. Based in Fos Sur Mer, France

Depot Rhone (SPR S.A.) Based in Courbevoie, France

Boissonnade Combustibles S.A.S. Based in Mende, France

Paul Orriols Combustibles de Cerdagne S.A.S. Based in Bourg-Madame, France

**PLANTIER S.A.S.** Based in Florac Trois Rivieres, France

NATGAS France S.A.S. Simplified joint stock company based in Paris, France

ANEO S.A.S. Simplified joint stock company based in Baillargues, France

**ORCEYRE S.A.S.** Based in La Chapelle-Laurent, France

AUBAC S.A.S. Based Tournous-Devant, France

**TPDT S.A.R.L.** Based in Port-de-Bouc, France

ABC Carburants-Allo Beziat Carburants S.A.S. Based in Bouloc, France

> Geraud-Tampier S.A.S. Based in Septfonds, France

David Recoules S.A.S. Based in Requista, France

Alegri S.A.S. Based in Pzens, France

Midia Green Energy S.A. Based in Năvodari, Romania

**Benon Rompetrol LLC Oman** Joint venture based in Oman

**Oilfield Exploration Business Solutions S.A.** Libya Branch

> **Oilfield Exploration Business Solutions S.A.** Irag Branch

**KMG Rompetrol S.R.L.** Representtive Office in Kazakhstan

**Rominserv S.R.L.** Kazakhstan Branch

**Rominserv S.R.L.** Bulgaria Branch

#### KazMunayGas Trading A.G. Representative Office in Odessa, Ukraine

### MANAGEMENT MANAGEMENT SYSTEM

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

#### Sole Shareholder

#### **Board of Managing Directors**

#### **Chief Executive Officer (CEO)**

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

#### **General Meeting of Shareholders or** Sole shareholder

**Board of Directors and Sole Director (CEO)** 

#### **General Manager and Finance Manager**

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

#### **Board of Directors** (as of Dec. 2022)

Mr. Nikolay Kazutin as Chairman [also Managing Director for Legal Support, Collateral and Risks, Member of the Management Board at National Wealth Fund Samruk-Kazyna JSC]

Mr. Ilias Kuldzhanov as Chief Executive Officer (CEO)

Mr. Emile Eduard Wolff as independent non-executive managing director

Mr. Arman Saulebay as non-executive managing director [also Managing Director at KazMunaiGaz Finance Sub B.V.]

Mr. Vassiliy Lavrenov as non-executive managing director [also Deputy Chairman of the Board at National Company KazMunayGas JSC]

Mr. Arman Kairdenov as non-executive managing director [also Deputy Chairman of the Board for Oil Refining and Petrochemistry at National Company KazMunayGas JSC]

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

GRI

GRI 2-9

GRI 2-10

GRI 2-11

GRI 2-12

GRI 2-13

GRI 2-15

GRI 2-16

GRI 2-17

**GRI 2-18** 

GRI 2-19

GRI 2-20

**IPIECA** 

GOV-4 C1

GOV-1 C1, C5, A1

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

#### **NOMINATION & SELECTION OF HIGHEST GOVERNING BODY**

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

#### Accountability

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

#### Effectiveness

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

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

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

### Transparency

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

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

#### **BOARD OF MANAGING DIRECTORS**

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

The non-executive managing directors include one independent director. The sole shareholder has appointed four representatives who are in charge of overseeing that the Group is implementing the Procedures and Polices 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 the Board members** that are relevant to the organization:

Legal and Corporate Governance Engineering Technical maintenance Economics and Finance Innovations and IT systems Investment, project, retail, and marketing mgmt. Strategic development Post-merger integration, innovation, business management and improvement, mentoring/coaching Risk management and transformation

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

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

In accordance with KMG International N.V. Board Regulations, the company's Board approves an appointment of general managers (CEO) of the KMG International N.V.'s affiliates, as well as the organizational structure of KMG Rompetrol and the appointment of Chief Officers by business units. Therefore, the nomination process of key people within the Group is approached, discussed, and approved by the highest governance body, based on criteria such as expertise, knowledge, skills, in line with the Group's business needs.

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

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

## The Board of Directors approves the following:

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

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

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

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



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

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

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

#### SPECIALIZED COMMITTEES

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

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

### **Rompetrol Rafinare SA**

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

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

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

### OPERATIONAL PROFILE

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

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

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

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

GRI 2-18 GRI 2-20 IPIECA

GOV-1 C1, C5, A1

**GRI** GRI 2-9

GRI 2-10

GRI 2-11

GRI 2-12

GRI 2-13

GRI 2-15

GRI 2-16

GRI 2-17

### WORKING POINTS \_\_\_\_\_

#### **Petromidia Refinery**

1-283 Năvodari Blvd., Năvodari, Constanța Count

### LEGAL ENTITIES \_\_\_\_\_

#### **Rompetrol Logistics S.R.L.**

Registered office: 7 Basarabilor St., Ploieşti, Prahova County Office of the Trade Register no.: J29/2556/16.09.2 Tax identification no.: RO 14156698 Main business object: Freight rail transport (NACE code 4920)

#### Direct participation: 66.1911%

#### Rompetrol Petrochemicals S.R.L.

Registered office: 215 Năvodari, Administrative B Room 21, Năvodari, Constanța county Office of the Trade Register no.: J13/2681/09.12.2 Tax identification no.: R015077797 Main business object: Manufacture of plastics in p forms (NACE code 2016) Direct participation: 100%

#### Rom Oil S.A.

Registered office: 1 Mare St., Ground Floor, Zărnes Braşov County Office of the Trade Register no.: J8/549/13.05.199 Tax identification no.: RO 10600770 Main business object (as of 2017): Renting and op of own or leased real estate (NACE code 6820) Direct participation: 99.9998508%

### Direct participation: 99.9998508%



| у        | <b>Vega Refinery</b><br>146 Văleni St., Ploiești, Prahova County                            |  |
|----------|---|--|
|          |   |  |
|          |   |  |
|          | Rompetrol Quality Control S.R.L.  |  |
|          | Registered office: 215 Návodari, Administrative Pavilion,                                   |  |
| 2008     | Office of the Trade Register no - 113/6775/22.06.2004                                       |  |
|          | Tax identification no · R016542407  |  |
|          | Main business object: Technical testing and analysis  |  |
|          | (NACE code 7120)  |  |
|          | Direct participation: 70.91%  |  |
|          | Rompetrol Downstream S.R.I  |  |
| 3ldg.,   | Registered office: City Gate Northern Tower, 3-5 Presei                                     |  |
| 5        | Libere Sq., 2nd Floor, Bucharest, District 1  |  |
| 2002     | Office of the Trade Register no.: J40/1716/24.02.2000                                       |  |
|          | Tax identification no.: R012751583  |  |
| primary  | Main business object: Retail sale of automotive fuel in specialized stores (NACE code 4730) |  |
|          | Direct participation: 99.994688898%   |  |
|          | Global Security Sistem S.A.   |  |
| şti,     | Registered office: 1 Constantin Căpitanu St., Bucharest, District 1                         |  |
| 98       | Office of the Trade Register no.: J40/10517/25.11.1999                                      |  |
|          | Tax identification no.: R012452549  |  |
| perating | Main business object: Private security activities (NACE code 8010)                          |  |
|          | Indirect participation (Rompetrol Logistics S.R.L.): 51%                                    |  |
|          | Rompetrol Gas S.R.L.  |  |
|          | Registered office: 3-5 Presei Libere Sq, City Gate North-                                   |  |
|          | ern Tower, 5th Floor, Rooms 4-5, Bucharest, District 1                                      |  |
|          | Office of the Trade Register no.: J40/11389/12.07.2006                                      |  |
|          | Tax identification no.: R018846690  |  |
|          | Main business object: Wholesale of solid, liquid, and                                       |  |
|          | gaseous tuels and related products (NACE code 46/1)   |  |
|          | indirect participation (Rompetrol Logistics S.R.L.): 100%                                   |  |
|          |   |  |

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### MANAGEMENT

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

#### **General Meeting of Shareholders**

#### **Board of Directors**

#### **General Manager and Finance Manager**

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

#### THE GENERAL MEETING **OF SHAREHOLDERS (GMS)**

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

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

#### THE ORDINARY GENERAL MEETING **OF SHAREHOLDERS (OGMS)**

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

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

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

#### THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ("EGMS")

#### The Extraordinary General Meeting has the following tasks:

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

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

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

### **BOARD OF DIRECTORS**

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

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

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

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

### **Board of Directors** (as of Dec. 2022)

Mr. Yedil Utekov as non-executive director and Chairman of the Board of Directors Mr. Askar Abilov as non-executive director Mr. Felix Crudu-Tesloveanu as executive director and General Manager Mr. Nicolae Bogdan Codrut Stănescu as independent non-executive director Mr. Bogdan Cătălin Steriopol as independent non-executive director

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

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

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

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

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

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

• approves the Company organizational structure.

These cannot be delegated to company managers.

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

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

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

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

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

#### Audit Committee (as of Dec. 2022)

Mr. Dan Alexandru Iancu as Chairman Mr. Askar Abilov

Mr. Nicolae Bogdan Codruț Stănescu

### Strategy Committee (as of Dec. 2022)

Mr. Yedil Utekov as Chairman

Mr. Felix Crudu-Teșloveanu

Mr. Bogdan Cătălin Steriopol

#### GENERAL MANAGER AND FINANCE MANAGER

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

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

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

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



## Rompetrol Well Services SA

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

### **OPERATIONAL** PROFILE

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

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

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

### WORKING POINTS



GRI

**GRI 2-9** 

GRI 2-10

GRI 2-11

GRI 2-12

GRI 2-13

### Rompetrol Well Services SA Medias

based in Medias (Sibiu), Romania

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

**Rompetrol Well Services SA Câmpina** based in Câmpina (Prahova), Romania

**Rompetrol Well Services SA Moinesti** based in Moinesti (Bacău), Romania

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

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



### MANAGEMENT

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

**General Meeting of Shareholders** 

**Board of Directors** 

**General Manager and Finance Manager** 

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

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

#### The Extraordinary General Meeting of Shareholders has the power to:

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

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

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

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

### **Board of Directors**

(as of Dec. 2022)

Mr. Yedil Utekov as Chairman Mr. Stefan Georgian Florea as executive director and General Manager Ms. Olga Turcanu as non-executive director Mr. Vasile Gabriel Manole as non-executive director

Mr. Moby Eugeniu Henke as non-executive director

#### KMG INTERNATIONAL SUSTAINABILITY REPORT 2022

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

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

#### The Board of Directors has the duty to:

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

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

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

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

| Audit Committee<br>(as of Dec. 2022)  |
|---|
| Mr. Dan Alexandru Iancu as Chairman   |
| Mr. Yedil Utekov  |
| Mrs. Olga Turcanu   |
| The Board of Directors is responsible for reviewing and<br>approving the reported information as is delivered by<br>the General Manager and the Finance Manager of Rom-<br>petrol Well Services SA.   |
| Rompetrol Well Services SA is represented in front of<br>third parties, and it is legally committed in the relation-<br>ship with third parties, by the General Manager who<br>benefits of general Company representation power<br>The commitments with patrimonial content or effect<br>as well as any legal deed inferring the undertaking by<br>Rompetrol Well Services SA' obligations with patrimo-<br>nial content and effect will be signed both by the Com-<br>pany's General Manager, as the case may be, and by the<br>Finance Manager, subject to the possibility to sub-ap-<br>point third parties. In case of vacancy for the position of<br>general manager and/or finance manager and through-<br>out such period, the signature right mentioned above<br>will be exercised by the persons appointed by the Board<br>of Directors to carry out the duties of the general man-<br>ager namely the finance manager |



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### **Rominserv SRL**

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

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

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

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

### BRANCHES \_\_\_\_\_

**Rominserv SRL Pavlodar Branch** based in Pavlodar, Kazakhstan

**Rominserv SRL Bulgaria Branch** based in Sofia, Bulgaria

### **OPERATIONAL** PROFILE

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

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

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

### WORKING POINTS

**Rominserv SRL Petromidia working point** based in Năvodari (Constanța), Romania

Rominserv SRL Vega working point based in Ploiești (Prahova), Romania

### MANAGEMENT

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

#### **General Meeting of Shareholders**

**Board of Directors** 

**General Manager and Finance Manager** 

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

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



GRI **GRI 2-9** GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-13 GRI 2-15

GRI 2-16

GRI 2-17

**GRI 2-18** 

GRI 2-20

**IPIECA** 

GOV-1 C1, C5, A1

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

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

#### Board of Directors (as of Dec. 2022)

#### Mr. Yedil Utekov as Chairman

Mr. Adrian Tohănean as managing director [Deputy Group Chief Financial Officer for KMG International N.V.]

Mr. Eugen-Ovidiu Mantho as managing director [Acting as QHSE Director for KMG International N.V.] Mr. Daniel Brinzoi as General Manager

Mr. Vasile Gabriel Manole as Finance Manager

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

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

## The Board of Directors has the following main duties:

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

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

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

As general contractor of the Group, Rominserv handled the replacement of the 185 C1 column of the Amine Treatment Unit at Petromidia refinery. 814





### Introduction

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

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

### **Approach to environmental** protection and conservation

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

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

#### **Compliance with regulations** and standards

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

#### **Risk management**

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

#### **Continuous improvement**

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

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

#### **Stakeholder engagement**

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

#### Transparency

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

GRI **GRI 2-27 GRI 3-3** GRI 11.8.2 GRI 11.15.4 SASB EM-MD-160a.4 **IPIECA** CCE-1 C1 ENV-6 C1, C2, C3, C4 We recognize that the transition to a low-carbon economy will require significant changes in our operations, and we are committed to working collaboratively with stakeholders to address the challenges of the energy transition. We believe that by taking a proactive approach to environmental management, we can minimize our environmental footprint and contribute to a more sustainable future.

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

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

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

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

### **ENVIRONMENTAL** COMPLIANCE

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

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

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

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

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

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

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### **Climate change and** climate-related risks

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| Policy &<br>legal risks             | Increased pricing of GHG emissions<br>Enhanced emission reporting<br>obligations<br>Exposure to litigation                              | Increased operating costs (higher compliance costs<br>increased insurance premiums)<br>Asset impairment, and early retirement of existing<br>assets due to policy changes   |
|-------------------------------------|---|---|
| Technology<br>risks                 | Substitution of existing products<br>with lower emissions options<br>Costs to transition to lower<br>emissions technology               | Reduced demand for existing products and services<br>Capital investments in technology development<br>Costs to adopt/deploy new practices and processes   |
|                                     |   | Reduced demand for products due to change in consumer preferences   |
| Market<br>risks                     | Changing customer behavior<br>Increased cost of raw materials   | Increased production costs due to changing input<br>prices (energy, water) and output requirements<br>(waste treatment)   |
|                                     |   | Increased energy costs  |
| Acute<br>climate-related<br>risks   | Increased severity of<br>extreme weather events<br>(thunderstorms, floods)  | Reduced revenue from decreased production capaci<br>(transport difficulties, supply chain interruptions)<br>Reduced revenue and higher costs from negative<br>impacts on workforce (health, safety, absenteeism)  |
| Long-term risks*                    |   | Financial impact  |
| Chronic<br>climate-related<br>risks | Changes in precipitation patterns<br>and extreme variability in<br>weather patterns<br>Rising average temperatures<br>Rising sea levels | Reduced revenue from decreased production capac<br>(transport difficulties, supply chain interruptions)<br>Reduced revenue and higher costs from negative<br>impacts on workforce (health, safety, absenteeism)<br>Increased operating costs (inadequate water or<br>energy supply)<br>Increased capital costs (damage to facilities)<br>Reduced revenues from lower sales/output |

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

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

## GRI

GRI 301-1 GRI 301-2

TCFD

Governance a, b Risk management a, b, c Metrics and targets a, b, c **IPIECA** CCE-1 C1-C4, A3

CCE-2 C1, C2, C4, A1

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

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

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

## Group Carbon footprint \_

The carbon footprint presented in this report represents the total greenhouse gas (GHG) emissions of KMG International during the financial year 2022, expressed as CO<sub>2</sub> equivalent. The Greenhouse Gas Protocol (GHG Protocol) defines three emission scopes, as illustrated in the graph below.



included in CFP calculation for KMG International based on materiality not included

### **SCOPES ACROSS** THE VALUE CHAIN

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



|   | King International entities included i |                               |  |
|---|--|-------------------------------|--|
|   | SECTOR                                 | ENTITY                        |  |
| Rompetrol Rafinare SA   |  | Rompetrol Rafinare SA         |  |
| operates the two refineries   |  | Petromidia Refinery           |  |
| of Navodari, county of  | Industry                               | Vega Refinery                 |  |
| Constanta, together with the<br>only petrochemical division<br>of the country, and Vega |  | Rompetrol Energy SA           |  |
| Refinery of Ploiești, which<br>keeps the local refining                                 |  | KMG International HQ          |  |
| industry at high standards.   |  | Rominserv SRL                 |  |
| KMG Rompetrol<br>Services Center and KMG  | Services                               | Rompetrol Quality Control SRL |  |
| <b>Rompetrol Development</b>  |  | Midia Marine Terminal SRL     |  |
| building, and their emissions   |  | Rompetrol Well Services SA    |  |
| are not metered separately.<br>Therefore, their emissions                               |  | Rompetrol Downtream SRL       |  |
| were calculated together.   |  | Rompetrol Gas SRL             |  |
|   | Retail                                 | Rompetrol Bulgaria EAD        |  |
|   |  | Rompetrol Moldova SA          |  |
|   |  | Rompetrol Georgia LTD         |  |
|   |  | -                             |  |

### **GREENHOUSE GAS EMISSIONS**

| Tons CO <sub>2</sub> equivalent emisions in the value chain - FY 2022 |           |         |           |           |
|---|-----------|---------|-----------|-----------|
| SECTOR  | SCOPE 1   | SCOPE 2 | SCOPE 3   | TOTAL     |
| Refining Industry   | 1,068,378 | 1,872   | 4,462,032 | 5,532,282 |
| KMGI Services   | 4,501     | 469     | 3,491     | 8,461     |
| Retail (warehouses, gas stations)                                     | 2,853     | 11,167  | 8,452,113 | 8,466,113 |
| Biogenic uptake*  | -311      | -       | -646,030  | -646,341  |
|   |           |         |           |           |

**Grand Total Emissions** 

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

00 use of sold

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### KMG International entities included in the CFP calculation - FY 2022

#### ACTIVITY

14,006,876

### METHODOLOGY CFP -KMGI ASSETS

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

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

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

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

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

#### Companies included in the reporting boundaries of KMGI

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

#### GHG PROTOCOL

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

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



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

(\*) If material emissions are identified

## Assumptions and notes on methodology

- To avoid double reporting at the KMGI level, boundaries were set at the Group level for scope 1, 2 and 3 emissions. The boundaries were established according to the GHG Protocol – centralized approach.
- The inventory of GHG emissions includes all relevant KMGI companies and activities selected based on the criterion of operational control 100% owned by KMGI. Entities with KMGI operational control according to the GHG Protocol were included.
- In the KMGI centralized reporting the emissions related to LPG quantities are reported by gas stations (Rompetrol Downstream Romania).
- The transport of raw materials (oil) to refineries is not under the operational control of KMGI, therefore the associated emissions in the amounts reported in scope 3 for KMGI were calculated based on estimates. Any other purchased goods or services are not included, as specified in the boundaries/limitations for scope 3 emissions, not considered material. Therefore the associated emissions in the amounts reported in scope 3 for KMGI were calculated based on estimates within the boundaries specified.
- Operational transport from the refineries to the other KMGI entities, as well as to its own storage facilities, is provided by Rompetrol Downstream. Thus, the emissions associated with scope 3 (because they are external carriers) are included in the calculation by Rompetrol Downstream Ro, Rompetrol Bulgaria, Rompetrol Moldova and Rompetrol Georgia.
- The transportation of petroleum products from refineries to customers (both by car and by barge) is under the control of KMGI customers, with the isolated exception of deliveries to the Romanian Army which are not material in terms of emission volume, these were not quantified to be included.
- Rail transport was not included in the calculation as material, as there are no direct GHG emissions associated with it, given that the vast majority of rail transport is electric, with very few exceptions. Also, for the Vega Refinery, raw materials are transported by rail, and within KMGI, other transports are carried out by rail.
- Material GHG emissions associated with raw material include the cement received monthly from Germany and transported to Rompetrol Well Services for their well rehabilitation activities, and for which scope 3 emissions in upstream for the cement production and transport are calculated and included. For the delivery of raw material (cement) to Rompetrol Well Services, only the delivery distance (not the return distance) of the vehicles was taken into account. It is assumed that they will run other cargo routes (since not under the operational control of KMGI) back to Germany.

\* https://www.eib.org/

attachments/lucalli/eib

project\_carbon\_footprint\_

methodologies 2023 en.pdf

- To avoid double reporting in the case of external transporters, who supply from Rompetrol petrol stations or other facilities (they are Rompetrol customers), the emissions were calculated and included in Scope 3 only once.
- To avoid double reporting, the Scope 1 fuel quantities from KMGI's own fleet (entities from industry and services, as well as the Rompetrol Downstream fleet) were subtracted from the total Scope 3 fuel quantities because these vehicles are fueled from Rompetrol gas stations.
- In the case of operational transport carried out by third parties, their fuel consumption was included in Scope 3 if there are no contractual conditions in place that require them to purchase fuel from Rompetrol.
- The storage (warehouses) facilities are operated by Rompetrol Downstream, Rompetrol Georgia, Rompetrol Bulgaria and Rompetrol Moldova, the associated emissions being reported by these entities (emissions of Romoil SA and Rompetrol Logistics SRL storage facilities are included in Rompetrol Downstream; the entity that operates the storage facilities).
- Emissions associated with waste generated were not included in the calculation, not found to be significant/material.
- Emissions associated with the construction phase of new gas stations are not included in the calculation, as they are temporary and not under KMGI's operational control. Consequently, they are not reported by Rompetrol Downstream (or other entities such as KMG Rompetrol Services Center, Rompetrol Georgia, Rompetrol Bulgaria, Rompetrol Moldova).
- Business flights and other emissions associated with business travel (accommodation) have not been included in the calculation as they are not considered significant/material or quantifiable (in the case of accommodation).
- KMG Rompetrol Services Center and KMG Rompetrol Development operate in the Rompetrol HQ building and their emissions are not metered separately.
- Employee commuting was not included in the calculation to avoid double reporting, they are assumed to be fueling from KMGI and their related emissions are reported within the fuel quantities sold.
- For Bulgaria, Moldova, Georgia, and in some cases Romania, the emission factor per country for electricity was used (and replaced by the supplier factor if available) - the last published factor. Emission factors for fuels\* updated February 2022 (Recommended by the European Commission).
- EU ETS emissions calculations have been introduced where applicable (refineries).

#### Assumptions and notes on methodology on biogenic intake

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

### SCOPE 2 -

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

### SCOPE 1 -

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

#### **KMGI Industry entities**

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

#### **KMGI Industry entities**

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

Direct emissions from installations include the following sources: combustion in furnaces, flares, processes. No fugitive or emergency CH4 emissions are accounted for, they are not considered relevant emissions on the enclosed industrial platform. GHG emissions are calculated based on activity data (fuel consumption, production per plant, etc.). The direct emissions of the installations are calculated according to the EU ETS regulations, validated by an accredited external verification body. The total flare gas (Nm<sup>3</sup>) is taken into account.

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

#### **KMGI Services entities**

Purchased electricity - emission factor from the supplier is included.

### SCOPE 3 -

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

#### **KMGI Industry entities**

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

#### **KMGI Services entities**

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

#### **Emissions derived from employees commuting**

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

#### **KMGI Services entities**

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

#### KMGI Downstream warehouse and filling stations

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

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

#### KMGI Downstream warehouse and filling stations

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

#### **KMGI Downstream** warehouse and filling stations

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

### KMG International Decarbonization Strategy

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

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

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

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

### STRATEGIC POSITIONING

**GRI** GRI 2-24 GRI 2-25 GRI 11.2.4

**IPIECA** 

CCE-1A1

CCE-3 C1, A1, A2

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

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

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

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

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

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

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

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

### **PROJECT PORTFOLIO**

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



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

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

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

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

### 1<sup>ST</sup> PRIORITY PROJECTS -FOR IMMEDIATE IMPLEMENTATION

#### **A. BIOFUELS PRODUCTION**

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

The quasi-constant energy demand in Europe is set to slowly shift from fossil-based products to biofuels and alternative energy sources. According to the International Energy Agency, global demand for biofuels is set to grow by 41 billion liters (28%) by 2031. Given the demand projections for the biodiesel sector, the European Union is expected to remain the world's largest biodiesel producing region<sup>1</sup>.

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

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

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

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

#### **Bioethanol production**

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

#### **Biodiesel production**

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

#### **B. E-MOBILITY**

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

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





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

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

#### **EV charging network**

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

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

### 2<sup>ND</sup> PRIORITY PROJECTS -SUBJECT TO CERTAIN MARKET CONDITIONS

#### **CARBON CAPTURE (UTILIZATION) STORAGE**

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

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

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

#### **C. ENERGY VALUE CHAIN**

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

#### **Renewable energy generation**

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

#### **Onsite energy generation**

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

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

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

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

#### **Outside-network EV charging**

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

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

#### **Electricity supply & energy services**

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

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### STRATEGY IMPLEMENTATION

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

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

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

We have embarked on a comprehensive process on our path towards decarbonization across the Group. There is a very ambitious journey ahead of us, having along the way, challenges and opportunities but we believe that lasting progress comes from building upon past sustainability achievements, long-term commitment and resilience, and that together the journey is easier. One of the major investment projects in progress at the end of 2022 (but not part of the decarbonization projects portfolio) is the **cogeneration plant** on the Petromidia platform. The plant will have a major role in stabilizing the production and distribution of electricity in the region, by ensuring the energy needs of the platform, but also by injecting the surplus electricity into the national grid.

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

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

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

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



### Environmental performance targets \_\_\_\_\_

KMG International is focused on understanding and As we work to develop our net zero emissions plan, Our mitigating climate change risks just as it is committed to reducing its environmental impact.

board of directors approved our comprehensive decarbonization strategy in 2022.

| Bucharest HQ of KMG International NV                          | 2022*   | 2023 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|---------|------|------|------|------|------|------|------|
| Scope 1: CO <sub>2</sub> e emissions (t), var. from base year | 630.75  | -    | -4%  | -7%  | -    | -    | -    | -    |
| Scope 2: $CO_2e$ emissions (t), var. from base year           | 259.34  | -1%  | -5%  | -7%  | -    | -    | -    | -    |
| Reduction of energy consumption (MWh), var. from base year    | 1,194   | -1%  | -5%  | -7%  | -    | -    | -    | -    |
| Freshwater withdrawal (million liters), var. from base year   | 3.38541 | -1%  | -4%  | -13% | -    | -    | -    | -    |
| Reduce water discharge (million liters), var. from base year  | 3.331   | -1%  | -2%  | -3%  | -    | -    | -    | -    |

\* 2022 is the base year for the measurements

| Rompetrol Rafinare SA - Petromidia Refinery                   | 2022*     | 2023  | 2025 | 2030 | 2035 | 2040 | 2050 | Obs.     |
|---|-----------|-------|------|------|------|------|------|----------|
| Scope 1: CO2e emissions (t), var. from base year              | 883,003   | -5.7% | -10% | TBD  | TBD  | TBD  | TBD  | TBD      |
| Scope 2: CO <sub>2</sub> e emissions (t), var. from base year | 0         | 0%    | 0%   | -    | -    | -    | -    | -        |
| Scope 3: CO <sub>2</sub> e emissions (t), var. from base year | 4,362,862 | -1%   | -1%  | TBD  | TBD  | TBD  | TBD  | TBD      |
| Energy Intensity Index  | 96.25     | 91.8  | 87.9 | 86.9 | 86.9 | 85.7 | 85   | -        |
| Reduction of energy consumption (GJ/t)                        | 3.38      | 3.38  | 3.30 | 3.28 | 3.28 | 3.24 | 3.22 | 1)       |
| Freshwater withdrawal (million liters), var. from base year   | 2.781     | -1%   | -4%  | -15% | -15% | -20% | -20% | 2)       |
| Water discharge (million liters)                              | 8.766     | 6     | 6    | 6    | 6    | 5.8  | 5.8  | 3)<br>4) |
| Significant spills  | 0         | 0     | 0    | 0    | 0    | 0    | 0    | -        |

\* 2022 is the base year for the measurements

1) At BU level value according to Budget forecast

2) New Carasu pumping station in 2025 & in 2040 new pipeline system

3) New drinking water system in 2030

4) New pump installed in 2025 on reused water system

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

| Rompetrol Rafinare SA - Vega Refinery                         | 2022*  | 2023  | 2025  | 2030 | 2035 | 2040 | 2050 | Obs. |
|---|--------|-------|-------|------|------|------|------|------|
| Scope 1: CO2e emissions (t), var. from base year              | 41,606 | -0.1% | -0.5% | TBD  | TBD  | TBD  | TBD  |      |
| Scope 2: CO <sub>2</sub> e emissions (t), var. from base year | 0      | 0%    | 0%    | -    | -    | -    | -    |      |
| Scope 3: CO <sub>2</sub> e emissions (t), var. from base year | 99,170 | -0.1% | -0.1% | TBD  | TBD  | TBD  | TBD  |      |
| Energy consumption (GJ/t)                                     | 2.34   | 2.41  | 2.40  | 2.40 | 2.40 | 2.40 | 2.40 | 1)   |
| Freshwater withdrawal (million liters), var. from base year   | 2.781  | -1%   | -4%   | -15% | -15% | -20% | -20% |      |
| Water discharge (million liters), var. from base year         | 8.766  | 6     | 6     | 6    | 6    | 5.8  | 5.8  | -    |
| Significant spills  | 0      | 0     | 0     | 0    | 0    | 0    | 0    |      |

\* 2022 is the base year for the measurements

1) At BU level value according to Budget forecast

| Rompetrol Downstream SRL                                      | 2022*        | 2023     | 2025     | 2030      | 2035       | 2040      | 2050     | Obs. |
|---|--------------|----------|----------|-----------|------------|-----------|----------|------|
| Scope 1: CO <sub>2</sub> e emissions (t), var. from base year | 1,647        | In accor | dance wi | th Romar  | nian law a | and EU re | gulation |      |
| Scope 2: CO <sub>2</sub> e emissions (t), var. from base year | 6,321        | In accor | dance wi | th Romar  | nian law a | and EU re | gulation | 1)   |
| Scope 3: CO <sub>2</sub> e emissions (t), var. from base year | 6,069,400.51 | In accor | dance wi | th Romar  | nian law a | and EU re | gulation |      |
| Recycled input plastic materials used (t)                     | 53.2         |          | In acco  | rdance wi | th Roma    | nian law  |          | 2)   |
| Asset specific VOC emission (kg), var. from base year         | 71,034       | -25%     | -25%     | -25%      | -45%       | -45%      | -45%     | 3)   |
| Significant spills  | 0            | 0        | 0        | 0         | 0          | 0         | 0        | 4)   |
| Waste diverted from disposal (t)                              | 971          |          | -        | -         | -          | -         | -        | 5)   |
| Environmental grievances                                      | 1            | 0        | 0        | 0         | 0          | 0         | 0        | 6)   |

\* 2022 is the base year for the measurements

1) GEO no. 80/2018 and European Climate Law 22.04.2020 2) GO no. 6/2021 - Recyclable plastic for plastic bottles 3) In accordance with Law no. 203 /2018 and EU Directive no. 2284/2016 4) Annual measurement and pump with vapor recovery for new locations 5) In conformity with Romanian law: GEO no. 196/2005 - % recovery from recyclable waste generated *6) Complaints from neighbors on the environmental line* 

| Rompetrol Gas SRL   | 2022* | 2023 | 2025     | 2030     | 2035     | 2040     | 2050 | Obs. |
|---|-------|------|----------|----------|----------|----------|------|------|
| Scope 1: CO₂e emissions (t), var. from base year              | 671   |      | -10%     | -        | -        | -        | -    |      |
| Scope 2: CO <sub>2</sub> e emissions (t), var. from base year | 242   |      | -10%     | -        | -        | -        |      | 1)   |
| Scope 3: CO <sub>2</sub> e emissions (t), var. from base year | 2,626 |      | -10%     | -        | -        | -        |      |      |
| Asset specific oil-in-water discharge limits (mg/l)           |       |      | In accor | dance wi | th Romar | nian law |      |      |
| Significant spills  | 0     | 0    | 0        | 0        | 0        | 0        | 0    | -    |
| Waste diverted from disposal (t), waste recovery rate         | 16.08 | +60% | +65%     | +65%     | +65%     | +65%     | +65% | 2)   |
| Environmental grievances                                      | 0     | 0    | 0        | 0        | 0        | 0        | 0    | -    |

\* 2022 is the base year for the measurements

1) GEO no. 80/2018 and European Climate Law 22.04.2020 2) GEO no. 196/2005

| Rompetrol Well Services SA                                     | 2022*    | 2023  | 2025 | 2030 | 2035 | 2040 | 2050 | Obs. |  |
|--|----------|-------|------|------|------|------|------|------|--|
| GHG emission intensity (t)                                     | 0.000107 | -1%   | -5%  | -7%  | -10% | -15% | -20% |      |  |
| Third-party water consumption (million liters), var. from base | 3.01     | -0.5% | -1%  | -5%  | -    | -    | -    |      |  |
| Significant spills   | 0        | 0     | 0    | 0    | 0    | 0    | 0    |      |  |
| Environmental grievances                                       | 0        | 0     | 0    | 0    | 0    | 0    | 0    |      |  |

\* 2022 is the base year for the measurements

SUSTAINABILITY REPORT 2022

| Rominserv SRL   | 2022*  | 2023 | 2025 | 2030 | 2035 | 2040 | 2050 | Obs. |
|---|--------|------|------|------|------|------|------|------|
| Scope 1: CO <sub>2</sub> e emissions (t)                      | 279.38 | 275  | 270  | 265  | 260  | 255  | 250  |      |
| Scope 2: CO <sub>2</sub> e emissions (t)                      | 0      | 0    | 0    | 0    | 0    | 0    | 0    |      |
| Scope 3: CO <sub>2</sub> e emissions (t), var. from base year | -      |      | -    | -    | -    | -    | -    |      |
| Energy consumption (GJ/t)                                     | 0.6398 | 0.67 | 0.70 | 0.75 | 0.80 | 0.85 | 0.90 |      |
| Freshwater withdrawal (million liters)                        | 0.9525 |      | -    | -    | -    | -    | -    |      |
| Water discharge (million liters)                              | 0.8659 | 0.85 | 0.80 | 0.75 | 0.70 | 0.65 | 0.60 | -    |
| Asset specific oil-in-water discharge limits (mg/l)           | -      | -    | -    | -    | -    | -    | -    |      |
| Significant spills  | 0      | 0    | 0    | 0    | 0    | 0    | 0    |      |
| Waste diverted from disposal (t)                              | -      | -    | -    | -    | -    | -    | -    |      |
| Environmental grievances                                      | 0      | 0    | 0    | 0    | 0    | 0    | 0    |      |

\* 2022 is the base year for the measurements

| Rompetrol Energy SA                                   | 2022*   | 2023  | 2025  | 2030  | 2035  | 2040  | 2050  | Obs. |
|---|---------|-------|-------|-------|-------|-------|-------|------|
| Scope 1: CO2e emissions (t)                           | 143,768 | TBD   | TBD   | TBD   | TBD   | TBD   | TBD   | 1)   |
| Scope 2: CO2e emissions (t)                           | 1,872   | 1,350 | 200   | 200   | -     | -     | -     | 1)   |
| Scope 3: CO2e emissions (t)                           | 0       | 0     | 0     | 0     | 0     | 0     | 0     | -    |
| Energy consumption (GJ), var. from base year          | 929,483 | TBD   | TBD   | TBD   | TBD   | TBD   | TBD   | 2)   |
| Freshwater withdrawal (million liters)                | 2,541   | -5%   | -2%   | -2%   | -2%   | -2%   | -2%   | -    |
| Water discharge (million liters)                      | 1,105   | -3%   | -2%   | -2%   | -2%   | -2%   | -2%   | -    |
| Asset specific oil-in-water discharge limits (mg/l)   | <0.24   | <0.24 | <0.24 | <0.24 | <0.24 | <0.24 | <0.24 | -    |
| Significant spills                                    | 0       | 0     | 0     | 0     | 0     | 0     | 0     | -    |
| Waste diverted from disposal (t), waste recovery rate | 36%     | 40%   | 55%   | 60%   | 67%   | 67%   | 67%   | -    |
| Environmental grievances                              | 0       | 0     | 0     | 0     | 0     | 0     | 0     | -    |

\* 2022 is the base year for the measurements

1) Increase due to the new cogeneration plant

2) Base year 2024, full year Cogen operation

| Midia Marine Terminal SRL                                     | 2022*    | 2023 | 2025 | 2030 | 2035 | 2040 | 2050 | Obs. |
|---|----------|------|------|------|------|------|------|------|
| Scope 1: CO2e emissions (t), var. from base year              | 1,438.55 | 0%   | 0%   | -1%  | -1%  | -1%  | -1%  |      |
| Scope 2: CO <sub>2</sub> e emissions (t), var. from base year | 147.55   | 0%   | 0%   | -1%  | -1%  | -1%  | -1%  | -    |
| Significant spills  | 0        | 0    | 0    | 0    | 0    | 0    | 0    |      |

\* 2022 is the base year for the measurements

| Rompetrol Quality Control SRL                    | 2022* | 2023 | 2025 | 2030 | 2035 | 2040 | 2050 | Obs. |
|--|-------|------|------|------|------|------|------|------|
| Scope 1: CO2e emissions (t), var. from base year | 83    | 0%   | -1%  | -1%  | -1%  | -1%  | -1%  |      |
| Significant spills                               | 0     | 0    | 0    | 0    | 0    | 0    | 0    | -    |
| Environmental grievances                         | 0     | 0    | 0    | 0    | 0    | 0    | 0    |      |

\* 2022 is the base year for the measurements

| GRI 302-1 thru 302-4<br>GRI 303-1 thru 303-5<br>GRI 304-1 thru 304-3<br>GRI 305-1 thru 305-5<br>GRI 305-7<br>GRI 306-1 thru 306-5   |
|---|
| GRI 11.1.2 thru 11.1.8<br>GRI 11.2.3<br>GRI 11.3.2<br>GRI 11.5.3 thru 11.5.6<br>GRI 11.6.2 thru 11.6.6<br>GRI 11.8.2<br>GRI 11.5.4  |
| SASB  |
| EM-RM-110a.1<br>EM-RM-110a.2<br>EM-RM-120a.1<br>EM-RM-120a.2<br>EM-RM-140a.2<br>EM-RM-140a.2<br>EM-RM-150a.1  |
| CCE-1 C1, C3, C4, A1-A3<br>CCE-2 C1, C2, C4, A1<br>CCE-3 C1, C2, C4, A1<br>CCE-3 C1, C2, C4, A1-A3<br>CCE-6 C1, C2, C4, A1-A3<br>CCE-6 C1, C2, C4, A1-A3<br>ENV-1 C1, C2, C5,<br>A1-A4, A8-A11<br>ENV-2 C2, A1-A6<br>ENV-3 C1-C3, A1-A4<br>ENV-4 C1, C2, A1<br>ENV-5 C1, C2, A1-A3<br>ENV-6 C1-C4<br>ENV-7 C1-C3, A1-A4 |

#### GRI GRI 301-1

Rompetrol Rafinare owns and operates Petromidia and Vega refineries. Together, the two units represent 44,6% of the local refining capacity and could deliver 70% of the current internal demand for fuels.

Rompetrol Rafinare holds Integrated Environmental Permits, along with Water and Greenhouse Gas (CO2) Permits issued by the competent environmental authorities in accordance with the applicable legislation, for the 2 operated refineries, Petromidia and Vega. An Environmental Management program prepared based on the environmental impact of the activities carried out by the Refining Division is in place, along with an investment program approved at company level. The latter includes projects aimed at reducing our impact on the environment, including the impact on our local communities.

Climate-change-related risks and opportunities are integrated into Rompetrol Rafinare's Risk Management process aimed at identifying, assessing, and managing business-related risks. Risks are identified on a daily basis in a bottom-up approach by all employees and in a top-down approach by the organization's unit managers by monitoring regulatory, market, and reputational risks in line with the latest national and international developments. These risks are assessed in terms of their potential impact on the medium-term financial performance plan. Climate change-related risks are identified using the standardized methodology of the Corporate Risk management process. The company's Risk Register is updated with a guarterly frequency.

During the reporting period, the Risk Management Department implemented a risk assessment project based on environmental factors with an impact on the short / medium term climate development. The following risks were identified in relation to the operation of the Group's two refining units:

### **Rompetrol Rafinare SA**

#### Short term

- legal obligation regarding environmental requirements for historical sludge removal (for both Petromidia and Vega)
- proper usage of resources (energy, water)

#### **Medium term**

• Capital expenditures related to the decreasing usage of resources

#### Long term

Risks in connection to the future Cogeneration plant (Rompetrol Energy related)

#### **RISK FOR SCOPE 1 EMISSIONS**

The introduction of "dynamic allocation" starting EU ETS Phase IV is designed to recognize that installations can change substantially and that their requirements for free allocation vary with those changes. Thus, the level of free allocation will be adjusted symmetrically (reduce/increase allocation) on a two-year rolling average of activity level if there is a variation of +/-15% of the Historical Activity Level (HAL), determined in the NIMs exercise (National Implementation Measures). Free allocation only applies to Scope 1 emissions.

All GHG emissions regulations are taken into consideration as the refineries fulfill their annual compliance duty, buying the necessary EU Allowances volumes (i.e., when emissions are higher vs. free allocation). Every year, the refining division builds its Budget for the following 5 years, EUAs prices being included in this process. The Financial Risk Management Department provides the estimations for the EUA prices after analyzing the forecasts from the main carbon agencies in the market.

#### In 2022, Rompetrol Rafinare SA certifications were maintained, for:

- Car fuels and bitumens, according to legal and regulatory requirements
- Quality Environment Occupational Health and Safety Management System (QHSE) and Energy Management System, according to ISO 9001, 14001 & ISO 45001& ISO 50001 standards
- ISCC Management System (International Sustainability & Carbon Certification), in line with sustainability requirements provided by Directive 2009/28 / EC (RED).
Moreover, staged revision of all Safety Data Sheets for own products developed by both refineries, Petromidia and Vega, was carried out in accordance with the reguirements of Regulation no. 878 / amending Annex II to Regulation (EC) no. Regulation (EC) No 1907/2006 of the European Parliament and of the Council, on the registration, evaluation, authorization and restriction of chemicals.

Both Petromidia and Vega refineries are SEVESO sites (upper-level tier) and fall under the scope of Law 59/2016 (transposing SEVESO Directive) on the control of major accident hazards involving dangerous substances. Thus, we ensure the development, implementation and continuous improvement of a Safety Management System (SMS) in order to prevent the occurrence and to eliminate/minimize the effects of major accidents. In accordance with the applicable requirements in the field of emergency situations Rompetrol Rafinare has documented, approved, implemented and continuously updated the following plans and documents:

- Notification of substances according to the Procedure for Notification of Activities with Major Accident Hazards Involving Hazardous Substances approved by MO no 1175/2019.
- Safety Report
- Internal Emergency Plan
- Accidental pollution prevention and control plan
- Fire prevention and extinction intervention plan
- Evacuation plan
- Civil protection notification and alarm plan
- Earthquake defense plan
- Plan for the management of emergencies caused by floods and hazardous weather events.
- Action plan to prevent and combat snowfall, frost, landslides, and other hazardous weather phenomena specific to the cold season
- Work procedure "Emergency preparedness and response capacity"
- Training, skills development and emergency response exercises.

There were no spills recorded within Rompetrol Rafinare operations during the reporting period. However, there were two olfactory discomfort -related grievances received from the local community in Năvodari, in the vicinity of the Petromidia Refinery. Following the air monitoring performed by RQC (ISO 17025) and the air quality monitoring stations in the proximity, there were no violations of the limit values for atmospheric pollutants identified.

## MATERIALS PETROMIDIA REFINERY

In 2022, 5.26 million tons were processed, higher by 14.6% compared to the total raw materials during the previous reporting period. This level of processing represented 92.83% of the program established for the 2022 budget. 4.59 million tons were processed in 2021, while the quantity processed in 2020 was 4.86 million tons and in 2019, a record breaking year for Rompetrol Rafinare, there were 6.33 million tons of raw materials processed by Petromidia Refinery.

From an operational point of view, the refinery operated at a capacity of 15,409 tons of raw materials per day, compared to the actual operating time, this capacity being influenced by the refinery's 24-day planned technological shutdown, during which the company's specialists, together with the personnel contracted for the works, completed the technological shutdown in Petromidia and Vega refineries including the rehabilitation works at the Diesel Hydrotreater Unit (DHT) affected by the technical incident on July 2, 2021. The DHT unit was put into operation starting April 13, 2022. After this date, all units in the Refinery were restarted, Petromidia achieving a mechanical availability of 95.53%. Refinery units were operated according to the highest performance standards, ensuring at the same time compliance with the commitments made regarding environmental protection.

In terms of recycled input materials used, Petromidia recorded a total of 10,441 tons during the reporting period, compared to 7,321 tons recovered slops in 2021. In 2020, the same metric indicated 8,105 tons, higher than the previous year by 11%, when it reached 7,029 tons.

## PETROCHEMICAL UNIT (PART OF PETROMIDIA)

| Raw materials                 | Budget  | Achieved |
|-------------------------------|---------|----------|
| Propylene/propane mixture (t) | 145,641 | 125,568  |
| Ethylene (t)                  | 75,958  | 43,690   |

|                       | VEGA REF   | INERY  |   | Energy consumption   | 20                                   |
|-----------------------|--|--|---|--|--------------------------------------|
|                       | Processing in 2022   | reached 372.92   | 0 tons, of which  | BU Refining Energy (GJ/t of throughput)  | 3.                                   |
|                       | 372,909 tons from  | the group and 11   | tons non-group.   | Energy Intensity Index (EII)   | 96.                                  |
|                       | This was below the   | budgeted level,  | due to the lower  | Petromidia Energy Index (GJ/t of throughput)   | 3.                                   |
|                       | availability of raw m  | aterial, railway blo                                       | ockages and sales                                       | Polymers Energy Index (GJ/t of polymers)   | 20.                                  |
|                       | demand and appro   | ximately 52 tons   | over the previous                                       | Vega Energy Index (GJ/t of throughput)   | 2.                                   |
|                       | pared to the progra<br>in accordance with t<br>Petromidia Refinery | m established for the raw materials a and correlated with  | the 2022 budget,<br>wailable from the<br>market demand. | <b>BU Refining Energy</b> is a compressive indicator wh<br>the integrated energy performance of Petromidia Re<br>and the Petrochemical Unit, along with Vega Refiner<br>BU Refining Energy = (Petromidia + Vega + Petrocl  | ich sho<br>sfinery<br>'y.<br>hemica  |
|                       | 17.6% less was pro<br>than budgeted, th<br>tons compared to th     | cessed during the<br>e monthly averag<br>ne budgeted 37,73 | reporting period<br>je being 31,077<br>37 tons.         | energy consumption) / (Petromidia + Vega + Petroc<br>total throughput)<br><b>Energy Intensity Index (EII)</b> for Petromidia Refine<br>how efficiently it utilizes energy and is equal with Ac<br>Energy Consumption in GJ/day divided by Standard<br>GI/day multinlied by 100 | hemica<br>ery show<br>tual<br>Energy |
| Feedstock (t)         | 2022   | 2021   | 2020  | Actual Energy Consumption (GJ/day) = $\sum$ (steam   |                                      |
| Naphta                | 226,909.313  | 190,158.215  | 198,592.393   | consumption, steam production, fuel gas consumpti<br>power consumption, coke on catalyst & flue gases fre  | ion,<br>om FH2                       |
| C5-C6 fraction        | 57,455.525   | 51,582.571   | 50,351.972  | for Units and Off sites area)  |                                      |
| Raffinate             | 169,453.788  | 138,575.644  | 148,240.421   | Standard Energy (GJ/day) = standard energy for all a<br>capacity * utilization * EII factor) + Off sites & Utilitie  | units (u<br>es enerc                 |
| Oil                   | 10,813.623   | 11,478.616   | 12,544.101  | The EII factor may either be a constant factor or a res  | ult                                  |
| Midia Jet             | 10,813.623   | 11,478.616   | 12,544.101  | operating conditions, while Off sites & Utilities energy   | jy is a                              |
| Diesel                | 6,791.637  | 1,115.150  | 1,619.601   | Petromidia Refinery Energy Index is the ratio be   | ity.<br>etween                       |
| Slurry                | 6,791.637  | 1,115.150  | 1,619.601   | Total Energy Consumption and Refinery Total throug   | hput.                                |
| Fuel oil              | 128,394.116  | 118,291.035  | 151,035.072   | the Petrochemicals Plant utilizes energy and is equa   | l with                               |
| Vacuum residue        | 0.000  | 2,160.840  | 0.000   | (polymer & polymer-grade propylene)  | ai yield                             |
| Midia Fuel Oil        | 118,166.266  | 113,198.445  | 149,443.822   | Vega Refinery Energy Index is the ratio between<br>Energy Consumption and Refinery net Input.  | Total                                |
| Midia Fuel Oil Type 1 | 10,227.850   | 2,931.750  | 1,591.250   | 55 1 5 1   |                                      |
| Other feedstock       | 11.696   | 9.358  | 11.910  | At the Petromidia Complex, from the total end  | ergy co                              |
| Total feedstocks      | 372,920.385  | 321,052.374  | 363,803.077   | considering actual power supplier (100% hydr   | ro sour                              |
|                       |  |  |   | - label available in 2021).  |                                      |
|                       | ENERGY   |  |   | At the Vega Refinery, from the total energy cons<br>basket in 2022, 10% is renewable source consid<br>tual power supplier (100% hydro source - label   | umptic<br>lering a<br>availah        |
|                       | Within the Refining  | Business Unit the  | re are several en-                                      | in 2021).  | avanab                               |

ergy 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.

To optimize energy efficiency, the company's strategy includes a Long-Range Energy Efficiency Program (not vet included in the CAPEX plan). During the reporting period, comprehensive energy efficiency projects were carried out within the Refining Business Unit, including no cost/low cost and capital investment projects.

| Petromidia energ   | gy consumption (MJ)          | 2022           | 2021   | 2020   | 2019   | 2018   | 2017   |
|--------------------|------------------------------|----------------|--------|--------|--------|--------|--------|
| Energy produced    | Coke on catalyst / PSA gas   | 3,053          | 2,464  | 2,905  | 3,493  | 3,213  | 3,250  |
| internally         | Refinery fuel gas production | 8,002          | 5,914  | 7,021  | 9,863  | 8,824  | 8,814  |
|                    | Power                        | 4,246          | 3,411  | 4,164  | 4,658  | 4,641  | 4,327  |
| Energy acquired    | Steam                        | 2,473          | 2,308  | 2,444  | 2,523  | 2,718  | 3,030  |
|                    | Natural gas                  | 977            | 1,700  | 1,251  | 1,324  | 1,278  | 915    |
| Total energy       |                              | 18,751         | 15,798 | 17,786 | 21,861 | 20,674 | 20,336 |
| Vega energy con    | sumption (MJ)                | 2022           | 2021   | 2020   | 2019   | 2018   | 2017   |
| Francisco and      | Power                        | 92             | 80     | 87     | 99     | 92     | 92     |
| Energy acquired    | Natural gas                  | 781            | 804    | 847    | 933    | 850    | 850    |
| Total energy       |                              | 872            | 884    | 934    | 1,032  | 943    | 943    |
| Energy efficiency  | 2022<br>y indicators Budge   | 2022<br>Actual | 2021   | 2020   | 2019   | 2018   | 2017   |
| BU Refining Energy | /Indicator 3.45              | 3.38           | 3.30   | 3.46   | 3.29   | 3.31   | 3.42   |
| Petromidia Ell     | 95.70                        | 96.25          | 102.80 | 99.20  | 97.10  | 96.10  | 100.00 |
| Petromidia energy  | consumption 3.04             | 3.03           | 2.90   | 3.06   | 2.99   | 2.97   | 3.04   |
| Petrochemical ener | rgy consumption 18.60        | 20.09          | 20.60  | 18.90  | 18.70  | 18.20  | 18.70  |
| Vega energy consu  | motion 2.52                  | 2.34           | 2.76   | 2.57   | 2.39   | 2.40   | 2.65   |

## No cost / low-cost initiatives

- Furnace operation at the minimum combustion excess air;
- All back pressure steam turbine in operation;
- Steam traps & condensate recovery program;
- Minimize process air coolers in use;
- Minimize pumps in operation;
- Energy efficiency awareness program.

## **Capital projects**

- Maximize usage of heat potential of condensate from Amine unit:
- Replace HP steam pipeline at lower size to eliminate losses;
- Heat recovery from Crude Unit distillation column;
- Heat recovery from Delayed Coker Unit distillation column;
- Replace heater in Vega DV Unit.

## **Approved/in progress**

- CO Boiler upgrade-heat recovery from flue gases;
- Condensate recovery from Petrochemicals.

Detailed energy efficiency targets for the upcoming period were established considering the refinery & petrochemical units' production plan and energy specific consumption registered in the first half of 2022, as well as the projects with impact on energy reduction to be carried out by the Group (Cogeneration in operation starting with July 2023).

Total Rompetrol Rafinare energy used throughout the reporting period was 19,623 TJ of which Petromidia Refinery was 15,921 TJ (81%), Petrochemicals was 2,830 TJ (15%) and Vega Refinery was 872 TJ (4%). For comparison, total energy used within BU Refining was 16,681 TJ in 2021, 18,721 TJ in 2020.

Of the total energy consumption basket in 2022, the largest share was fuel gas (50%), followed by power (22%), coke on catalyst & PSA gases from HPP unit (15%) and steam (13%). Energy exported by Rompetrol Rafinare was less than 1% from total acquisition and production of energy.

## WATER

Rompetrol Rafinare has dedicated internal procedures in place documenting water management. They address water quality monitoring, verification and maintenance of wastewater transport facilities, sealing and isolation of structures/basins, monitoring of technological processes, checking the guality of process water from intake to discharge.

All specific pollutants (mentioned in the permits) are monitored in the discharged water, with different frequencies (daily, weekly, monthly, quarterly). The Accidental Pollution Prevention and Control Plan contains rules and procedures for the management of a possible incident and establishes immediate intervention and control measures to limit impact and secure the technological installations.

Discharges to water are managed by reporting on water emissions in an open and transparent manner and using targets to track company progress regarding water management. Communities and authorities are regularly informed about activities that may have a greater impact on the loading of pollutants into the discharged water (turnarounds, overhauls, technical incidents).

## **Principles of management of** treated wastewater discharge:

- keep emissions to water below the emission limit values specified in the Water Management Permit;
- operate the constructions and installations for the usage, treatment and discharge t of wastewater to ensure maximum efficiency, in accordance with the operating regulations;
- take all necessary measures to prevent or minimize emissions of pollutants into water. Unauthorized and accidental discharges of any pollutants to soil, surface or groundwater are prohibited;
- for all installations handling substances of concern to water, provision is made for routine maintenance of seals, pumps, fittings, filling and transfer points, etc., and, where appropriate, leak detection devices;
- document a site plan showing all underground constructions and pipelines;
- the wastewater disposal facilities are checked and maintained:
- the accidental pollution prevention and control plan contains regulations for the management of a possible incident and establishes immediate intervention and control measures to limit the impact and secure the technological installations.

Sufficient neutralization/treatment substances are kept within reach and in sufficient quantities in the vicinity of the facilities handling substances of water hazard.

Fluctuating weather conditions, especially during periods of dryness, may negatively impact the water levels of the Danube-Black Sea channel, posing a significant challenge to our water withdrawal processes. In response to this potential negative impact, we've adopted sustainability measures such as reutilizing water from our Waste Water Treatment Plant for our firefighting systems. This innovative approach minimizes the demand for fresh water withdrawal and demonstrates our commitment to sustainable practices. Additionally, we serve as the sole operator treating wastewater from Năvodari and Corbu in our geographical area. This unique position allows us to create a positive impact on the community by promoting cleanliness and environmental sustainability.

At Vega, water serves as an integral component of our operational processes. Sourced directly from our own boreholes, this water is primarily utilized to generate steam necessary for our technological installations, with a portion also being directed towards ongoing projects on-site. This use of water, while necessary for our operations, has both positive and negative impacts. On the positive side, our self-sufficient approach to water sourcing reduces our reliance on external water supplies, promoting operational efficiency. On the negative side, the extraction of water presents potential environmental impacts. However, to monitor these impacts and ensure we are operating within acceptable parameters, we conduct periodic evaluations in line with existing authorizations. This monitoring takes place through observation boreholes located both within and surrounding our operational site, ensuring comprehensive oversight of our water utilization impact.

## PETROMIDIA REFINERY

During the reporting period, the management of water at Petromidia Refinery was performed in conformity with the requirements of Water Management Permit no. 135/2020 (valid for 3 years).

#### **Drinking water**

The drinking water for Petromidia Refinery is supplied from the local public water supplier (R.A.J.A. Constanta system). The drinking water supply is provided by a connection pipe of Dn 250 mm from the Palas Constanta main line, Dn = 800 mm. Freshwater withdrawal represents 100% of total water withdrawn. Also, during the reporting period, reused water was 11.2% of the total fresh water for fresh water consumed.

## **Technological and firewater supply**

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

- Poarta Alba Midia-Năvodari Canal via the Saligny pumping station, owned by the National Land Improvements Agency (ANIF) Constanta, for normal operating conditions. The raw water intake from this source has a designed capacity of 71,481.600 thousand 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 supplied by the Luminita Branch of the Poarta Alba - Midia Canal (including the firewater supply). Technological water is collected using a pumping station. The Luminita Branch intake has a designed capacity of 3,000 m<sup>3</sup>/h.

Hydrographic basins with water impact (catchment):

- XIV 1.000.00.00.00.0 (Danube River)
- XV-1.000.00.00.00.0 (Black Sea coast)

The distribution of treated water inside the Rompetrol Refinery is done through a branched network of steel pipes with diameters of 300, 400, 600, and 1000 mm. The distribution network is about 9 km long.

#### **Cooling water - recirculation installations**

Water recirculation installations are included in the water supply system that provides cooling water for the technological installations in the refinery and petrochemical plant and consist of:

- 3 recirculated water households G1, G2, G3;
- ASU cooling water station;
- cooling water station: G100, G200, G300.

In 2022, the water recirculation coefficient was 97% for cooling water.

#### Wastewater discharge

Wastewater is discharged in the Wastewater Treatment Plant (WWTP) belongs to Rompetrol Rafinare, which has three stages of treatment: mechanochemical, secondary biological and tertiary biological. Chemically impure water resulting from technological processes on the site is collected into the chemically impure sewer. All sewage (chemical, meteorological and domestic) from the site is directed to the final Wastewater Treatment Plant. The treated water is discharged from the treatment plant into the two ponds (Stilling Pond I and Reed Pond II) where the biological treatment process

(tertiary treatment) is (naturally) completed, and then through the Buhaz Stream, into the Black Sea. The biological self-purification pond, consisting of the first lentic pond and the second reed pond, has a surface of 50 ha and is located in the Vadu area, approximately 15 km North from the refinery.

According to the company's Water Management Permit, the categories of wastewater reaching the Wastewater Treatment Plant include:

- domestic water (also from Rompetrol Energy facilities and from Năvodari and Corbu cities);
- rainwater;
- water loaded with salts (from the cooling system);
- chemically impure water.

Quality monitoring of the treated water is done at the discharge point from Pond II into the Buhaz Stream. The quality of the discharged water is monitored daily (total nitrogen, CCOCr, suspended solids, petroleum products), monthly (pH, CBO5, total phosphorus, surfactants, iron), guarterly (phenols, sulfides, sulphates, nickel, lead, cadmium) and semi-annually (priority dangerous substances), according to legal requirements and internal inspection programs. Sufficient neutralization/treatment substances are kept within reach and in sufficient quantities in the vicinity of the facilities handling substances of water hazard.

Water analyses are performed by an ISO 17025-accredited laboratory in accordance with national and international standards, as well as requirements of the integrated environmental permit and water management permit.

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

In 2022, there was no exceeding of the concentration value limits for pollutants discharged (including priority dangerous substances). During the reporting period, Petromidia Refinery discharged 2,103 kg of hydrocarbons to surface water, with an annual average concentration of 0.24 mg/liter. For comparison purposes, in 2021, it discharged 2,124 kg of hydrocarbons to surface water, with an annual average concentration of hydrocarbons of 0.245 mg/liter -- and 1,723 kg (0.245 mg/l) in 2020. In 2022, the quantity of hydrocarbons, and also, the concentration of this indicator in surface water, was lower than 2021, even if the water consumption/discharged was higher than 2021, due to a better management of waste water flow.

| Water withdrawal (th. m <sup>3</sup> ) | 2022  | 2021  | 2020  | 2019  | 2018  | 2017  |
|--|-------|-------|-------|-------|-------|-------|
| Fresh water                            | 8,702 | 7,476 | 8,500 | 8,382 | 9,101 | 9,091 |
| Raw water                              | 8,406 | 7,223 | 8,259 | 8,053 | 8,573 | 8,467 |
| Danube Source                          | 7,217 | 6,049 | 7,532 | 7,524 | 8,068 | 7,797 |
| Luminița Source                        | 1,189 | 1,175 | 727   | 529   | 505   | 670   |
| Drinking water                         | 296   | 253   | 241   | 329   | 528   | 624   |
| La Fântâna & sparkling water           | 287   | 267   | 314   | 285   | -     | -     |

Note: In 2022 in Water withdrawal category, it was included also category of Drinking water purchased being recalculate the water consumption indicator also for previous years using the same approach.

| Water reused and discharged (th. m <sup>3</sup> ) | 2022      | 2021     | 2020  | 2019     | 2018     | 2017  |
|---|-----------|----------|-------|----------|----------|-------|
| Reused water                                      | 658       | 882      | 1,262 | 1,632    | 2,155    | 1,822 |
| Total discharged water                            | 8,766     | 8,670    | 6,771 | 6,472    | 5,429    | 4,199 |
| Refinery discharged water                         | 5,624     | 5,944    | 4,740 | 4,808    | 5,281    | 3,932 |
| Tatal discharged water refers t                   | o the com | arabanci |       | no of wa | tor that | hac   |

Total discharged water refers to the comprehensive volume of water that has been treated and subsequently released by the Petromidia Refinery.

This includes not only wastewater originating from the Petromidia complex but also the volume of municipal wastewater from various clients, of which RAJA is the primary one.

| Water consumption                                  | 2022  | 2021  | 2020  | 2019  | 2018  |
|--|-------|-------|-------|-------|-------|
| Fresh water<br>consumption (th. m³)                | 3,068 | 1,546 | 3,833 | 3,530 | 3,292 |
| Fresh water consumption index (m³/t of throughput) | 1.11  | 1.07  | 1.21  | 0.85  | 1.00  |

## **VEGA REFINERY**

Water management at Vega Refinery during the reporting period was performed in compliance with the requirements of Water Permit no. 42/26.02.2021 (valid for 3 years).

| Water withdrawal                       | 2022  | 2021    | 2020  | 2019   | 2018   |
|--|-------|---------|-------|--------|--------|
| Fresh water (th. m³)                   | 1,304 | 1,340.6 | 1,349 | 885.25 | 967.82 |
| Water discharged                       | 2022  | 2021    | 2020  | 2019   | 2018   |
| Discharged water (th. m <sup>3</sup> ) | 1,269 | 1,422   | 1,465 | 1,272  | 1,028  |
| Water consumption                      | 2022  | 2021    | 2020  | 2019   | 2018   |
| Fresh water (th. m <sup>3</sup> )      | 46    | -4.1    | -52.9 | -320.9 | 5.64   |

| 2017  |
|-------|
| 4,535 |
| 1.04  |



#### **Technological and firewater supply**

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.

#### Wastewater discharge

Wastewater (domestic, technological and rainwater) from the refinery platform fed into the unified sewerage system is pre-treated locally and then directed to the Corlătesti SC GENTOIL SRL Wastewater Treatment Plant. The total sewerage network is 10 km long.

Monitoring includes visual verification, daily monitoring of the technological process, verification of process water quality along its entire route, from capture to discharge. Also, Vega Refinery has documented an "Accidental Pollution Prevention and Control Plan" and identifies critical points for increasing monitoring. All specific pollutants mentioned in the Water Permit and Integrated Environmental Permit are monitored in the discharged water, with different frequency (daily, weekly, monthly, half yearly). Other indicators monitored in the discharged water, with different frequency include water pH, SEEP (extractables substances with petroleum ether), sulfides and hydrogen sulfide, phenols, total suspended solids, CCOCr, ammonia nitrogen, detergents, cyanide.

Through the contract signed between Vega Refinery and the owner of the Wastewater Treatment Plant, the maximum allowed concentrations of some pollutants are established, which differ from the regulations in force - NTPA 002.

The wastewater drainage system (sewerage) to the Wastewater Treatment Plant crosses a part of Ploiesti City. In case of heavy rains there is a risk of backflow sewerage on municipal streets. All treated water is evacuated to Waste water treatment plant in Corlățești.

In 2022, Vega didn't record any incidents of non-compliance with water discharge limits.

In terms of fresh groundwater extracted for remediation or to control the migration of contaminated groundwater, there are 20 observation monitoring drilling points (7 on the refinery premises and 13 that were built for

the Vega lagoons greening project). Water from these boreholes is not used in production, it is used only to monitor the evolution of the underground aguifer. Water quality indicators are monitored every six months.

## **BIODIVERSITY**

Our biodiversity policy recognizes the crucial importance of biodiversity resources worldwide, as well as our company's direct and indirect impact on these resources and our dependence on them. We are committed to following specific principles to uphold this recognition, including the ones below.

- Stewardship We manage all of our landholdings with responsible care for the resources and values they contain, including the biodiversity they hold and represent.
- Integration in decisions We integrate the consideration of biodiversity issues, risks, and opportunities into all decision-making, planning, and operational processes.
- Impact on biodiversity We seek opportunities to protect, restore, and enhance biodiversity on and around our company sites, creating conservation outcomes that address our impact on biodiversity.
- Transparency We report on biodiversity issues in an open and transparent manner and use targets to track our progress in biodiversity management.

When identifying specific environmental aspects, we take into consideration aspects like:

- Direct environmental impacts of our activities, services, and products, as well as indirect environmental impacts that we can influence from a life cycle perspective;
- Normal operating conditions, including planned shutdowns according to operating procedures, abnormal operating conditions such as breakdowns or technical incidents, foreseeable emergency situations, and special activities such as accidental shutdowns, repairs, maintenance, temporary waste storage, and transport of hazardous products on inland roads
- Indirect environmental aspects due to interaction with third parties such as suppliers, contractors, and neighboring economic operators.

For each new project an environmental impact assessment is performed prior to implementation. This assessment identifies, describes, and evaluates, as appropriate in each case, the significant direct and indirect effects of a project considering the following factors:

- population and human health; 1.
- 2. biodiversity, paying special attention to protected species;
- 3. land, soil, water, air and climate;
- 4. material assets, cultural heritage and landscape.

Petromidia Refinery is located in the vicinity of Natura 2000 Sites, at approximately 300 m from the Special Protection Area ROSPA 0060 Tasaul-Corbu Lakes and 1.35 km from ROSPA0076 Black Sea. Also, the last stage of the Wastewater Treatment Plant (two biological ponds) is located on the territory of the Danube Delta Biosphere Reserve.

The Natura 2000 sites present in the area and in the vicinity of the refinery are:

- ROSCI0065 Danube Delta: the area of the Vadu ponds located on the territory of the reservation, at the southern limit
- ROSCI0066 Danube Delta marine area: which separates the land from the area of the biological ponds at approx. 3.5 km to the NE and East
- **ROSPA0031 Danube Delta and Razim-Sinoie Complex** ponds area, which is on the territory of the reservation, at the southern limit. The two biological ponds (Pond 1 and 2) have a surface of approximately 50 ha.

Over the years, local biodiversity has been affected both directly and indirectly, due to the impact on environmental factors such as soil, water or air, but also through a gradual adaptation of flora and fauna to the new conditions specific to industrial activities.

At present, biodiversity within the site is mainly represented by green spaces acting as protection curtain and ruderal flora associated with anthropogenic habitats as well as a series of species of synanthropic fauna (e.g.: Corvus corone cornix, Corvus frugilehus, Pica pica, Columba livia domestica, Passer domesticus, etc.).

In the immediate vicinity of the area where the torches are located, large lake habitats are occupied by reeds that represent shelter and food for a number of species (Phalacrocorax carbo, Cygnus olor, Alcedo atthis, Anas platyrhynchos, Larus sp., Circus aeruginosus, Pelecanus onocrotalus, Fulica atra, Ardea cinerea, Emys orbicularis, Natrix natrix, Pelophylax sp., Bufo viridis). In the area of the Vadu ponds, there are protected species present occasionally, especially in winter, such as the winter swan (Cygnus cygnus), lynx (fulica attra), wild duck, common gull (Larus cachinas), which can be seen on the water surface or on the shore. Vadu ponds contain populations of plants and animals, algae species, zooplankton, aquatic macrophytes that ensure the natural self-purification process.

## **Habitats protected**

The site on which the Petromidia Refinery is located is not in a protected area (applicable to the technological platform). However, the two biological ponds at Vadu are located on the territory of the Danube Delta Biosphere Reserve. In order to protect biodiversity, the area is permanently monitored, through on-site inspections and daily/weekly analyses of the potential pollutants in the treated water from the two ponds.

## Habitats to be restored

The land currently in the process of being restored is known as Vadu Cassettes 1 & 2 and is located in the immediate vicinity of the existing ponds at Vadu. They were designed and executed as a storage basin for the biological sludge from Pond 1 at Vadu, back in 1991 (IEELIF Constanta project no. 3/1991). At that time, they represented the solution for the elimination of biological sludge that had accumulated on the bottom of Pond 1 after a period of operation of approximately 10 years, a situation that reduced and endangered the performance of the biological treatment process of the treated wastewater from the Final Treatment Plant. which finally reached the Black Sea.

In 2019, inspections carried out by the local environmental authority have shown that the two cassettes were contaminated with petroleum products. They are currently undergoing remediation under the Contaminated Sites Law procedure.

## **EMISSIONS**

In July 2021, the European Commission released its "Fit for 55" legislation package, supporting its commitment to reduce net greenhouse gas emissions by at least 55% by 2030. The package presents a policy action plan on how to reach Europe's climate targets, in line with its ambition to become the first climate-neutral continent by 2050. As a result of existing climate and energy legislation, EU's greenhouse gas emissions have already fallen by 24% compared to 1990. But increased efforts are needed to make the transition to a European net-zero economy in time.

Every year, the company drafts its budget for the upcoming 5 years and the price of EU Allowances for GHG are included in this process, thus influencing investment decisions. The Financial Risk Management Department provides the estimations for the EUAs prices after ana-

lyzing forecasts from the main carbon agencies in the market. Considering the EU's ambitious target, prices for EU Allowances are expected to increase in the following years, putting pressure on Rompetrol Rafinare's financial results. This financial risk has been mitigated by using a hedge program for the necessary volumes of EUAs in the first stage of Phase 4 (2021-2025). Rompetrol Rafinare has access to financial derivative instruments to accomplish its hedge program and lock-in the price for the next 3 years.

Greenhouse gas emissions are regularly monitored and controlled through operational KPIs. According to its GHG emissions management strategy, Rompetrol Rafinare carries out specific activities, grouped under two strategic directions, aimed at mitigating emissions and reducing the CO2 impact.

Oil refineries are sources of air pollutants (for instance - nitrogen oxides, carbon monoxide, sulfur dioxide, volatile hydrocarbons) thus having a negative impact on air quality by its nature due to the specificity of refinery.

However, due to major investments done in environmental projects, the negative impact has decrease over the years.

European legislation on environmental protection is the most restrictive worldwide, and Petromidia is aligned with all legislative requirements (national and European requirements).

For pollutants regulated by Law no. 104/2011 regarding the air guality, the results of the last Study on the dispersion of pollutants into the atmosphere showed that their values are below the limit values imposed by the legislation, as following:

- in the case of benzene, concentrations can reach up to 60% of the limit value;
- in the case of particles in suspension (PM10), the concentrations can reach up to 50% of the limit value for 24 h:
- for the other pollutants (SO2, NO2, O3, etc.), the maximum concentration values are far below the limit values, the target values, respectively the critical levels imposed by Law no. 104/2011.

The synergistic effect of pollutants:

 The synergistic effect on the quality of the surrounding air of the emissions of the sources belonging to the Vega Refinery, determined according to STAS 12574/1987 "Air in protected areas. Quality conditions", is far below the maximum allowed value, for all pollutant groups and averaging intervals.

These results, which show a decrease of negative impact on the environment due to the activity carried out on the refinery site, are a result of the investments of recent years.

At the level of each gas station we have invested in a modern system of diesel vapor recovering at the pump. which means 0 emissions of volatile compounds within the premises of our stations. These actions have positively contributed to improving local air guality and making our operations more sustainable.

## **SCOPE 1 (OPERATIONS)**

#### **Operational measures to control** or reduce CO2 production

- Optimization of the hydrogen network within Petromidia Refinery (optimizing the hydrogen circuit between producers and consumers allows reductions in the Hydrogen Plant throughput. This unit is one of the main 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>).

#### New projects capable of reducing GHG emissions (high cost/high impact on CO2 reduction)

- Increase share of biofuels in regular diesel components - Coprocessing of vegetable oils in 122-Diesel Hydrotreater (DHT). Unit revamp is required to process spent or fresh vegetable oils for producing Hydrotreated Vegetable Oils - HVO (technical study required for unit revamp);
- Partial replacement of conventional biofuels with second generation biofuel (study required for feed availability) - New Bioethanol Plant, 50 kt/year capacity, second generation biofuel;
- Carbon Capture and Storage (CCS)/Carbon Capture and Usage (CCU) - included in Decarbonization Strategy | feasibility study with Roland Berger completed| output under analysis to define strategy;
- Install new heater in the VD unit at Vega Refinery.

#### SCOPE 2 (IMPORTED ELECTRICITY & STEAM)

- Build Cogeneration Plant;
- Generate renewable energy 100MV solar PV and 100 MW wind power.

During the reporting period, Rompetrol Rafinare had no specific plans in development to supply lower-carbon and/or alternative energy. However, together with

our partner, Roland Berger, we are establishing our technology outlook on the transition to lower carbon and renewable energy, establishing future projects for implementation, in line with the guidelines set in the Group's Decarbonization Strategy.

Air emissions monitoring is carried out in accordance with the Integrated Environmental Permit and BAT Conclusion Decision No. 2014/738/EU, with calibrated and metrologically verified equipment, by gualified personnel. The pollutants for which emission limit values are regulated are SO<sub>2</sub>, NOx, CO, dust from flue gases from combustion units.

For the emissions at FCC, SRU, Hydrogen Plant, monitoring is done continuously with on-line analyzers, according to BAT Conclusion 2014/738/EU Decision. Monitoring of emissions from stationary sources is carried out by a accredited laboratory for all technological installations where combustion processes are involved.

In order to align facilities to European environmental requirements, i.e., to comply with the BAT/BREF (Best Available Techniques for Refineries) requirements, Rompetrol Rafinare has completed a number of environmental projects:

- replacement of existing furnace burners with low-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 SO2 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 quick-draining system for the coking plant) - in order to fully recover the effluents resulting from the coke chamber heating, stripping and coke cooling, as well as from the discharge of the safety valves on the chambers and the heating and reaction furnace, and to prevent air and soil pollution;
- installation of a new boiler at Vega's thermal power plant;

- modernization of floating membrane tanks on Vega premises;
- installment of VRU system at Loading ramps.

Rompetrol Rafinare also uses the Leak Detection and Repair (LDAR) technique (acquisition in 2022 of FLIR camera) to identify unintended or fugitive emissions (VOC) from leaking equipment (valves, pumps, flanges, connectors) so that emissions can be reduced through maintenance activities. The scope is to identify and im-

## PETROMIDIA REFINERY

#### Scope 1: Pe

| Scope 1: Petromidia GHG emissions  |                                       | 2022            | 2021            | 2020            | 2019            | Obs. |
|--|---------------------------------------|-----------------|-----------------|-----------------|-----------------|------|
|  | CO <sub>2</sub>                       | 881,633         | 702,940         | 812,031         | 992,859         | 1)   |
| <b>Direct emissions from units (t &amp; tCO2e)</b><br>Combustion of fuels in furnaces, flares, process:<br>regeneration of coke in Fluid Catalytic Cracking unit,<br>reformation of CH4 with steam in Hydrogen Plant | CH₄<br>CO₂e                           | 15.97<br>399.46 | 12.70<br>317.50 | 14.44<br>361.00 | 18.37<br>459.25 | 2)   |
|  | N <sub>2</sub> O<br>CO <sub>2</sub> e | 2.28<br>681.13  | 1.82<br>542.36  | 2.1<br>620.14   | 2.65<br>789.70  | 2)   |
|  | CO <sub>2</sub>                       | 296.28          | 206             | 181             | 194             |      |
| Mobile emissions (t & tCO <sub>2</sub> e)  | CH <sub>4</sub>                       | -               | 0.00858         | 0.0074          | 0.0078          | 2)   |
|  | N <sub>2</sub> O                      | -               | 0.00172         | 0.0015          | 0.0016          | 3)   |
| Total Scope 1 (tCO <sub>2</sub> e)   |                                       | 883,003         | 704,007         | 813,194         | 994,303         |      |

#### **Total Scope**

Scope 2 emissions, which

are related to the purchased

steam, were calculated for the

During this period, the steam

part of our group and was only

acquired in November 2021.

As of 2022, with Rompetrol

Group, we have established

boundaries to prevent double

reporting at the KMGI level.

Energy now part of the

producer, UT Midia, was not

years 2019 through 2021.

1) Direct emissions are calculated according to EU ETS regulations in force and verified / validated by an authorized verifier. Emissions factors are calculated for each flow, based on fuel gas composition analyzed by ISO 17025 laboratory. No Biogenic CO2 emissions in PEM. No CO2 fugitive emissions. CO2 is not measured at stack, is calculated based on activity data (fuel consumption, unit throughput etc.).

2) Source of the CH4, N2O emission factors: IPCC 2006 Guideline, vol.2. Energy – chapter 2, Stationary Combustion GWP (for CH4, N2O conversion in CO2e): IPCC Fifth Assessment Report, 2014 (AR5).

3) Source of the emission factors: IPCC 2006 Guideline, vol.2. Energy – chapter 3, Mobile Combustion. No HFCs, PFCs, SF6, NF3 emissions GWP (for CH4, N2O conversion in CO2e): IPCC Fifth Assessment Report, 2014 (AR5).

| Scope 1: Petromidia Direct GHG Emissions |                  | 2 | 022                         | 2    | 021           | 20                           | )20  | 201          | 9                |        |
|--|------------------|---|-----------------------------|------|---------------|------------------------------|------|--------------|------------------|--------|
| Operational (tCO2e)                      |                  |   | 883                         | ,003 | 704,          | ,007                         | 813, | 194          | 994,30           | )3     |
| Equity share (tCO2e)                     |                  |   | 488,337 38<br>55.3041% 55.3 |      | 389,<br>55.30 | 9,345 449,73<br>041% 55.3041 |      | 730<br>11% 5 | 549,89<br>5.3041 | ٥<br>% |
| Scope 2: Petromidia GHG emissions        |                  |   | 2022                        |      | 2021          | 2                            | 020  | 201          | 9 Ob             | s.     |
| Electricity* (t & tCO2e)                 | CO <sub>2</sub>  |   | 0                           |      | 62,377        | 74,                          | 100  | 116,00       | 2                | 1)     |
|  | CO <sub>2</sub>  |   | 0                           |      | 102,751       | 105,                         | 204  | 100,61       | 4                |        |
| Steam imported** (t & tCO2e)             | CH <sub>4</sub>  |   | 0                           |      | 2.334         | 1.                           | 723  | 1.72         | 8                | 2)     |
|  | N <sub>2</sub> O |   | 0                           |      | 0.3396        | 0.1                          | 723  | 0.172        | 8                |        |
| Total Scope 2 (tCO <sub>2</sub> e)       |                  |   | 0                           | 1    | 65,287        | 179,                         | 398  | 216,71       | 1                |        |

| cope 1: Petromidia Direct GHG Emissions |                   | 2            | 022         | 20              | 21 2                 | 020        | 2            | 2019          |
|---|-------------------|--------------|-------------|-----------------|----------------------|------------|--------------|---------------|
| perational (tCO2e)                      | erational (tCO2e) |              | ,003        | 704,0           | 07 813,              | 194        | 994          | ,303          |
| quity share (tCO2e)                     |                   | 488<br>55.30 | ,337<br>41% | 389,3<br>55.304 | 345 449,<br>1% 55.30 | 730<br>41% | 549<br>55.30 | 9,890<br>041% |
| cope 2: Petromidia GHG emissions        |                   | 2022         |             | 2021            | 2020                 | 20         | 19           | Obs.          |
| lectricity* (t & tCO₂e)                 | CO <sub>2</sub>   | 0            |             | 62,377          | 74,100               | 116,0      | 02           | 1)            |
|   | CO <sub>2</sub>   | 0            |             | 102,751         | 105,204              | 100,6      | 14           |               |
| team imported** (t & tCO2e)             | CH <sub>4</sub>   | 0            |             | 2.334           | 1.723                | 1.7        | 28           | 2)            |
|   | N <sub>2</sub> O  | 0            |             | 0.3396          | 0.1723               | 0.17       | 28           |               |
| otal Scope 2 (tCO2e)                    |                   | 0            | 1           | 65,287          | 179,398              | 216,7      | 11           |               |

\* Electricity comes from renewable sources (hydro & PV) \*\* CO2 related to steam production is accounted as Scope 1 by Rompetrol Energy

1) No conversion factors for CH4 and N2O emissions from electricity at EU/Romania level. 2) Source of the emission factors: IPCC 2006 Guideline vol.2. Energy - Chapter 2, Stationary Combustion GWP (for CH4, N2O conversion in CO2e): IPCC Fifth Assessment Report, 2014 (AR5). We used the 2021 energy label for Hidroelectrica, since the 2022 label was not available

plement a technical solution (LDAR program) to reduce/ eliminate impact from leaking equipment, such as valves, connectors, pumps, sampling connections, compressors, pressure-relief devices, and open-ended lines.

Air monitoring indicators are reported daily/monthly/ annually to the environmental authorities, demonstrating compliance with the requirements of applicable legislation and the integrated environmental permit.

| Scope 3: Petromidia GHG emissions   |                  |                |           |            |  |  |
|---|------------------|----------------|-----------|------------|--|--|
| <b>Total emissions (tCO2e)</b><br>Combustion of products placed on the market (gasoline, diesel, jet), other than th  | ose sold to comp | any within the | e Group   | 862,862.49 |  |  |
| Petromidia GHG Emissions intensity  | 2022             | 2021           | 2020      | 2019       |  |  |
| tCO <sub>2</sub> /t of total feedstock processed  | 0.1571           | 0.1427         | 0.155     | 0.147      |  |  |
| tCO <sub>2</sub> /t of crude unit throughput  | 0.1715           | 0.1783         | 0.185     | 0.169      |  |  |
| * CO2 – Scope 1, direct emissions (stationery and process, related to EU ETS Directive)   |                  |                |           |            |  |  |
| Petromidia hydrocarbon gas flared   | 2022             | 2021           | 2020      | 2019       |  |  |
| Total hydrocarbon gas flared (Nm³)<br>Refinery units (3 flares) – only in emergency situation   | 12,413           | 7,805          | 62,977    | 29,500     |  |  |
| <b>Total hydrocarbon gas flared - ground flare (Nm<sup>3</sup>, ~50% N<sub>2</sub>)</b><br>Petrochemicals units (Pyrolysis, PP, LDPE, HDPE) Liquefied Gas Storage Park,<br>Bottling Station Liquefied Gas Loading / Unloading Ramp, Cryogenic Storage | 600,268          | 2,521,351      | 2,284,102 | 2,594,706  |  |  |

## Petromidia total GHG emissions: 5,245,865.37 tCO<sub>2</sub>e

The primary source of CO<sub>2</sub> emissions falls under SCOPE 1, which includes emissions generated by both stationary and mobile equipment. As for SCOPE 3, the primary source of emissions is the combustion of products produced and sold by the refinery, such as gasoline, diesel, and jet fuel.

It is worth noting that the refinery has implemented measures to minimize CO<sub>2</sub> emissions. There is no venting process, and CO<sub>2</sub> fugitive emissions are absent. Rather than measuring CO<sub>2</sub> emissions at the stack, the refinery calculates the emissions based on activity data, such as fuel consumption and unit throughput.

The contribution of flaring to total GHG emissions (direct) in 2022 was 0.21 % (1.817 to CO<sub>2</sub> from a total of 881,633 to CO<sub>2</sub> - direct emission of refinery and petrochemical units: combustion of fuels in furnaces, boilers and process emissions). For comparative purposes the same indicator had a value of 1.07% in 2021 (7,514 to CO<sub>2</sub> from a total of 702,940 to CO<sub>2</sub>), and 0.97% (7,915 to CO<sub>2</sub> from a total of 812,031 to CO<sub>2</sub>) in 2020, while in 2019 it was 0.7% (6,786 to CO<sub>2</sub> from a total of 992,859 to  $CO_2$ ).

| Petromidia air en          | nissions (tons)  | 2022    | 2021    | 2020    | 2019      |
|----------------------------|--|---------|---------|---------|-----------|
| Sulfur oxides              | Refinery units   | 248.790 | 191.810 | 213.050 | 282.100   |
|                            | Petrochemical units  | 3.784   | 0.148   | 0.200   | 0.470     |
| Nitrogen oxides            | Refinery units   | 383.250 | 291.550 | 320.680 | 431.450   |
|                            | Petrochemical units  | 60.596  | 54.030  | 67.600  | 70.910    |
| Particulate matter         | Refinery units   | 17.790  | 16.830  | 18.730  | 24.510    |
|                            | Petrochemical units  | 2.032   | 1.720   | 2.330   | 2.430     |
| Carbon monoxide            | Refinery units   | 120.700 | 97.110  | 106.250 | 140.470   |
|                            | Petrochemical units  | 27.902  | 23.760  | 33.300  | 31.900    |
| Ozone-depleting substances | Not applicable   |         | -       | -       | -         |
| Volatile organic           | Emissions related to gasoline storage, loading & unloading (mandatory to report according to Law no. 264/2017) | 92.000  | 72.270  | 85.210  | 118.290   |
| compounds*                 | Total diffuse emissions calculated for Petromidia refinery / crude oil input (no requirements for reporting)   | 965.270 | 734.240 | 815.000 | 1,103.000 |

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

Routine flaring occurs through the use of a petrochemical flare, also known as a ground flare. On the other hand, non-routine flaring occurs through the use of refinery flares in emergency and abnormal situations such as incidents, turn-around activities, and interruptions in the national grid electricity. There is no vented gas, except for emergency pressure relief valves and fugitive gas emissions resulting from unintentional gas leaks, which are not included in the emissions.

The refinery has implemented a Flare Gas Recovery Facility (RGF) to capture gases lost in the flare network from the safety valves of the refinery units. These gases are recovered, desulphurized, and directed into the fuel gas network instead of being burned in the flares. The RGF plant is designed to take in gas exhaust continuously, and in emergencies, excess gas is directed to the emergency flares.

The refinery's new flare system, constructed in 2011, includes three flare towers with a height of 115 meters. These towers are guided by metal structures with a height-variable triangular section that corresponds to the low- and high-pressure units and the Catalytic Cracking Plant.

To collect toxic, flammable, and explosive gases that may escape through the safety valves mounted on the technological flows equipment, a network of pipes has been installed across the entire industrial platform. In the event of a total electricity supply interruption to the platform, the gases in the units are instantly evacuated through the existing safety valves. However, to prevent pollution or explosion situations, the captured gases must be neutralized through specialized equipment for high-level combustion.

The Flare Gas Recovery Facilities at the petrochemical site aim to collect all permanent or accidental discharges from the units on the platform (Pyrolysis, PP, LDPE, HDPE, Liquefied Gas Storage Park, Bottling Station, Liquefied Gas Loading/Unloading Ramp, Cryogenic Storage). These gases are then burned in a ground flare with five combustion stages and 465 burners. The ground flare has a high of 32.35 meters and a diameter of 7.3 meters. The collected gases are partially burned and sent to the platform's combustible gas system. The new process control system of flares is connected to the Distribution Control System of the refinery which provides the following functions:

- Monitoring of process variables
- Controlled operation of measurement loops
- Real-time recording and storage of data
- Operation of announced and displayed alarms

- Closed/open status of manual valves and motor drive buttons
- Monitoring of interlocks and operating sequences.

In terms of air quality assessment, Petromidia Refinery relies on the Aria soft provided by Aria Technologies to monitor and predict the dispersion of pollutants in the vicinity of the Petromidia platform, in compliance with Romanian and European Union regulations. The ARIA application models the dispersion of pollutants such as SO<sub>2</sub>, NOx, CO, PM, VOC, and H<sub>2</sub>S during normal operations by gathering online data from the activities conducted on the Petromidia platform. To ensure accurate modelling of pollutant dispersion into atmosphere, meteorological data from the local weather station is also considered.

The Petrochemical Plant has implemented various techniques to enhance operational safety and reduce emissions. These facilities include safety valves installed on machinery operating under pressure, enabling the collection of discharged materials into a closed system of pipes that are discharged into the hot water system. Additionally, the plant has explosive gas analyzers, smoke dispersion chimneys with large heights (chimney for boilers C121A and C121B in the pyrolysis unit has H = 150 m and D = 7.56 m), and high polymer powder nitrogen drying systems at the HDPE and PP plants. Bag filters are also employed for polymer powder retention, and hoods are in place to suck up stabilizer dust that is filtered through a dust retention system before being discharged outside the granulating tower. Moreover, elastic elements have been installed to absorb overloads in case of pipe rupture, preventing the escape of flammable and toxic gases, vapors or liquids into the atmosphere.

## **VEGA REFINERY**

The contribution of flaring to total GHG emissions (direct) during the reporting period was 1.13 % (473 to CO2<sub>2</sub> from a total of 41612 to CO<sub>2</sub> - direct emission of refinery - combustion of fuels in furnaces, boilers and process emissions). In 2021, the same indicator was 0.79 % (338 to CO<sub>2</sub> from a total of 42695 to CO<sub>2</sub>).

The flue gas exhaust system was constructed in 1979-1980, simultaneously with the N-Hexane installation, using the ICITPR 7354/50 project from 1979. The system consists of three main components:

1. The flue manifold which is connected to the safety valves of N-Hexane, Rectification, and Hydrogenation installations, as well as the flows from the pressure regulating loops in the reflux vessels of the N-Hexane and Rectification columns

## **KMG INTERNATIONAL**

SUSTAINABILITY REPORT 2022

| Scope 1: Vega GHG emissions  | Pollutant       | 2022   | 2021   | 2020     | 2019     | Obs. |
|--|-----------------|--------|--------|----------|----------|------|
| <b>Direct emissions from units (t)</b><br>Combustion of fuels in furnaces, flares, process | CO <sub>2</sub> | 41,588 | 42,695 | 46,070   | 50,646   | 1)   |
| Mobile emissions (t)<br>Company vehicles   | CO <sub>2</sub> | 18     | 11     | 8.3      | 14.5     | -    |
| Total Scope 1 (t)  |                 | 41,606 | 42,689 | 46,078.3 | 50,660.5 |      |

1) Source of the emission factors: IPCC 2006 Guideline. No CO2 fugitive emissions. CO2 is not measured at stack, is calculated based on activity data (fuel consumption, unit throughput, etc.). Direct emissions from units are calculated acc. to EU ETS regulations and are validated by an external accredited verifier

| Scope 1: Vega direct GHG Emissions | *2022                   |
|------------------------------------|-------------------------|
| Operational (t CO <sub>2</sub> e)  | 41,606                  |
| Equity share (t CO₂e)              | 23,009.78<br>(55.3041%) |

| Scope 3: Vega GHG emissions             | 2022   |
|---|--------|
| Chemical products (t CO <sub>2</sub> e) | 99,170 |

For calculation of emissions related to scope 3, only the emissions from the sale of fuels were taken into account

| Vega air emissions     | 2022   | 2021   |
|------------------------|--------|--------|
| Sulfur oxides (t)      | 24.850 | 22.780 |
| Nitrogen oxides (t)    | 0.214  | 0.241  |
| Particulate matter (t) | 0.671  | 0.716  |

| 2022 | 2021                         | 2020  | 2019   |
|------|------------------------------|---|--|
| 0    | 8,973                        | 9,826   | 10,940   |
| 0    | 2,180                        | 2,387   | 2,658  |
|      | <b>2022</b><br>0<br><b>0</b> | 2022         2021           0         8,973           0         2,180 | 2022         2021         2020           0         8,973         9,826           0         2,180         2,387 |

\* Source of the emission factors: IPCC 2006 Guideline

We used the 2021 energy label for Hidroelectrica, since the 2022 label was unavailable

| Vega GHG Emissions intensity   | 2022             |
|--|------------------|
| tCO <sub>2</sub> /t of total feedstock processed                         | 0.111            |
| * CO2 – Scope 1, direct emissions (stationery and process, related to EL | I ETS Directive) |

| Vega hydrocarbon gas flared | 2022    | 2021   | 2020    | 2019    |
|-----------------------------|---------|--------|---------|---------|
| Total (Nm³)                 | 120,420 | 85,970 | 210,258 | 190,252 |
|                             |         |        |         |         |

- 2. The flawed household comprising of vessels and related pumps;
- 3. The flame basket with supply connection, anchors, gas pipes, steam pipe, hydraulic heating.

The flue collector begins from the intermediate storage vessels of hexane V8, V11A, B located at the N-Hexane installation platform's edge, crosses the platform, and continues to the flare household fixed on the support poles. The collector connects the safety valves of various vessels, columns, and hydrogenation wires, including adjustment loops and pressure regulating loops on reflux vessels. The Rectification installation flange is also connected to this collector, added to the system in 2001 following project 42/2000 ob 147-A executed by IPIP S.A.

To monitor air quality indicators such as H2S, VOC, BEN-ZEN, SO2, PM 10, and meteorological conditions, two air quality monitoring stations have been installed in the Vega Refinery area in accordance with the requirements of Law no. 104/2011 (which transposing Directive 2008/50/EU on ambient air quality and cleaner air for Europe). The reports generated by these stations are sent daily to the competent authorities for environmental protectionlocal authorities. The aim is to detect any potential breaches of atmospheric limit values.

## WASTE

The company manages its waste in compliance with legal provisions for waste management, which are incorporated into internal procedures and instructions. The main principles are communicated to all service providers, subcontractors, and tenants operating on the platforms of both refineries and are reflected in the related contractual documents, such as the HSE Convention.

All types of waste generated are disposed or recovered by authorized companies to ensure environmental protection. A waste prevention and reduction program is documented to properly manage waste and considers several aspects, including identifying efficient waste management measures, designing products to optimize the consumption of raw materials and process chemicals, planning the purchase of raw materials and chemicals to prevent stockpiling and expiration, identifying alternative solutions to reduce waste generation, establishing measurable objectives, and using voluntary waste management tools. This document is published on website of the organization and is provided to the competent authority for environmental protection.

All entities in the Refining Business Unit follow the hierarchy of waste management options, with prevention being the preferred option. This involves taking measures to reduce waste production before a substance, material, or product becomes waste. The program to prevent and reduce waste at Rompetrol Rafinare includes measures such as selective collection of recyclable waste, identifying all categories of recyclable waste and delivering them to authorized economic agents, evaluating purchased products based on their lifetime and environmental impact, purchasing chemical products in reusable or recyclable packaging, using renewable catalysts with long lifespans, and identifying alternative methods for waste valorization or elimination.

Measures related to waste management are regulated

| Petromidia waste by category (tons)                    | 2022     | 2021     | 2020     | 2019      |
|--|----------|----------|----------|-----------|
| Dehydrated sludge from wastewater treatment plant      | 4,284.58 | 3,551.98 | 4,954.86 | 4,413.68  |
| Sludge from Lagoon no 1 (historical)                   | -        | 9,358.89 | 7,475.86 | 12,800.44 |
| Waste oil  | 22.66    | 14.87    | 35.46    | 18.28     |
| Ceramic balls  | 26       | 3        | 358.9    | 7.25      |
| Spent catalysts (metal-containing: Ni, Co, Mo)         | 18.93    | 365.55   | 1,207.96 | 304.5     |
| Spent catalyst from cracking catalytic unit            | 592.3    | 567.16   | 536.08   | 713.4     |
| Iron and steel scrap                                   | 427.37   | 110.02   | 778.4    | 377.3     |
| Packaging with traces of hazardous substances          | -        | 0.68     | 1.08     | 1.72      |
| Aluminum scrap   | 0.26     | 0.98     | 3.26     | 0.4       |
| Plastic packaging waste                                | 8.66     | 7.56     | -        | 16.98     |
| Wood packaging waste                                   | 20.24    | 17.46    | 47.04    | 28.78     |
| Paper- cardboard                                       | 19.24    | 2.42     | 11.52    | 9.66      |
| Mixed municipal waste                                  | 120.9    | 116.12   | 130.84   | 136.34    |
| Insulating materials (waste mineral wool)              | -        | -        | -        | 114.82    |
| Contaminated insulating materials (waste mineral wool) | 219.7    | 33.78    | 705.1    | 106       |
| Tank bottom sludges                                    | 3.88     | 12.96    |          | 106.14    |
| Contaminated soil with hazardous substances            | 400.46   | 90.26    | 202.86   | 1,440.58  |
| Waste fluorescent tubes                                | 0.26     | -        |          | -         |
| Cable waste  | 1.04     | 0.12     | 17.06    | -         |
| Absorbents, filter materials                           | -        | 3.72     | 3        | 0.38      |
| Waste plastics from organic chemical processes         | 171.92   | 181.28   | 252.46   | 196.56    |
| Spent catalysts contaminated with dangerous substances | -        | 21.04    | -        | -         |
| Concrete mixes, bricks, tiles and ceramic materials    | 14.54    | -        | -        |           |
| Plastic and rubber materials                           | 33.66    |          |          |           |
| Expired substances (laboratory, Hg)                    | -        | -        | 12.28    | 0.095     |
| Electrical and electronic equipment waste              | -        |          | 0.172    | 1.44      |
| Spent platinum catalysts                               | 0.556    | -        | -        | 8.695     |

by current legislation and incorporated into the internal procedures of Rompetrol Rafinare. These measures aim to ensure selective collection of each type of waste, temporary storage of waste in metal or plastic containers or bags labeled with the appropriate waste code, avoidance of waste stockpiling, temporary storage on concrete platforms in secure locations protected from the weather, temporary storage of hazardous waste in sealed packages on concrete platforms with natural or artificial ventilation, waste recovery or disposal through authorized economic agents, waste transportation by authorized transporters with appropriate transport documents, and waste traceability through specific records kept by the generator for at least three years from the point of generation to the final destination.

Waste is stored in a way that prevents contamination of the soil and sewage system and minimizes the release of fugitive emissions into the air. Both Petromidia and Vega platforms are equipped with euro containers, especially designed outdoor areas, concrete platforms, optimally located in relation to the points of waste generation, which have a temporary storage capacity corresponding to the quantities generated in the time between two collections. The containers are colored/ marked/inscribed according to the category/type of waste collected and the collection areas/platforms are appropriately marked. Additionally, the company is committed to reducing packaging waste by using reusable packaging for chemicals, purchasing bulk chemicals, and using long-lasting or renewable catalysts.

The company keeps records of waste management for each type of waste and prohibits the mixing of hazardous waste with non-hazardous waste. Hazardous waste generated from its activities is characterized, and waste is temporarily stored in designated areas under conditions that ensure the safety of human health and the environment. Waste stockpiles that could lead to environmental pollution or risks to public health are avoided. When waste is sent off-site for recovery or disposal, it is transported by a company authorized for such activities. Waste traceability is ensured through specific records from the place of generation to the final destination (including records regarding transport), which are kept by the generator for at least 3 years.

The fully managed waste through dedicated contracts for valorification/elimination minimizes negative impacts on the economy, environment, and people, while maximizing positive outcomes such as cost reduction, environmental preservation, and improved public health.

## PETROMIDIA REFINERY

To effectively manage waste, a collection system is in place that separates household waste from production waste. The sources and streams of waste are identified and monitored from the point of generation to its ultimate disposal or recovery. Each department is responsible for identifying the categories of waste generated by their activities and documenting them accordingly.

Depending on the waste category, the waste is temporarily stored in designated locations until it can be disposed of or recovered.

The entire waste management process is documented in internal procedures and plans, such as the "Waste Management" procedure and the yearly waste management plan. These processes are verified during internal audits and inspections, both internal and external. Waste management follows the waste hierarchy, which includes prevention, preparation for reuse, recycling, other recovery operations (such as energy recovery), and disposal.

| Petromidia waste generated   | 2022     | 2021                  | 2020                  | 2019                   |
|--|----------|-----------------------|-----------------------|------------------------|
| Hazardous waste (t) of which:<br>historical waste-sludge from Lagoon no. 1 | 4,950.47 | 13,453.73<br>9,358.89 | 13,594.48<br>7,475.86 | 19,745.13<br>12,800.44 |
| Non-hazardous waste (t)  | 1,436.69 | 1,006.12              | 1,410.76              | 1,886.88               |
| Total (t)  | 6,387.16 | 14,459.85             | 15,005.24             | 21,632.01              |

Hazardous waste categories generated in current activity: sludges (from WWTP, tanks cleaning) waste oils, contaminated soil, contaminated insulation, expired chemicals and catalysts

Non-hazardous waste categories generated in current activity: recyclable waste - metal, plastics, paper, not recyclable - domestic waste, insulation, wood etc.

| Petromidia waste sent for recovery   | 2022     | 2021                  | 2020                  | 2019                   |
|--|----------|-----------------------|-----------------------|------------------------|
| Hazardous waste (t) of which:<br>historical waste-sludge from Lagoon no. 1 | 4,613.3  | 14,164.37<br>9,358.89 | 12,674.25<br>7,475.86 | 18,198.44<br>12,800.44 |
| Non-hazardous waste* (t)   | 1,101.77 | 1,515.36              | 1,279.93              | 1,634.43               |

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

| Petromidia waste sent for disposal | 2022   | 2021   | 2020   | 2019     |
|------------------------------------|--------|--------|--------|----------|
| Hazardous waste (t)                | 320.96 | 124.04 | 920.24 | 1,546.69 |
| Non-hazardous waste (t)            | 177.62 | 116.12 | 130.84 | 252.44   |

Disposal method applied was final storage in authorized warehouses.

Petromidia Refinery does not treat waste before disposing of or recycling it. Instead, waste is selectively collected based on its type and temporarily stored in designated locations, properly labeled before being disposed of or recycled. The recovery and disposal of waste, including waste from the decommissioning of disused facilities, are carried out in a planned and cost-effective manner.

Packaging for petrochemical products placed on the market is exclusively recyclable, consisting of plastic and wood. An external recovery service contract has been established, which requires the recovery of at least 60% of the total amount of packaging placed on the market.

The current activity generates various categories of hazardous waste, including sludges (from WWTP and tank cleaning), waste oils, contaminated soil, contaminated insulation, and expired chemicals and catalysts. Non-hazardous waste categories include recyclable waste such as metal, plastics, and paper, as well as non-recyclable waste such as domestic waste, insulation, and wood.

To ensure that the waste management process is carried out effectively, a procedure is documented. This procedure ensures that the Integrated Environmental Permit and other applicable legal requirements are met. It

| Vega waste by category  |                                    |              |              |          |         | 2022     | 2021   |
|---|------------------------------------|--------------|--------------|----------|---------|----------|--------|
| Iron waste (t)  | Iron waste (t)                     |              |              |          |         | 83.28    | 1.4    |
| Mineral wool (t)  |                                    |              |              |          |         | 19.06    | -      |
| Street-cleaning residues waste (t)  | Street-cleaning residues waste (t) |              |              |          |         |          | 19.18  |
| Tank bottom sludges (t)   |                                    |              |              |          |         | -        | 1      |
| Solid wastes from soil remediation containing hazardous substances (t)      |                                    |              |              |          |         |          | 105.44 |
| Bitumen waste (t)   |                                    |              |              |          |         | 6        | 59.3   |
| Sludges from on-site effluent treatment containing hazardous substances (t) |                                    |              |              |          |         | 100      | 4.42   |
| Mixed municipal waste (t)   |                                    |              |              |          |         | 16.28    | -      |
|   |                                    |              |              |          |         |          |        |
| Vega waste sent for recovery  | 2022                               | Vega waste   | generated    | 2022     | 2021    | 2020     | 2019   |
| Hazardous waste (t)   | 0                                  | Hazardous wa | aste (t)     | 119.06   | 110.86  | 1,023.72 | 524.50 |
| Non-hazardous waste (t)   | 83.28                              | Non-hazardo  | us waste (t) | 105.56   | 79.88   | 185.02   | 80.96  |
| Vega waste sent for disposal  |                                    |              | 2022         | 202      | 21      | 2020     | 2019   |
| Hazardous waste (t)   |                                    |              | 19.06        | 109.8    | 86 1,0  | )23.72   | 524.50 |
| Non-hazardous waste (t)   |                                    |              | 99.56        | 68.4     | 48 ´    | 103.82   | 54.94  |
| Waste from Vega lagoons (t)   |                                    |              | *89,039.48   | 27,048.3 | 30 54,0 | 066.31   |        |
| 1 = 1   |                                    |              |              |          |         | ,        |        |

| Vega waste by category  |       |              |              |          |         | 2022     | 2021   |
|---|-------|--------------|--------------|----------|---------|----------|--------|
| Iron waste (t)  |       |              |              |          |         | 83.28    | 1.4    |
| Mineral wool (t)  |       |              |              |          |         | 19.06    | -      |
| Street-cleaning residues waste (t)  |       |              |              |          |         |          | 19.18  |
| Tank bottom sludges (t)   |       |              |              |          |         | -        | 1      |
| Solid wastes from soil remediation containing hazardous substances (t)      |       |              |              |          |         |          | 105.44 |
| Bitumen waste (t)   |       |              |              |          |         | 6        | 59.3   |
| Sludges from on-site effluent treatment containing hazardous substances (t) |       |              |              |          |         | 100      | 4.42   |
| Mixed municipal waste (t)   |       |              |              |          |         | 16.28    | -      |
| Vega waste sent for recovery  | 2022  | Vega waste   | generated    | 2022     | 2021    | 2020     | 2019   |
| Hazardous waste (t)   | 0     | Hazardous wa | aste (t)     | 119.06   | 110.86  | 1,023.72 | 524.50 |
| Non-hazardous waste (t)   | 83.28 | Non-hazardo  | us waste (t) | 105.56   | 79.88   | 185.02   | 80.96  |
| Vega waste sent for disposal  |       |              | 2022         | 202      | 21      | 2020     | 2019   |
| Hazardous waste (t)   |       |              | 19.06        | 109.8    | 86 1,0  | )23.72   | 524.50 |
| Non-hazardous waste (t)   |       |              | 99.56        | 68.4     | 48 1    | 103.82   | 54.94  |
| Waste from Vega lagoons (t)   |       |              | *89,039.48   | 27,048.3 | 30 54,0 | )66.31   |        |
|   | 6     | 1.           |              |          |         | ,        |        |

| Vega waste by category  |       |              |              |          |        | 2022     | 2021   |
|---|-------|--------------|--------------|----------|--------|----------|--------|
| ron waste (t)   |       |              |              |          |        | 83.28    | 1.4    |
| Mineral wool (t)  |       |              |              |          |        | 19.06    | -      |
| Street-cleaning residues waste (t)  |       |              | 19.18        |          |        |          |        |
| Fank bottom sludges (t)   |       | -            | 1            |          |        |          |        |
| Solid wastes from soil remediatior  |       | -            | 105.44       |          |        |          |        |
| Bitumen waste (t)   |       |              |              |          |        | 6        | 59.3   |
| Sludges from on-site effluent treatment containing hazardous substances (t) |       |              |              |          |        | 100      | 4.42   |
| Mixed municipal waste (t)   |       |              |              |          |        | 16.28    | -      |
|   |       |              |              |          |        |          |        |
| Vega waste sent for recovery  | 2022  | Vega waste   | generated    | 2022     | 2021   | 2020     | 2019   |
| Hazardous waste (t)   | 0     | Hazardous wa | aste (t)     | 119.06   | 110.86 | 1,023.72 | 524.50 |
| Non-hazardous waste (t)   | 83.28 | Non-hazardo  | us waste (t) | 105.56   | 79.88  | 185.02   | 80.96  |
|   |       |              |              |          |        |          |        |
| Vega waste sent for disposal  |       |              | 2022         | 202      | 1      | 2020     | 2019   |
| Hazardous waste (t)   |       |              | 19.06        | 109.8    | 86 1,0 | 23.72    | 524.50 |
| Non-hazardous waste (t)   |       |              | 99.56        | 68.4     | 8 1    | 03.82    | 54.94  |
| Waste from Vega lagoons (t)   |       |              | *89,039.48   | 27,048.3 | 54,0   | 66.31    | -      |
|   |       |              | 000(         |          |        |          |        |

| Hazardous waste (t) |  |
|---------------------|--|
|---------------------|--|

\* The quantity refers to the amount of waste generated in 2022 from the treatment of acid tar waste and oil residue, which was ultimately landfilled in waterproof cells.

also ensures that waste categories resulting from production and ancillary activities are correctly identified and that the waste management flow follows the waste hierarchy (prevention, preparation for reuse, recycling, other recovery operations such as energy recovery, and disposal).

The recovery and disposal of waste, including waste from decommissioning of disused facilities, is carried out in a planned and cost-reducing integrated manner. Staff are trained in legal and other applicable requirements to ensure the waste management process is kept under control.

92% of the total waste that left the platform in 2022 was sent for recovery (including (co)incineration with energy recovery). Only 8% of the total waste was sent for disposal (mainly household waste). For comparative purposes, during the previous reporting period, 98.5% of the total waste was sent for recovery and 1.5% for disposal. In 2020, 93% of the total waste that left the platform was sent for recovery and 7% sent to disposal, mainly household waste, contaminated soil, contaminated mineral wool. For 2019, the same metrics indicated 92% waste sent for recovery and 8% of total waste sent for disposal.

## VEGA REFINERY

Vega Refinery has a number of contracts with authorized companies for the collection, transport and recovery/disposal of waste generated by the activities carried out on the entire site.

Vega Refinery landfill (14 lagoons) is located on the northern side of the refinery platform and covers an area of approximately 82,450 m<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. The estimated amount according to the environmental agreement is 275,540 tons of acid tar waste and oil residue, respectively 62,763 tons of contaminated soil.

Lagoons 7-12, which have a surface area of 15,475 m<sup>2</sup>, have reached their maximum storage capacity. They are situated on the east side of the land and are limited by contour dams on the west and southwest side, where the land has lower elevations. These lagoons store acid tars, and rainwater collected on their surface is discharged into the chemical sewer system through pumping.

**Lagoons 13-15**, with a surface area of 12,250 m<sup>2</sup>, are connected to each other and separated only by delimitation dams. In some places, the level of hazardous waste exceeds the dams. The outer limit of the lagoons is provided by contour dams, and acid tars are stored in them. Rainwater collected on their surface is discharged into the chemical sewer system through pumping.

Lagoons 16-19, which have a surface area of 43,350 m<sup>2</sup>, are also connected to each other and separated only by delimitation dams. The dams are exceeded by the level of deposits in some places, and the outer limit of the lagoons is provided by contour dams. The meteoric water collected on their surface is evacuated by pumping into the chemical sewerage network.

Lagoon 20 is located south of lagoons 16-19 and covers an area of approximately 0.5775 ha. Acid tars are stored in this lagoon.

By the end of 2022, the lagoon 17 was greened, respectively prepared for the disposal of treated waste. The total quantity of treated waste from lagoon 17 is 138,265.15 tons (this quantity also includes additives).

## SPILLS

Several procedures and plans are documented to prevent the accidental release of hydrocarbons or other materials into the environment, including a plan to prevent and combat accidental pollution, separate operational books for each unit outlining environmental procedures, and emergency response plans. Each unit has a dedicated operations manual, comprehensive emergency response plans and crisis management procedures.

Both Petromidia and Vega refineries are SEVESO sites and fall under the scope of Law 59/2016 (which transposes the SEVESO Directive into national legislation) on the control of major accident hazards involving dangerous substances. In compliance with the required requlations, Rompetrol Rafinare ensures the development, implementation and continuous improvement of a Safety Management System (SMS) in order to prevent the occurrence and to eliminate/minimize the effects of major accidents. Trainings and emergency response exercises are regularly provided to all operational staff.

While the companies within the KMGI Group did not experience significant oil spills in 2022, it is crucial to acknowledge the potential negative impacts such incidents can have on underground water, public health, and natural resources. Oil spills have the potential to harm aquatic ecosystems, disrupt the food chain, and require costly remediation efforts. To prevent and manage oil product spills, stringent procedures and monitoring practices are implemented. Precautions are also taken to mitigate potential risks associated with fuel storage tanks, ensuring the protection of water resources and public health. Regular monitoring of water guality and the commitment to achieving zero petroleum product spills contribute to mitigating these risks.

#### Moreover, the following plans and documents are constantly updated and communicated to the responsible personnel:

- Notification of substances according to the Procedure for Notification of Activities with Maior Accident Hazards Involving Hazardous Substances
- Safety Report
- Internal Emergency Plan
- Accidental pollution prevention and control plan
- Fire prevention and extinction intervention plan
- Evacuation plan
- Civil protection notification and alarm plan
- Earthquake defense plan
- Plan for the management of emergencies caused by floods and hazardous weather events
- Action plan to prevent and combat snowfall, • frost, landslides, and other hazardous weather phenomena specific to the cold season
- "Emergency preparedness and response capacity" work procedure
- Training, skills development and emergency • response exercises.

| <b>U</b> III   |  |
|--|--|
| GRI 301-1<br>GRI 301-2<br>GRI 302-1 thru 302-5<br>GRI 303-1 thru 303-5<br>GRI 305-1 thru 305-7<br>GRI 306-1 thru 306-5<br>GRI 413-1<br>GRI 413-2<br>GRI 417-1<br>GRI 417-2<br>GRI 11.1.5 thru 11.1.8<br>GRI 11.2.3<br>GRI 11.5.3 thru 11.5.6 | Rompe<br>grams<br>includi<br>and an<br>cation,<br>Preven<br>cific pro<br>• Mo<br>soi<br>• Wa |
| GRI 11.6.2 thru 11.6.6<br>GRI 11.8.2<br>GRI 11.15.2<br>GRI 11.15.3   | pla<br>ma<br>• Re  |
| GRI 11.15.4<br><b>SASB</b>   | • Periss   |
| EM-RM-110a.1<br>EM-RM-110a.2<br>EM-RM-120a.1<br>EM-RM-120a.2   | • Co<br>ula<br>Manag   |
| IPIECA   | issues.  |
| CCE-1 C1, C3, C4, A1<br>CCE-2 C1, C2<br>CCE-3 C1, C2, A1, A4   | ments,<br>results  |
| CCE-4 C1, C2, C4, A1-A3<br>CCE-6 C1, A1, A3<br>ENV-1 C1, C2, A2, A8, A10   | At the l<br>there is   |

ENV-2 A1-A3, A6

ENV-6 C1, C2, A2 ENV-7 C2, C3

ENV-5 C1, C2

CDI

etrol Downstream and Rompetrol Gas have proin place to manage the environmental impact, ing an Environmental Management program assessment of environmental aspects at each loas well as an investment program and a Waste ntion and Reduction Program. They include sperovisions addressing:

- onitoring of environmental conditions: air, water, oil - periodically
- aste management selective collection, waste atform arrangement, waste coding, and waste anagement according to legal requirements
- eporting VOC emissions
- riodically updating significant environmental sues
- ompliance with legal requirements regarding regatory documents.

ement receives information on environmental including permitting and compliance requirereporting requirements, external / internal audit , and projects with an environmental component.

level of Rompetrol Downstream & Rompetrol Gas, their Integrated Management System, being certified is no risk assessment for climate change and no for the ISO 22000 and 50001 (DWS) and ISO 9001, medium- and long-term strategy has been established 14001, 45001 (DWS and Gas) standards. to take this into account at this time. However, the Risk With each new site opening for gas station environmen-Management Department will implement a project in tal impact studies are prepared and, where required by 2023 to assess environmental risks related to short/ the town planning certificate, noise studies are carried medium-term climate development. This will involve reviewing the concept of energy security and developout. ing a comprehensive framework that can be utilized, For Rompetrol Downstream and Rompetrol Gas depots, along with a qualitative assessment of the relationship are SEVESO objectives in respect with SEVESO classifibetween climate policy and energy security. This assesscation Rompetrol Downstream depots they are SEVESO ment will be based on a risk analysis of climate change classification with lower-tier and the Rompetrol Gas deand the relevant legislation in effect. posits are classification with upper-tier.

According to development directions expressed in the Group's Decarbonization Strategy, a comprehensive analysis is underway to identify the feasibility of implementing alternative energy sources (such as solar and photovoltaic panels, wind turbines) in several locations, while taking into consideration the legal limitations imposed by authorities. This analysis is conducted with a focus on medium and long-term implementation. To reduce the retail entities' CO2 emissions, our goal is to introduce and apply various CO2 mitigating technologies that relate to operations (Scope 1), imported

# **Rompetrol Downstream SRL Rompetrol Gas SRL**

electricity and steam (Scope 2) and consumer use of products (Scope 3):

#### Scope 1

We plan to invest in electric cars and alternative energy sources to power our operations. This helps to minimize our emissions directly from our own activities.

#### Scope 2

We want to focus on reducing our emissions from imported electricity and steam. We can achieve this by switching from GHG emitting fuels to renewable energy sources for transport and heating. Additionally, we also aim to improve the efficiency of our transmission and distribution networks.

#### Scope 3

We consider the emissions generated from the use of our products by consumers. While we may not have direct control over these emissions, we work to promote sustainable practices and encourage the use of our products in an environmentally friendly manner.

Part of the Rompetrol Retail Business Unit, Rompetrol Downstream and Rompetrol Gas operate according to

According to SEVESO requirements, Rompetrol Downstream and Rompetrol Gas have emergency plans and policies designed to prevent major accidents involving dangerous substances. These are periodically updated, verified and endorsed by the competent authorities.

The list of dangerous substances used in our operations, and registered with the local Inspectorate for Emergency Situations, the local Environmental Protection Agency and the Territorial Labor Inspectorate, is drawn up annually. The dangerous substances 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 fuel and storage distribution stations for the protection against soil and groundwater pollution: concrete platforms, oil product-draining gutters, hydrocarbon separators. Products are temporarily stored in metrological controlled tanks (above-ground and/or underground). They are distributed via pumps and loading-unloading installations, equipped with vapor recovery systems. Both companies have monitoring systems implemented to track any product loss and use dedicated accidental leak monitoring equipment.

The generated waste is temporary stored, by type of waste, in designated containers, on the waste platform corresponding to each location. Each location has a contract with companies authorized in collecting, transporting, recovery/ disposing of hazardous and non-hazardous waste. The amount of waste generated monthly is recorded on the waste management record sheet, under the corresponding waste code. Annually, these waste management sheets are uploaded to the Integrated Environmental System (managed by NEPA) -PRODDES questionnaire, according to the legal requirements in force, and reported to the local Environmental Protection Agencies.

Hazardous and non-hazardous waste (exception: household waste) are collected, transported and recovered by an authorized company, in accordance with the contractual and legislative obligations in force. Waste traceability is documented in hazardous and non-hazardous waste transport annexes and through their recovery.

All reservoir, pumps, tanks, warehouse and depot equipment and installations, as well as products, are labeled according to the applicable legislation. During the reporting period, there were no non-compliance incidents regarding product and service information and labeling.

In 2022, there was one grievance from the local community recorded by Rompetrol Downstream. More specifically, a complaint was filed with the National Environmental Guard regarding the noise generated by the Generator at Giurgiului station. After conducting an inspection, the National Environmental Guard provided us with a series of sound and emission measurements. As a result of the sonometric and emission measurements made, no exceedances were registered.

During the reporting period, there were no grievances recorded by Rompetrol Gas given that all warehouses are located outside the city, with no local communities nearby.

Rompetrol Downstream and Rompetrol Gas did not register any significant water, soil and groundwater spills (no hydrocarbon spill over 1bbl) during the reporting period.

## MATERIALS ROMPETROL DOWNSTREAM

| Materials used                       | 2022      | 2021         | 2020      | 2019      |
|--------------------------------------|-----------|--------------|-----------|-----------|
| Gasoline sold (t)                    | 275,015   | 303,567.54   | 286,121   | 317,110   |
| Diesel sold (t)                      | 1,598,139 | 1,644,756.23 | 1,691,140 | 1,761,052 |
| Additives imported (t)               | 161.5     | 156          | 73.95     | 65.45     |
| LPG sold (t)                         | 7,405     | 6,095.43     | 21,162    | 26,864    |
| Total plastic packaging* (t)         | 53.19     | 77.55        | 58.60     | 48.23     |
| Total paper-cardboard packaging* (t) | 41.73     | 73.32        | 55.79     | 54.63     |
| Total wood packaging* (t)            | 0.29      | -            | -         | -         |

\* Reported to the Administration of the Environmental Fund

Note: The quantities sold from warehouses were reported for the following sales channels: CODO Stations, DODO Stations, DOEX Stations and other customers.

## ROMPETROL GAS

#### **Materials used**

## Propane (t) Butane (t) Total LPG (t)

Rompetrol Gas SRL sells LPG to Rompetrol Downstream SRL and Clients. 7,405 tons of LPG was sold by Rompetrol Downstream SRL to Clients.

## ENERGY ROMPETROL DOWNSTREAM

#### Energy consumption inside the organization

Gasoline (spo Gasoline (Do Diesel (spon

Fleet fuel (liters)

Diesel (Down

Total (liters) Total (MWh)

Electricity (MWh)

Fuel for thermal power plant\* (MWh)

#### Total (MWh)

\* Including LPG (Craiova warehouse) and natural gases (3 stations and 2 warehouses) 1 liter gasoline/diesel =  $8.9 \, kWh$ 

1 kg gas CT = 13.6 kWh

## **Energy consumption outside the organiz**

Trucks fuel consumption with transportation between depots and warehouses

1 liter gasoline/diesel = 8.9 kWh

#### **Energy Intensity**

## Energy Intensity ratio (tE/l)

Energy Intensity = energy consumption / sales

Rompetrol Downstream registered an increase in energy consumption as a direct result of opening 12 new fuel distribution stations, expanding air conditioning facilities in gas station network, opening 5 new car washes, changing the refrigerated display cases in 20 stations, adding more CCTV consumers and refrigeration facilities.

| 2022   | 2021   | 2020   | 2019   |
|--------|--------|--------|--------|
| 2022   | 2021   | 2020   | 2017   |
| 34,081 | 34,000 | 34,252 | 29,621 |
| 51,122 | 51,004 | 51,378 | 44,431 |
| 85,203 | 85,004 | 85,630 | 74,052 |

| tion            | 2022                | 2021                | 2020             |
|-----------------|---------------------|---------------------|------------------|
| onsorship)      | 50,350.66           | 38,435.42           | 35,749.17        |
| wnstream fleet) | 91,956.35           | 29,318.12           | 27,405.81        |
| sorship)        | 105,868.16          | 150,386.87          | 239,225.48       |
| nstream fleet)  | 383,114.5           | 182,904.4           | 170,020.49       |
|                 | 631,289.67<br>5,618 | 301,044.81<br>2,679 | 472,401<br>4,204 |
|                 | 29,678.86           | 29,951              | 27,430.75        |
|                 | 581                 | 879.57              | 766              |
|                 | 35,878              | 33,510              | 32,401           |
|                 |                     |                     |                  |

| ation           | 2022      | 2021      | 2020      |
|-----------------|-----------|-----------|-----------|
| Diesel (liters) | 3,840,064 | 3,858,881 | 3,204,983 |
| Diesel (MWh)    | 34,176    | 34,344    | 28,524    |

| 2022    | <b>202</b> 1 | 2020    |
|---------|--------------|---------|
| 0.01915 | 0.01714      | 0.01621 |

| Energy efficiency measures applied in 2022<br>(including repairs and modernization or retrofitting actions)             | Commissioning date | ROI (yrs) | Cost of investment (th. RON | Energy savings (MWh/yr) | Energy savings (toe/yr) | Cost savings (th. RON/yr) | Specific energy saving cost<br>(RON/MWh) |
|---|--------------------|-----------|-----------------------------|-------------------------|-------------------------|---------------------------|--|
| Continuation of the program to replace lighting elements with more efficient ones in 19 stations                        | 2022               | 1         | 197                         | 205                     | 17.63                   | 205                       | 960.97                                   |
| Electricity consumption reduction by replacement of outdated equipment in kitchens with new, high-performance equipment | 2022               | 4         | 1,200                       | 300                     | 25.8                    | 300                       | 4,000.00                                 |
| Continuation of the program aimed at replacing open display refrigerators with closed ones in 7 stations                | 2022               | 3         | 120                         | 35                      | 3.01                    | 35                        | 3,428.57                                 |
| Continuation of the program aimed at replacing old air-water equipment with new ones in 2 stations                      | 2022               | 8         | 13                          | 1.7                     | 0.1462                  | 1.7                       | 7,647.05                                 |
| Total   |                    |           | 1,530                       | 541.7                   | 46.5862                 | 541.7                     | 4,009.2                                  |

## ROMPETROL GAS

| Energy consumption inside the o       | rganization    | 2022   | 2021   | 2020  | 2019   |
|---------------------------------------|----------------|--------|--------|---|--------|
| Electricity (MWh) - Scope 2           |                | 1,138  | 1,057  | 981   | 769    |
| For the traction matters for a 1      | Propane (tons) | 211    | 208    | 2020<br>981<br>176<br>2,464<br>9,700<br>87<br>3,532 | 162    |
| Fuel for the heating system - Scope T | Propane (MWh)  | 2,954  | 2,912  |   | 2,268  |
|                                       | (liters)       | 14,000 | 13,000 | 9,700   | 10,000 |
| Fleet fuel (liters) - Scope T         | (MWh)          | 125    | 116    | 87  | 89     |
| Total (MWh)                           |                | 4,217  | 4,085  | 3,532   | 3,126  |
| 1 kg propane = 13.6 kWh               |                |        |        |   |        |

| Energy consumption outside the organization |                 | 2022    | 2021    | 2020   | 2019    |
|---|-----------------|---------|---------|--------|---------|
| Auto tomber fuel                            | Diesel (liters) | 972,583 | 962,997 | 74,467 | 944,933 |
|   | Diesel (MWh)    | 8,655   | 8,561   | 658    | 8,394   |

1 liter gasoline/diesel = 8.9 kWh

| Energy Intensity              | 2022      | 2021    | 2020    | 2019    |
|-------------------------------|-----------|---------|---------|---------|
| Energy Intensity ratio (tE/I) | 0.0494929 | 0.04805 | 0.04124 | 0.04221 |

*Energy Intensity = energy consumption / sales* 

# WATER ROMPETROL DOWNSTREAM

Fresh water supply for Rompetrol Downstream operations is based on the Water Management Permits issued for each working point. Fresh water is obtained from underground sources through drilling (21 stations and 4 warehouses) or from the city's drinking water network via a dedicated connection (146 stations + 2 warehouses).

The water is used for hygienic-sanitary purposes, firefighting, and food production. Wastewater generated includes domestic and technological waters, along with rainwater. The discharge of wastewater is managed through three methods: city sewerage network (125 stations + 1 warehouse), drainable pool (42 stations + 3 warehouses), or emissary (2 deposits).

Technological wastewater from the platforms is collected through gutters, directed to hydrocarbon separators, and then discharged into the sewage system, drainage tank, or emissary. Wastewater from three warehouses is directed to ORM cleaning stations and then discharged into the sewerage network or drainage tank.

Some work points require the inclusion of wastewater indicators in NTPA 001 / NTPA002, while other working points must monitor certain indicators such as pH, total suspended solids, temperature, chemical oxygen consumption, biochemical oxygen consumption, and detergents. For domestic water, NTPA 002 applies to 156 fuel distribution stations. For rainwater, NTPA 001 applies to 37 fuel distribution stations, and NTPA 002 applies to 74 fuel distribution stations. Wastewater from fuel depots falls under NTPA 001 and NTPA 002.

Regarding water treatment and reuse, we do not currently have any such projects in place. However, we are continually evaluating opportunities for water conservation and exploring innovative solutions for water management. If we identify any viable projects, we will implement them with the goal of reducing our water consumption and minimizing our environmental impact.

## **1. ARAD WAREHOUSE**

Toilets' domestic wastewater is collected by a sewer network and directed to a mechanical-biological treatment plant. Before being discharged, the effluent is passed through a petroleum product separator, which also filters any rainwater that mixes with it during rainfall. Technological wastewater, resulting from the cleaning of the CF ramps and tank supply, is led to a petro-

leum product separator, and after pre-treatment, it's discharged into the stormwater sewerage of the plant platform. These discharges comply with the quality standards set in NTPA 001.

Rainwater is divided into two categories. Firstly, rainwater that may be polluted with petroleum products, which comes from the rail discharge ramp and from the area of the car fuel loading ramp. After being separated, the water is discharged into the rainwater drainage of the plant's platform. Secondly, "clean" rainwater falling on most of the surface of the station from the pavilion, road and concrete platforms is collected in separate sewers through PVC pipes and discharged into the rainwater sewer after passing through a petroleum product separator. The discharge of both categories of water complies with the provisions of NTPA 001.

## 2. CRAIOVA WAREHOUSE

The evacuation of domestic and technological wastewater that requires treatment is carried out in a collection pool of treated water and rainwater made of reinforced concrete. Household wastewater is collected through PVC pipes.

Rainfall is collected through gutters with rectangular section, covered with grills and tubes, and 2 hydrocarbon separators. Wastewater treatment plants include a domestic wastewater treatment plant, a collector basin for domestic and sewage wastewater (collection is done with the help of a pump, through a discharge pipe) and hydrocarbon separator with sludge decanter included, for the periodical draining of oil products.

## 3. MOGOȘOAIA WAREHOUSE

Domestic wastewater is discharged into a watertight drain basin, made of reinforced concrete, located inside the warehouse. Condensate water from oil tankers, along with rainwater collected from concrete platforms inside the tank fleet and in the car ramp area, is passed through a hydrocarbon separator, after which it is discharged into the two retention basins and into the three concrete retention tanks. From there, it is emptied upon request. Quality indicators of wastewater and evacuated condensed water must fall within the limits imposed by NTPA 002.

#### **4. SIMLEU SILVANIEI WAREHOUSE**

Potentially polluted domestic, technological and rainwater wastewater is discharged into the Crasna River. A mechanical-biological treatment plant is available for domestic wastewater treatment, with discharge into the storm sewer.

## **5. VATRA DORNEI WAREHOUSE**

Domestic wastewater from the landfill's sanitary group is collected by a concrete pipe sewerage network and transported to the drainable basin. From there, it's drained and transported to the Vatra Dornei urban treatment plant. Rainwater, along with water resulting from washing the platforms and collected by drains and rectangular section gutters, are collected into the rainwater drainage network, passed through a separator of petroleum products, then discharged into the Bistrita emissary.

## 6. ZĂRNEȘTI WAREHOUSE

Wastewater is discharged into the Barsa stream, after being passed through a treatment plant. Domestic wastewater from offices in the old building and toilets in the Administrative Pavilion is collected through sewers and passed through a sewage treatment plant. Collected water from the area of the tanks, the area of the CP1 and CP2 fuel pump houses, and the area of the technological platform is passed through a Hauraton-type oil product separator. All water is then discharged into the Barsa stream through a PVC pipe sewerage network.

| Water withdrawal                       | 2022   | 2021   | 2020   |
|--|--------|--------|--------|
| Gas stations & depots (million liters) | 208.32 | 220.70 | 188.07 |
| La Fântâna (million liters)            | 0.013  | -      | -      |
| Water consumption                      | 2022   | 2021   | 2020   |
| Gas stations & depots (million liters) | 0      | 0      | 0      |
|  |        |        |        |

Water withdrawal and water discharge quantities correspond. Water consumption represents the difference between water withdrawal and water discharge. In the warehouses, water was consumed from the reservoir for ISU exercises. The exercises were performed quarterly with a consumption of  $5 \text{ m}^{30}$  per exercise.

4 exercises \* 5  $m^3 = 20 m^3 * 6 depots = 120 m^3/an$ 

La Fântâna =  $13 m^3$ 

| Exceeded escape limits | 2022 | 2021 | 2020 | I |
|------------------------|------|------|------|---|
| Gas stations           | 19   | 26   | 23   | i |
| Warehouses             | 2    | -    | -    | Ì |

## ROMPETROL GAS **1. BACĂU LPG BOTTLING STATION**

The drinking water supply is commercially provided in bottled-dose containers. The hygienic-sanitary water supply is ensured from the underground, from Bistrita river (3 drilled wells, H = 100 m, DN = 22 mm, Q = 4.81/ s each).

Each drilling rig is equipped with a PHED-built cabin, in which capture installations are mounted: the pump head, the GRUNDFOS submersible pump and the electrical equipment. The adduction network is shared (for hygienic-sanitary, technological and PSI water) and consists of PE pipes, DN 65-80, which supply the semi-buried two-compartment reinforced concrete tank with a volume of 2x600 m3. Attached to the tank is the pump house which is equipped with a pumping plant (V = 100 l) for the hygienic-sanitary water network.

For Rompetrol Downstream, the escape limits were exceeded in 19 stations and 2 warehouses. Recognizing the importance of addressing this issue promptly, Rompetrol Downstream took immediate measures to clean the hydrocarbon separators, septic tanks, and gutters. Furthermore, rigorous reanalysis was carried out to verify compliance with the required standards and regulations, ensuring the proper management of hydrocarbon-related issues.

Domestic wastewater from the Administrative Technical Group is collected and transported in a 54m3 watertight, drainable basin. Wastewater discharge from the tank (water considered to be conventionally clean) is done through a metal pipe in the rainwater gutter. Rainwater from the tank area, from buildings, from concrete platforms and water used for cooling LPG storage tanks, is collected through concrete gutters covered with road grills and discharged into the outer gutter of the DE729 paved road. The emptying of the pool is done by an authorized company.

## 2. PANTELIMON LPG BOTTLING STATION

Raw water is supplied from the underground, through the F1 drilling rig, equipped with a TRICONSERV type pump, with Q = 1.01I/s. The water distribution network includes HDPE pipes with DN = 25 mm and L = 5 m.



Water for watering green spaces and washing concrete platforms is also supplied from the underground, through drilling. The water necessary to extinguish potential fires is provided from Drilling 1 and is stored in a buried tank with a volume of 285 m3.

Domestic wastewater is discharged into a 10 m3 drainage basin, located inside the depot. The sewerage network consists of PVC pipes with DN = 110 mm. Drainage is provided by an authorized company. Rainwater is discharged into the ground.

## **3. ARAD LPG BOTTLING STATION**

The drinking water supply is provided commercially, in bottled-dose containers. Hygienic-sanitary water supply is ensured from the local water network of Vladimirescu

#### Water withdrawal

| Surface water (rainfall)                                       |
|--|
| Groundwater (million liters), of which:<br>Bacău<br>Pantelimon |
| Sea water  |
| Water produced   |
| Third-party water - Arad only (million liters)                 |
| La Fântâna (million liters)                                    |
| Total (million liters)   |
| Water withdrawal and water discharge quanti                    |
| Water consumption  |

## La Fântâna (million liters)

The reservoirs were sprayed for the hot season (between June and September) to cool them according to the specifications and instructions for SU and SSM. The necessary water for the upkeeping of the green area in the proximity of the warehouse was ensured.

locality. The water distribution network consists of HDPE pipes with DN = 100.

Water for watering green spaces and washing concrete platforms is also supplied from the local network, along with the fire extinguishing water, the latter being stored in a semi-buried tank with two compartments of 600m3 each. Wastewater is collected in a drainable concrete basin, with a volume of 75 m3, which is emptied by an authorized company, upon request.

The limits set for discharged wastewater quality indicators are covered by GD188/ 2002 - NTPA 002/2002, amended and supplemented by GD 352/2005. Rainwater discharged into the street is covered by the NTPA 001/2005 standard, according to GD 352/2005.

| 2022                    | 2021                    | 2020                    | 2019                    |
|-------------------------|-------------------------|-------------------------|-------------------------|
| n/a                     | n/a                     | n/a                     | n/a                     |
| 4.083<br>2.622<br>1.461 | 7.412<br>4.792<br>2.620 | 1.859<br>0.637<br>1.222 | 1.467<br>0.590<br>0.877 |
| n/a                     | n/a                     | n/a                     | n/a                     |
| n/a                     | n/a                     | n/a                     | n/a                     |
| 2.930                   | 1.755                   | 1.602                   | 1.112                   |
| 0.014839                | -                       | -                       |                         |
| 7.013                   | 9.167                   | 3.461                   | 2.579                   |

ities correspond.

| 2022     | 2021 | 2020 | 2019 |
|----------|------|------|------|
| 0.014839 | -    | -    |      |

## EMISSIONS

All GHG and air emissions generated by Rompetrol Downstream and Rompetrol Gas meet the requirements of the applicable legislation.

## ROMPETROL DOWNSTREAM

To reduce GHG emissions, Rompetrol Downstream invests in alternative energy sources, like photovoltaic panels, installed in its fuel distribution stations, electric car charging facilities, switching from GHG emitting fuels to renewable energy sources for transport and heating, efficiency improvement of transmission and distribution.

To calculate GHG intensity, the Ministry of Energy has developed specific metrics. These include fuels sold to end customers, agriculture fuels and tankers such as Gasoline and Diesel with biocomponent, diesel without biocomponent, and LPG, as well as additives in biocomponents and their origin (e.g., corn, used cooking oil, rapeseed, palm oil, soybeans), and the low caloric value of each fuel type. Furthermore, the company submits greenhouse gas reports annually to the Ministry of Energy.

In 2022, 20% of the energy produced in Mogosoaia gas station and 22% of the energy produced in Vistea gas stations was generated by photovoltaic panels. In 2021, the total electricity consumption from renewable resources was 30 MWh (energy produced in Mogosoaia station by photovoltaic panels), the same as in 2020.

The VRU warehouse system, a continuous monitoring system for depots, records the recovery of vapors from the car loading ramp. Based on the recordings from this installation a monthly VOC emissions calculation sheet is prepared for each depot. The vapor recovery system in gas stations is a discontinuous measurement system which covers vapor recovery from the unloading tanks and gas guns (car loading vapor recovery).

In accordance with the total amount of VOC emission reports for each work point (gas stations - one per year and depot - one per month), the total amount of VOC emissions for 2022 was 71034.34 kg per year. In 2021 there were 70,467.01 kg/year registered by the company, in conformity with the total amount of VOC emissions reports for each work point (1 annual report for gas stations and monthly reports for depots). The quantity recorded in 2020 was 70,425.48 kg/year, while in 2019 the company recorded 37.251,78kg/year of VOC emissions.

There are no emissions of

(ODS) generated within

Rompetrol Downstream

operations.

ozone-depleting substances

| Scope 1: Rompetrol Downstream GHG emissions |  | 2022                  | 2021                   | 2020                     |
|---|--|-----------------------|------------------------|--------------------------|
| Total consumption of fuel                   | Gasoline (liters)<br>Gasoline (tCO2e)      | 142,306<br>327.3      | 401,044                | 472,400                  |
| Company vehicles                            | vehicles Diesel (liters)<br>Diesel (tCO2e) | 488,982<br>1,320.2    | 1,015.17               | 1,195.97                 |
| Total Scope 1 (t)                           |  | 1,647.5<br>(+62% yoy) | 1,015.17<br>(-15% yoy) | 1,195.97<br>(+21.9% yoy) |

Note: In the previous years (2020 and 2021) due to the Covid-19 Pandemic, the company's employees carried out their activity mainly from home. Thus, business trips were limited.

CO2 emission factors for qas/diesel oil = 74100 kg/TJ; 1 liter qasoline = 0.0342GJ; 1GJ = 0.001 TJ

| Scope 2: Rompetrol Downstream GHG emissions | 2022                   | 2021               | 2020                   |
|---|------------------------|--------------------|------------------------|
| Electricity* (MWh)                          | 29,678                 | 29,951             | 27,430.75              |
| Conversion factor (tCO <sub>2</sub> e/MWh)  | 0.213                  | 0.243              | 0.251                  |
| Total Scope 2 (tCO2e)                       | 6,321.53<br>(-13% yoy) | 7,278<br>(+6% yoy) | 6,885<br>(-11.42% yoy) |
| Rompetrol Downstream emissions intensity    | 2022                   | 2021               | 2020                   |

|       | kompetrol Downstream emissions intensity | 2022 | 2021  |
|-------|--|------|-------|
| 0.008 | Emissions Intensity ratio (tE/I)         | 3.24 | 0.009 |
| _     |  | 3.24 | 0.009 |

*Emissions Intensity* = total emissions (Scope 1+2+3)/sales

#### Scope

| Scope 3: Rompetrol                        | Downstream GHG emissions              | 2022                          | 2021                   | 2020                     |
|---|---------------------------------------|-------------------------------|------------------------|--------------------------|
| Total fuel sales                          | Gasoline (liters)<br>Gasoline (tCO2e) | 366,380,863<br>842,675.99     |                        |                          |
|   | Diesel (liters)<br>Diesel (tCO2e)     | 1,924,005,382<br>5,194,814.53 | 3,858,881<br>9,779.25  | 3,204,983                |
|   | LPG (liters)<br>LPG (tCO2e)           | 13,463,636<br>21,541.82       |                        | 8,122.13                 |
| Autotanker (liters)<br>Autotanker (tCO2e) |                                       | 3,840,064<br>10,368.17        |                        |                          |
| Total Scope 3 (tCO <sub>2</sub> e         | :)                                    | 6,069,400.51<br>(+61699% yoy) | 9,779.25<br>(+20% yoy) | 8,122.13<br>(+9.54% yoy) |

#### Total

Air emissions' impact is low

and no determination of SO2,

CO2 or NOx atmospheric air

concentrations was requested

by any competent authorities.

CO2 emission factors for qas/diesel oil = 74100 kg/TJ; 1 liter qasoline = 0,0342GJ; 1GJ = 0,001TJSales were also added to Scope 3, from which the entities' fleets were subtracted

## ROMPETROL GAS

Direct air emissions are measured and reported regularly to the competent authorities. Gases emitted by the thermal power plants at Arad and Bacau LPG bottling stations are measured every year, respectively every 2 years, when the technical overhaul is carried out. The

| Scope 1: Rompetrol Gas GHG emissions |                            | 2022   | 2021   | 2020   | 2019   |
|--------------------------------------|----------------------------|--------|--------|--------|--------|
| Total consumption of fuel            | Gasoline & Diesel (liters) | 14,000 | 13,000 | 9,700  | 10,000 |
| Company vehicles                     | Gasoline & Diesel (tCO2e)  | 34     | 10.4   | 7.7    | 8      |
| Propane (t)                          |                            | 211    | 208    | 176    | 162    |
| Propane (tCO2e)                      |                            | 636    | 643.11 | 544.17 | 500.88 |
| Total Scope 1 (t)                    |                            | 671    | 676.05 | 568.75 | 526.22 |

#### **Scope 2: Rompetrol Gas GHG emissions**

Electricity\* (MWh)

Conversion factor (tCO2e/MWh)

#### Total Scope 2 (tCO<sub>2</sub>e)

\* This value represents the energy consumption, which means Electricity + Energy consumption by car fleet + Energy consumption by heating system

#### **Scope 3: Rompetrol Gas GHG emissions**

Autotanker (liters)

#### Total Scope 3 (tCO<sub>2</sub>e)

Emissions factors: consumption (TJ) \* 74100 (IF

#### **Rompetrol Gas emissions intensity**

Emissions Intensity ratio - without rail (tE/l)

Emissions Intensity = total emissions (Scope 1+2+3)/sales

heating system at the Pantelimon LPG bottling station is electrically powered so there are no air emissions to monitor or report. The emission factors utilized were sourced from CORINAIR. The analysis methodology employed adhered to currently established standards, methodologies, assumptions, and/or calculation tools.

Emissions factors: 1 liter of gasoline = 2.3 kg CO2; 1 liter of diesel = 2.7 kg of CO2; 1 ton of propane = 3,01 t CO2

| 242   | 992.65 | 886.53 | 903,41 |
|-------|--------|--------|--------|
| 0.213 | 0.243  | 0.251  | 0.289  |
| 1,136 | 4,085  | 3,532  | 3,126  |
| 2022  | 2021   | 2020   | 2019   |

|              | 2022                | 2021   | 2020   | 2019   |
|--------------|---------------------|--------|--------|--------|
|              | *972,582            | 32.93  | 30.561 | 32.316 |
|              | 2,625               | 2,440  | 2,265  | 2,394  |
| PCC 2006); 1 | 1 liter = 2,7 kg CC | )2     |        |        |
|              | 2022                | 2021   | 2020   | 2019   |
|              | 0.0415              | 0.0483 | 0.0434 | 0.0516 |
|              | 0.0415              | 0.0100 | 0.0101 | 0.0010 |

| Rompetre | ol Gas air emissions                  | Legal limit | 2022 | 2021 | 2020 |
|----------|---------------------------------------|-------------|------|------|------|
|          | SO <sub>2</sub> (mg/Nm <sup>3</sup> ) | max. 35     | <1   | <1   | <1   |
| Arad     | NOx (mg/Nm <sup>3</sup> )             | max. 350    | 217  | 192  | 200  |
|          | CO (mg/Nm <sup>3</sup> )              | max. 100    | <1   | <1   | <1   |
|          | SO <sub>2</sub> (mg/Nm <sup>3</sup> ) | max. 35     | <1   | <1   | <1   |
| Bacău    | NOx (mg/Nm <sup>3</sup> )             | max. 350    | 185  | 229  | 200  |
|          | CO (mg/Nm <sup>3</sup> )              | max. 100    | <1   | <1   | <1   |

## WASTE

Both Rompetrol Downstream and Rompetrol Gas have Waste Management Programs implemented, which contain measures for minimizing the amount of waste generated. Our aim is to reduce the negative impact of our waste disposal practices on the environment while limiting the loss of valuable raw materials. We accomplish this by developing new production processes or optimizing existing ones to prevent the generation of waste wherever possible.

In situations where waste cannot be avoided, we strive to recover materials or energy from it. The waste generated is initially temporary stored by waste type in designated containers on the corresponding waste platform at each site. Contracts have been concluded between each site and authorized companies capable of collecting, transporting, and appropriately disposing of hazardous and non-hazardous waste.

Monthly, waste amounts are recorded on the waste management record sheet with the corresponding waste codes. Annually, these waste management sheets are uploaded to the Integrated Environmental System (managed by NEPA) - PRODDES questionnaire in accordance with legal requirements and reported to the local Environmental Protection Agencies as per current legislation.

## ROMPETROL DOWNSTREAM

In adherence to both the environmental permits and the nature of the activity conducted at the work sites, the following types of waste are produced:

- 20 01 25 Edible oils and fats resulting from fast food activity
- 19 08 02 Waste from car washes
- 19 08 09 Separator fats resulting from fast food activity
- 15 02 02 \* Absorbents, filter materials (including

filters not otherwise specified), polishes, protective clothing contaminated with hazardous substances

- 13 05 06 \* Waste oily water from oil / water separator
- 13 05 02 \* Sludge from separator resulting from cleaning of hydrocarbon separators
- 15 02 03 Absorbents, filter materials, polishes, protective clothing, other than those specified in 15 02 02
- 05 01 03 \* Slam from tank cleaning resulting from tank cleaning activity
- 19 02 11 \* other waste containing dangerous substances
- 15 01 01 wastepaper and paperboard packaging
- 15 01 02 plastic packaging
- 13 05 07 \* oily water from oil/water separators
- 20 01 34 batteries and accumulators other than those mentioned in 20 01 33
- 15 01 04 metallic packaging
- 15 01 07 glass packaging
- 20 01 21\* fluorescent tubes and other mercury-containing waste
- 20 01 35\* discarded electrical and electronic equipment other than those mentioned in 20 01 21 and 20 01 23 containing hazardous components
- 15 01 10\* packaging containing residues of or contaminated by hazardous substances
- 19 08 05 sludges from treatment of urban waste water
- 20 03 01 mixed municipal waste.

There are specific measures implemented at company level aimed at reducing waste-related impacts, including reducing packaging use in the food area (products are served in porcelain dishes; "to go" packaging is made of biodegradable materials). The company uses packaging management suppliers, along with suppliers specialized the selective collection of packaging waste. Their activity is regularly monitored for compliance with the required regulations.

According to the Single Use Plastic Directive transposed into national legislation by OG 6/2021, we will implement reusable and sustainable alternatives that do not contain plastic. We will have to progressively reduce the guantities introduced on the market, the reduction will be related to the guantities declared in 2022: 5% for 2023, 10% for 2024, 15% for 2025 and 20% for 2026.

According to art. 16, paragraph 1 and paragraph (5) letter b) of Law no. 249/2015, we are responsible for ensuring the management of packaging that has become waste on the national territory, in order to recycle/

#### **Rompetrol Downstream** waste diverted from disposal

Hazardous waste subject to recovery (t)

Non-hazardous waste subject to recovery

#### Total waste recovered (t)

R 12 - exchange of waste for exposure to any of the operations numbered R 1 to R 11. If there is no other relevant R code, this includes preliminary operations prior to recovery, including pre-processing, such as, but not limited to, disassembly, sorting, crushing, compaction, granulation, dry-crushing, conditioning, repacking, separation and mixing before any of the operations numbered R 1 to R 11.

\* Rompetrol Downstream recorded an increase in waste generated in stations and warehouses compared to 2021, as a direct result of the opening of 12 new fuel distribution stations, and during the pandemic the flow of customers and sales were lower.

utilize this waste, by transferring this responsibility to an extended producer responsibility implementation organization, as the operator economically authorized to take over the management of packaging waste to achieve the goals of recycling packaging waste.

During the reporting period, Rompetrol Downstream generated a total amount of 7,875.155 tons of waste, of which 22.941 tons of hazardous waste and 7.852.214 tons non-hazardous waste. For comparison, in 2021, the company generated 7,090.8532 tons of waste (18.591 tons hazardous & 7,071.409 tons non-hazardous waste) and in 2020, the same indicator showed 6,232.61 tons of total waste (19.121 tons hazardous & 6,213.489 tons non-hazardous).

|     | Code      | 2022    | 2021     | 2020    |  |
|-----|-----------|---------|----------|---------|--|
|     | 05 01 03* | 0.015   | 1,638    | -       |  |
|     | 13 02 05* | -       | 0.118    | 0.07    |  |
|     | 13 02 06* | -       | 0.085    | 0.15    |  |
|     | 13 02 08* | -       | -        | 0.04    |  |
|     | 13 05 02* | 3,175   | 2.74     | 8.870   |  |
|     | 13 05 06* | 4,597   | 7.361    |         |  |
|     | 13 05 07* | 5.5     | -        | 2.4     |  |
|     | 15 01 10* | 0.689   | -        | -       |  |
|     | 15 02 02* | 5.048   | 3.809    | 4.011   |  |
|     | 19 02 11* | 2.938   | 2.84     | 2.985   |  |
|     | 20 01 21* | 0.007   |          |         |  |
|     | 15 01 01  | 753.929 | 492.965  | 370.835 |  |
|     | 15 01 02  | 172.193 | 157.611  | 144.601 |  |
|     | 15 01 04  | 0.575   | -        | -       |  |
|     | 15 01 07  | 3.438   | -        | -       |  |
| (t) | 15 02 03  | 0.005   | 0.3572   | 0.108   |  |
|     | 19 08 02  | 11.824  | 7.205    | 17.722  |  |
|     | 19 08 05  | 1.05    | -        |         |  |
|     | 19 08 09  | 4.187   | 4.735    | 4.615   |  |
|     | 20 01 25  | 1.704   | 4.458    | 4.688   |  |
|     |           | 970.875 | 685.9222 | 561.69  |  |
|     |           |         |          |         |  |

| Rompetrol Downstream<br>waste sent for disposal | Code      | 2022      | 2021      | 2020     |
|---|-----------|-----------|-----------|----------|
|   | 13 05 02* | 0.3       |           |          |
|   | 15 01 10* | 0.06      |           |          |
|   | 15 02 02* | 0.472     |           |          |
| Waste (t)                                       | 15 02 03  | 0.003     |           |          |
| Incineration with energy recovery               | 19 02 11  | 0.14      | -         | -        |
|   | 19 08 02  | 0.755     |           |          |
|   | 19 08 09  | 0.320     |           |          |
|   | 20 01 25  | 0.107     |           |          |
| Non-hazardous waste subject to disposal (t)     | 20 03 01  | 6,902.124 | 6,404.931 | 5,670.92 |

Disposal code D5 - specially constructed landfills, for example, deposit in separate watertight compartments, which are covered and insulated from each other and from the environment and others 20 03 01 - household waste

## ROMPETROL GAS

As a company that generates waste, we are accountable for the ultimate recovery/disposal of our waste products. We choose our service providers with great care, contractually stipulating disposal requirements to ensure responsible waste management practices. The waste reduction plan is signed at the beginning of each year at each depot, and the progress of this plan is monitored through internal audits and inspections. Authorized contractors collect the waste generated at Rompetrol Gas depots with a monthly frequency.

During the reporting period, Rompetrol Gas generated 64.54 tons of waste, more than in 2021 (27.35 tons), but considerably less than in 2020, when total waste generated amounted to 167.92 tons. Of the total waste generated by Rompetrol Gas, 48.46 t of mixed municipal waste (20 03 01) were directed to disposal in 2022, compared to 21.337 tons in 2021 and 48.33 tons in 2020.

| Rompetrol ( | Gas waste gen | erated (t) |        | Rompetrol | Gas waste dive | erted from di | sposal (t) |
|-------------|---------------|------------|--------|-----------|----------------|---------------|------------|
| Code        | 2022          | 2021       | 2020   | Code      | 2022           | 2021          | 2020       |
| 13 02 08    | 0.28          | 0.3        | 0.31   | 13 02 08  | 0.28           | 0.3           | 0.31       |
| 15 01 01    |               | 0.529      | 0.9    | 15 01 01  | 0.285          | 0.529         | 0.9        |
| 15 01 02    | 1.04          | 0.58       | 0.876  | 15 01 02  | 0.769          | 0.58          | 0.876      |
| 15 01 04    | 10.28         | 2.482      | 108.06 | 15 01 04  | 10.28          | 2.482         | 108.06     |
| 15 01 10*   | 0.049         | 0.035      | -      | 15 01 10* | 0.049          | 0.035         | 0.025      |
| 15 02 02    | 0.044         | 0.135      | 0.0275 | 15 02 02  | 0.044          | 0.135         | 0.0275     |
| 16 01 07*   | 0.0255        | 0.031      | 0.028  | 16 01 07* | 0.0255         | 0.031         | 0.028      |
| 20 01 01    | 0.538         | 0.3385     | 0.517  | 20 01 01  | 0.538          | 0.3385        | 0.517      |
| 20 01 04    |               | 1.581      | 8.856  | 20 01 04  | -              | 1.581         | 8.856      |
| 20 01 36    | -             | -          | 0      | 20 01 36  | -              | -             | 0          |
| 20 01 40    | 3.813         | -          | -      | 20 01 40  | 3.813          | -             | _          |
| 20 03 01    | 48.46         | 21.337     | 48.33  | 20 03 01  | -              | -             | -          |
| Total (t)   | 64.54         | 27.35      | 167.92 | Total (t) | 64.54          | 27.35         | 167.92     |

GRI GRI 302-1 thru 302-4 GRI 303-1 thru 303-5 GRI 305-1 thru 305-5 GRI 306-1 thru 306-5 GRI 413-1 GRI 413-2 GRI 417-1 GRI 417-2 GRI 11.1.2 thru 11.1.8 GRI 11.2.3 GRI 11.3.2 GRI 11.5.3 thru 11.5.6 GRI 11.6.2 thru 11.6.6 GRI 11.8.2 GRI 11.15.2 GRI 11.15.3 GRI 11.15.4 **IPIECA** CCE-1 C1-C4 CCE-2 C1, C2, A2 CCE-3 C1 CCE-4 C1, C2 ENV-1 C1-C4, A7-A10 ENV-2 A1-A3 **ENV-5 C1** ENV-6 C1 ENV-7 C1-C3, A1, A2, A4

Rompetrol Bulgaria is committed to complying with all legal requirements related to climate change legislation and obligations that are applicable to the organization's activities. Bulgaria has implemented the "Climate Change Mitigation Law," which requires suppliers of liguid fuels and energy for transport to gradually reduce life-cycle greenhouse gas emissions per unit of energy supplied. The reduction target is intensity-based, with a specific goal of reducing emissions by at least 6% by December 31, 2020, compared to the fuel baseline standard in 2010.

To calculate GHG intensity, the Ministry of Environment & Water has developed specific metrics. These include fuels sold to end customers, agriculture fuels and tankers such as Gasoline A95, Gasoline A100, Diesel with biocomponent, diesel without biocomponent, and LPG, as well as additives in biocomponents and their origin (e.g., corn, used cooking oil, rapeseed, palm oil, soybeans), and the low caloric value of each fuel type. Moreover, although there is no target for water usage or energy consumption, any usage above 3000 MW/h reguires Rompetrol Bulgaria to conduct energy efficiency surveys at all of its locations. Furthermore, the company submits greenhouse gas reports annually to the Ministry of Environment and Water in Bulgaria.

Rompetrol Bulgaria has formulated a strategy in response to the IPCC's recommendation that emissions of CO2 and other GHGs be halved by 2050 to limit global warming to below 2°C.

The company plans to invest in emission-reduction projects and increase the use of renewable energy sources such as wind, solar, and biomass, as well as implementing combined heat and power installations at its premises. Furthermore, Rompetrol Bulgaria aims to improve energy efficiency to reduce overall energy consumption. To further reduce carbon emissions, the organization also plans to promote the use of lowemission individual vehicles.

The company communicates and discusses climate-related topics based on the results of the products sold on the market. Climate-related risks are included in the register of risks and opportunities, and the QHSE

# **Rompetrol Bulgaria EAD**

Coordinator defines targets related to climate issues for the technical department, in coherence with the management.

The management regularly addresses climate-related issues in their meetings, and they can track the implementation of objectives and targets in the register, which sets yearly targets for all departments and is revised twice a year.

The organization faces climate-related risks linked to selling fuels to agricultural clients without biocomponents and using air conditioning units that emit over 5 tCO2e through freon usage on network premises. Annual reports on GHG Intensity, which detail the yearly fuels sold, also highlight the potential financial risk of fines for the company.

Rompetrol Bulgaria utilizes the online platform APIS to establish legal requirements and actively participates in meetings held by the Bulgarian Petrol & Gas Association and the Ministry of Environment & Water. During these meetings, the organization engages with other oil and energy companies to discuss climate-related targets, adopting a collaborative approach towards future implementation of requirements. The Petrol & Gas Association disseminates the critical decisions that are ultimately adopted by all stakeholders.

Rompetrol Bulgaria introduces and applies various technologies to reduce CO2 emissions across all three scopes. For Scope 1, the company invests in new air conditioning equipment and electrical equipment at all sites each year, which meet the latest energy efficiency standards. The new air conditioning equipment uses new freons such as R410A, which have lower global warming potential than previous freons.

In Scope 2, the company is working to reduce emissions by changing its company car fleet every three years to vehicles with lower fuel consumption engines. This will help reduce the CO2 emissions associated with imported electricity and steam.

For Scope 3, Rompetrol Bulgaria promotes the use of fuels with additional additives that improve car engine efficiency and reduce emissions, such as diesel and gasoline with biocomponent. In addition, the company also encourages the use of LPG, which is a low CO2 emission fuel. By promoting these products, the company aims to reduce the carbon footprint associated with the consumer use of its products.

Rompetrol Bulgaria is committed to monitoring its impact on the environment, including fresh water usage, waste generation, energy consumption, and emissions. In 2022, the organization used 16,220 m3 of water, generated 143.64 tons of municipal and hazardous waste, and consumed 2,494 Mw/h of energy. The discharges of pollutants with sewage were limited to 0.810 tons.

Comparatively, in 2021, Rompetrol Bulgaria used 13,960 m3 of water, generated 102.94 tons of municipal and hazardous waste, and consumed 2,925 Mw/h of energy (compared to 3,145 Mw/h in 2014). The discharges of pollutants with sewage amounted to 1.395 tons.

Despite an increase in site locations in Bulgaria, Rompetrol Bulgaria has managed to decrease its energy consumption in recent years. Additionally, the organization has expanded its gas station offerings, with four large gas stations on highways during the reporting period, compared to only one in 2018.

## ENERGY

| Rompetrol Bulgaria energy                        |  | 2022      |
|--|--|-----------|
| Energy consumption inside the organization (GJ)  | 2,490 MW/h + 39,166 l (32,899 t) Diesel =<br>8,964 GJ + 1,391,189 GJ   | 1,400,153 |
| Energy consumption outside the organization (GJ) | 78,000 l (65,520 t) Diesel   | 2,770,623 |
| Energy Intensity index                           | 1,400,153 GJ + 2,770,623 GJ = 4,170,776 GJ<br>EII = 4,170,776 GJ / 269,762,050 I   | 0.0154    |
| Energy consumption reduction                     | The organization performs regular changes of equipment at all sites with suc<br>having low energy demand. Thus, the energy reduction of 220 MW/h is achie<br>annually since year 2014 from 3,145 MW/h to 2,925 MW/h as the location n<br>increases with bigger size of gas station areas, and 4 gas stations located on<br>highway compared to 1 gas station on highway in 2018. |           |

## WATER

As part of our operations, Rompetrol Bulgaria manages various types of water, including produced water, process wastewater, stormwater, and desalinated water. We ensure that our water management practices comply with relevant regulations and standards.

Rompetrol Bulgaria utilizes different sources of freshwater for its sites, including general municipal water, surface ground water, and underground water. The use of underground fresh water is strictly prohibited for drinking purposes.

Two of the sites have permits to discharge wastewater into surface water (pounds), and both of them discharge only domestic waste water. The discharge into surface water is regulated by environmental permits, while the

discharge into the city sewer system is monitored internally. We submit reports with the results of our analysis to relevant government control institutions. In 2022, we discharged 2,017 m3 of wastewater.

One of the sites withdraws surface water solely for technical needs, specifically for fire safety purposes. Meanwhile, one site has a wastewater treatment plant installed before the discharge of water into surface water, ensuring that it meets the Permit limits. Additionally, one site is permitted to discharge only domestic water, and both sites undergo yearly environmental monitoring of their discharge water, which is analyzed by an accredited laboratory.

In 2022, Rompetrol Bulgaria withdrew 684 m3 of freshwater while its water consumption amounted to 16,220 m3. As part of our efforts to minimize our impact on water resources, we use additional water vessels as an intermediate buffer for locations with water stress. These vessels hold non-potable water, which is not suitable for drinking, while potable water is supplied for drinking purposes. We are committed to ensuring that our operations do not negatively impact water-stressed or water-scarce areas.

In terms of our percentage of freshwater consumption or withdrawal in water-stressed or water-scarce areas, we have determined that 5% of our operations fall within these categories. We arrived at this percentage by analyzing our operations and projects in relation to the locations of water stress or scarcity and taking appropriate measures to manage water responsibly.

As for water returned to the environment, we return a total of 2.440 m3 of freshwater to the freshwater environment in 2022. This water is released through our wastewater treatment plant and complies with relevant discharge limits. Rompetrol Bulgaria also monitors other constituents to ensure compliance with regulations. For 2022, our COD measurement was 111.7 mg O2/l, BOD was 13.4 mg O2/l, and suspended solids were 28 mg/l. We take all necessary measures to ensure that our operations do not have any negative impact on the environment.

Regarding water treatment and reuse, we do not currently have any such projects in place. However, we are continually evaluating opportunities for water conservation and exploring innovative solutions for water management. If we identify any viable projects, we will implement them with the goal of reducing our water consumption and minimizing our environmental impact.

## **EMISSIONS**

| Rompetrol Bulgaria GHG emissions | 2022       |
|----------------------------------|------------|
| Scope 1 (tCO <sub>2</sub> e)     | 116.20     |
| Scope 2 (tCO <sub>2</sub> e)     | 2,042.76   |
| Scope 3 (tCO <sub>2</sub> e)     | 652,325.04 |

## **Rompetrol Bulgaria GHG emissions inten**

#### Emissions Intensity ratio (tE/l)

116.2 tCO2e (Scope 1) + 2,042.76 tCO2e (Scope 2) + 652,430.79 tCO2e (Scope 2) / 269,762,050 units of product = 0.0024

## **Rompetrol Bulgaria GHG emissions reduction**

We have successfully reduced our GHG emissions in Scope 1 by 16.13 tons CO2e each year since 2019

## WASTE

Our approach to materials management at Rompetrol Bulgaria involves complying with legal requirements and optimizing waste generated from our activities. We have policies in place to minimize the amount of materials we use, promote efficient use, and ensure sustainable recovery and regeneration for further beneficial use. For instance, we do not offer single-use plastic materials in our stores and services in compliance with the Directive 2019/904/EU.

To minimize the generation and disposal of waste, we have better planning for hazardous waste collection at all site locations. We dispose of hazardous waste by licensed companies with permits that include the waste codes we use. In 2022, we generated 109.64 tons of hazardous waste (16 07 08\*) and 34 tons of non-hazardous waste (20 03 01), with all hazardous waste being disposed of and a percentage of non-hazardous waste being recycled through non-government collection systems for packaging waste.

We do not have any waste excluded from routine reporting, such as remediation activities at active and/or inactive sites, unusual activities, or large-volume wastes.

We have collaborative projects aimed at establishing new or improved facilities to enhance local materials and waste management infrastructure. For example, we change old fuel reservoirs with new ones as a preventive measure towards soil contamination, better fuel quality, and fire safety protection.

During the reporting period there were no significant spills identified. There were no grievances received from the local community, except for 1 minor customer complaint which was handled promptly and resolved 100%.

| ısity | 2022   |
|-------|--------|
|       | 0.0024 |
|       |        |

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# **Rompetrol Georgia LTD**

In 2022, Rompetrol Georgia had no registered negative impacts, although the potential for impacts always exists during fuel-related operations. We focused on creating positive impacts through our activities, such as actively participating in meetings and conferences related to new environmental regulations on waste management and emissions. Our environmental management efforts included controlling and reporting emissions from the previous year to the Ministry of Environmental Protection and Agriculture of Georgia in compliance with the law.

To ensure the effectiveness of our environmental operations, we actively engaged our stakeholders, including employees and sub-contractors, in the process of environmental protection. Our actions included training employees, conducting toolbox talks with subcontractors, inspecting subcontractors before agreeing to work with them, and monitoring their activities.

The management of Rompetrol Georgia allocated separate financial budget to invest in environmental issues. Improving environmental standards is one of the main priorities for the company. In the next years, there'll be new laws about environmental protection (vapor recovery system, air pollution reduction, waste management restrictions) and the company will meet these requirements prepared.

#### **Rompetrol Georgia energy**

|   | Gasoline (liters)<br>Gasoline (GJ)                                    | 29,516<br>1,009.44 |
|---|---|--------------------|
| Energy consumption inside the organization  | Diesel (liters)<br>Diesel (GJ)  | 5,393<br>184.44    |
|   | Electricity (MWh)   | 2,983              |
| Energy consumption outside the organization |   | C                  |
| Energy consumption reduction                | No initiatives performed in 2022 ir order to reduce energy consumptic |                    |

In 2022, Rompetrol Georgia was also recertified on health, safety, and environmental protection standards - ISO 14001 for environmental management, ISO 18001 for health and safety management systems, ISO 45001 for occupational health and safety systems.

During the period of 2025-2029, the Georgian government has mandated all oil terminals to install specialized equipment that can accurately measure the amount of emissions. Additionally, the government plans to introduce a new law within the same period that will require the implementation of a vapor recovery system throughout the country.

| Rompetrol Georgia GHG emissions | 2022       |
|---------------------------------|------------|
| Scope 1 (tCO2e)                 | 74.19      |
| Scope 2 (tCO <sub>2</sub> e)    | 402.76     |
| Scope 3 (tCO2e)                 | 490,450.26 |
|                                 |            |

A total of 21.61 tons of additives were used by Rompetrol Georgia in 2022.

No spills were recorded during the reporting period, and there were no grievances from local communities related to environmental protection. Also, no terrestrial acreage was disturbed/damaged during 2022 by RPG stations.

2022

| GRI 302-1 thru 302-4 |
|----------------------|
| GRI 303-5            |
| GRI 305-1 thru 305-3 |
| SASB                 |
| EM-MD-110a.1         |
| EM-MD-160a.3         |
| EM-MD-160a.4         |

GRI

GRI 301-1

**IPIECA** CCF-3 C1 CCF-4 C1 CCE-6 C1 ENV-1 C1, C2

**Rompetrol Georgia water consumption** 

In 2022, Rompetrol Georgia had a water

consumption of 0.02148 megaliters.

GRI GRI 302-1 thru 302-3 GRI 303-1 thru 303-5 GRI 305-1 thru 305-5 GRI 306-1 thru 306-3 GRI 413-1 GRI 413-2 SASB EM-MD-110a.1 EM-MD-120a.1 EM-MD-160a.1 **IPIECA** CCE-4 C1, C2, C4, A1-A3 ENV-1 C1, C2, A2, A8, A10 ENV-2 A1-A3 **ENV-5 C1** ENV-6 C1

ENV-7 C2, C3

Rompetrol Moldova operates in accordance with the requirements of ISO 9001, 14001, and 45001 standards.

The company has implemented several environmental management initiatives, including the development of an Environmental Strategy, Environmental Policy, and Environmental Management Program. The Environmental Management Program was created based on an assessment of the environmental impacts of the company's activities, which identified significant and environmental aspects for each location. It is updated annually or on a need-to basis, pending regulatory developments.

Furthermore, Rompetrol Moldova has an investment program that focuses on reducing the environmental impact of its operations, with projects implemented mainly within the operational activity.

#### **Scope 1: GHG emissions**

| Total Scope 1 (tCO <sub>2</sub> e)       |  |
|--|--|
| LPG (liters)<br>LPG (tCO <sub>2</sub> e) |  |
| Diesel (liters)<br>Diesel (tCO₂e)        |  |
| Gasoline (liters)<br>Gasoline (tCO2e)    |  |

## **Scope 2: GHG emissions**

| Total Scope 2 (tCO <sub>2</sub> e) | 2, |
|------------------------------------|----|
| Electricity (MWh)                  |    |

| Total Scope 3 (tCO <sub>2</sub> e) | 1,237,311.57 |
|------------------------------------|--------------|
| Barges (liters)                    | 276,000      |
| Barges (tCO2e)                     | 745.20       |
| Autotanker (liters)                | 3,155,034    |
| Autotanker (tCO₂e)                 | 8,518.59     |
| Fuel oil (liters)                  | 8,012.37     |
| Fuel oil (tCO₂e)                   | 23,235.88    |
| LPG (liters)                       | 15,913,384   |
| LPG (tCO2e)                        | 25,461.41    |
| Diesel (liters)                    | 339,094,320  |
| Diesel (tCO2e)                     | 915,554.66   |
| Gasoline (liters)                  | 114,843,337  |
| Gasoline (tCO2e)                   | 264,139.68   |
| Scope 3: GHG emissions             | 2022         |

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# **Rompetrol Moldova SA**

| 2022              |
|-------------------|
| 105,986<br>243.77 |
| 3,600<br>97.20    |
| 1,800<br>2.88     |
| 343.85            |

| 2022   |
|--------|
| 6,014  |
| 399.59 |
|        |

Management is regularly informed about all environmental matters, including obtaining necessary permits, maintaining positive relationships with local authorities, and implementing measures resulting from legal compliance checks. This information includes requirements for permits and compliance, as well as reporting obligations in accordance with applicable laws. Additionally, the results of external audits and ongoing projects that have environmental components are also reported to Management.

A dedicated connection consisting of 78 stations and 1 storage facility is used to provide fresh water supply from the drinking water network of cities or villages. In addition, water is also sourced from underground wells, with a total of 18 stations and 1 storage facility for this purpose.

Rompetrol Moldova uses water for various purposes including hygiene, sanitation, fire extinguishing, and food production. Wastewater, which includes domestic and technological water, as well as rainwater, is discharged either into the city's sewer network or into the reservoir. Stormwater from the platforms is directed through a system of gutters to the hydrocarbon separators and then into the sewer system or drainage tank. As per the requirements of the Ecological Inspection, water and wastewater are monitored periodically at the stations and warehouses.

In 2022, all gas stations and depots consumed 29 ML of water (total withdrawn), which was discharged into the environment. 100% of the total water withdrawn represented freshwater. The technological wastewater collected from the platforms is directed through a system of gutters to the hydrocarbon separators and then discharged into the sewage system, drainage tank, or emissary.

Environmental impact studies are conducted for each new work point such as offices, gas stations, and warehouses. Inventories of pollutant emission sources into the atmosphere are developed for each station and warehouse. In addition, every station and warehouse possesses an Authorization for the emission of pollutants into the atmosphere from fixed sources. A List of hazardous substances used in operations is created and the management procedure for these substances is outlined in internal regulations and communicated through available channels.

Annually, the company conducts evacuation and fire-extinguishing exercises in the oil warehouse, with the participation of the Department of Exceptional Situations (DSE) and the company's volunteer fire brigade. Monthly industrial security and emergency situation training sessions are organized for all work points (stations and warehouses) based on an approved annual schedule.

In accordance with the reports on the total amount of VOC emissions from each work point, the VOC emissions for the year 2022 were recorded at 503 t /year.

The RPM-HSE-IL-16-03-02 Working Instruction outlines the waste management process, including instructions on how to complete waste management records. The waste generated is temporarily stored in designated containers on the waste platform corresponding to each location. Each location has a contract with a company authorized to collect, transport, and dispose of non-hazardous waste. Monthly, the amount of waste generated is documented in the waste management record sheet. Authorized companies are responsible for the collection, transportation, and recovery of both hazardous and non-hazardous waste, in accordance with contractual and legislative obligations. In 2022, Rompetrol Moldova generated 2679 tons of non-hazardous waste.

No significant spills or grievances from the local community were recorded by Rompetrol Moldova during the reporting period.

| Rompetrol Moldova Energy Intensity | 2022 |
|------------------------------------|------|
| Energy Intensity (tE/l)            | 3.18 |

Total emissions (Scope 1+2+3) = 1, 217,163 tCO<sub>2</sub>e Sales: 382,217 t



GRI GRI 301-1 GRI 301-2 GRI 302-1 GRI 302-3 GRI 302-4 GRI 303-1 thru 303-5 GRI 304-1 thru 304-3 GRI 305-1 thru 305-4 GRI 305-6 GRI 305-7 GRI 306-3 GRI 413-1 GRI 11.1.2 GRI 11.1.4 thru 11.1.8 GRI 11.2.3 GRI 11.3.2 GRI 11.4.2 thru 11.4.4 GRI 11.5.3 thru 11.5.6 GRI 11.6.2 thru 11.6.6 GRI 11.8.2 GRI 11.15.2 GRI 11.15.4 SASB EM-MD-110a.1 EM-MD-110a.2 EM-MD-120a.1 EM-MD-120a.2 EM-MD-160a.1 EM-MD-160a.2 EM-MD-160a.3 **IPIECA** CCE-1 C1, C3, C4, A1, A2, A4 CCE-2 C1, C2, C4 CCE-3 C1, C2, A1, A3, A5 CCE-4 C1, C2, C4, A1, A3 CCE-6 C1, C2, A2 ENV-1 C1, C2, C5, A1, A4, A8-A11 ENV-2 C2, A1, A3, A6 ENV-3 C1, A1 ENV-5 C1, C2, A1, A3 ENV-6 C1-C4 ENV-7 C2, C3, A1-A4 ENV-8 C1, C2, A1-A4 TCFD Governance a, b Strategy c Risk management a, b, c Metrics and targets a, b, c

Rompetrol Energy operates in compliance with relevant environmental laws and regulations and an Integrated Management System which contains specific environmental protection measures aimed at minimizing its impact by managing water and waste, mitigating GHG and air emissions, and safeguarding biodiversity.

Rompetrol Energy uses a comprehensive metric system for managing environmental changes within the organization, which includes water, fuel (gas, fuel oil), power, steam compressed air, emissions and waste management. This data is regularly uploaded into the Integrated Management System and reported to all relevant actors within the organization, as well as to the competent authorities. The organization's environmental objectives and targets are shared with each plant and each unit manager, who must also meet individually set KPIs.

Rompetrol Energy is a low-tier SEVESO III site and falls under the scope of Law 59/2016 (transposing the SEVESO III Directive into national legislation) on the control of major accident hazards involving dangerous substances. Thus, it has a Safety Management System (SMS) developed and implemented across its operations, which is constantly revised and updated in order to prevent the occurrence and to eliminate/minimize the effects of major accidents.

RPE conducts quarterly assessments to identify climate-related risks and opportunities. External factors considered in the risk and opportunities analysis include climate change, water and air quality, available resources, contamination of existing sites, biodiversity and ecosystems, renewable energy. Specific environmental aspects were identified for every company process: production of demi-water and wastewater disposal, thermal energy production, administrative, supply chain, maintenance and transport of vehicles, electrical distribution, maintenance of electrical equipment, maintenance of transformers, firefighting unit, activity of contractors and subcontractors.

The organization's impact on climate change is primarily related to the steam production process, which involves burning fuels such as combustion gas or fuel oil in steam boilers. Risks include the operation of boilers

# **Rompetrol Energy SA**

that do not meet emission limit values, major accidents that could affect operability, and non-compliance with Romanian laws and regulations related to energy, environment, occupational health and safety, emergency situations, finance, construction authorities, and metrology. To address these risks and opportunities, RPE has established specific environmental objectives.

As per HS-ES-E Conventions, contractors guarantee to respect the legislation and to provide equipment that will be in parameters for following emissions: GHG (NOx, CO2). The EPC contractor in charge of implementation the Cogen Project has the obligation to comply with legislation in force.

RPE has also developed a GHG emissions monitoring plan, which includes a risk assessment for GHG emissions, a flow chart outlining the GHG emission process, technical documentation for thermal energy processes, deviation equations for heavy fuel oil/gas, fuel monitoring systems, and a sampling plan for heavy fuel oil/gas.

To contribute to a low carbon economy consistent with a 2°C target, the company plans to implement several measures, including reducing energy consumption and waste gases temperature, eliminating fuel oil consumption, and reducing the refinery gas consumption. They also plan to monitor steam boiler efficiency, install proper insulation, use state-of-the-art equipment, and integrate fully with the refinery to maximize steam production in the NPP and minimize production from inefficient sources.

The company will also have an LTSA contract for the gas turbine in place and monitor daily energy consumption through a daily energy report. These efforts will help to reduce the company's GHG emissions and move towards a more sustainable future.

Climate-related risks are continuously monitored using a SCADA system, and the findings are reported daily to management via the dispatcher shift report. An energy report is issued daily to monitor energy consumption and efficiency, with an impact on CO2 emissions. Management sets objectives for climate change, which are monitored during management review meetings held every six months. Additionally, climate-related risks and opportunities are assessed on a quarterly basis.

## Risks

Exceed emissions values as per EU and local legislation. New power plant could not be commissioned if RPE did not comply

with legal environment requirements by not obtaining the revised Integrated Environmental Permit from competent authority.

Non-compliance with Romanian laws and legislation regarding energy, environment, occupational health and safety, emergency situation, finance, construction authorities, metrology.

Major accidents that can affect the operability.

## **Opportunities**

## Impact

reputation damage.

Impact

Suspension of the environmental

permit and non-compliance with the

KMGI agreement can lead to financial

Failure to comply with the Romanian-

may result in missed opportunities.

Reduction of NOx, emissions can help

reduce the company's climate impact.

can increase efficiency, reduce energy

consumption, and lower GHG emissions,

resulting in improved financial indicators.

Eliminating regulated tariffs, reducing

steam processing costs, and improving

power supply stability, reliability, and

Diversifying the natural gas supply by

having an alternative gas source from

Transgaz can release the company from

control can reduce utility costs and

increase the company's EBITDA.

captivity to OMV Petrom.

Utilizing state-of-the-art equipment

losses, legal conflicts, project delays, and

Kazakh Investment Fund's Cogen Project

Reduce the emission value on SOx applying combustion air chemical treatment.

Lower energy consumption and decrease GHG emissions by:

- Adopting state-of-the-art equipment that is highly efficient and reliable
- Lowering the company's utility costs by eliminating electric power regulated tariffs such as those related to introduction, distribution, extraction, cogeneration and transportation
- Decreasing steam processing costs
- Improving power supply stability for the Petromidia Platform ٠
- Enhancing reliability in terms of power, steam, and demi-water supply for the Petromidia Platform
- Improving control over Petromidia Platform power supply
- Increasing the company's EBITDA by selling excess electrical power to the national grid
- Securing an alternative natural gas source from Transgaz

To match current and future demand and energy supply with the Group's overall sustainability outlook, Rompetrol Energy has approved a power supply strategy that includes the following projects:

- A new power plant (NPP) with a planned startup in Q3 2023, producing approximately 70 Mwe - the CoGeneration project. The NPP will have two Large Combustion Plant with a nominal power of more than 50 MW each.
- Photovoltaic panels generating approximately 3 MW, to be provided by Midia Green Energy and starting up in July 2022.

The NPP has been designed to utilize a maximum of 15% hydrogen from the total fuel consumption. The transition to lower-carbon energy is expected to have a positive impact on the company's utilities cost.

The implementation of the CoGeneration Project has a specific scope for Rompetrol Energy (RPE), which

includes several objectives. First, the project aims to reduce the discharge waste gases temperature from 175°C to 95°C during normal operations. Second, RPE plans to reduce CO2 emissions by improving the efficiency of the New Power Plant (NPP). This is expected to increase the production rating from 69% to 85% per production unit, leading to a reduction in CO2 emissions with an impact on Scope 1 and Scope 2.

In addition, RPE has set a target to reduce its CO2 emissions by 10% for internal consumption by 2023. To achieve this goal, RPE will put the NPP into operation in 2023, which is expected to reduce scope 2 GHG emissions. The ultimate aim is to eliminate scope 2 emissions entirely by 2024. The New Power Plant (NPP) will operate using natural gas and combustion gas.

The company main objective is to keep reliability of the plant at more than 99.9 % assuming a low frequency rate of unplanned shut down of steam boilers with impact on energy consumption and GHG emissions.

The company regularly monitors and controls its emission-mitigation activities through a continuous on-line monitoring system (CEMS) and operational KPIs. The operational department takes measures to control and reduce CO2 production, while the implementation of the Cogen Power Plant offers significant environmental benefits by reducing CO2 emissions. The Cogeneration Power Plant enables a more efficient use of fuel or heat by utilizing otherwise-wasted heat from the electricity generator for thermal energy production.

In 2022, Rompetrol Energy implemented several initiatives to lower the impact of thermal energy and power on GHG emissions. These included an online air combustion treatment for boilers 3 and 5, resulting in a reduction of sulphur emissions. Additionally, the company reduced energy consumption by replacing the lighting system with LED technology, replacing 100 bulbs with energy intensities ranging from 160 W to 30 W (50 pcs) and 20 W (50 pcs).

Rompetrol Energy also took steps to eliminate steam leaks by changing the heat insulation on different steam pipelines and replacing/repairing steam traps. Through the implementation of these initiatives, the company aimed to lower its GHG emissions by utilizing new technologies and replacing old ones. Furthermore, to promote the development and application of lower-carbon technology, in 2022, Rompetrol Energy

| Materials used            |   | 2022         | 2021         |  |
|---------------------------|---|--------------|--------------|--|
| Combustion gas (t)        |   | 26,378       | 36,595.432   |  |
| Heavy fuel oil (t)        |   | 22,435       | 11,236       |  |
| Chemicals (t), of which:  |   | 2,443.312076 | 1,903.309982 |  |
| Aluminium sulfate         | Al <sub>2</sub> (SO <sub>4</sub> ) <sub>3</sub>               | 0.0002       | -            |  |
| Ammonia 25%               | NH <sub>3</sub>   | 17.890       | 15.816       |  |
| Ammonium                  | NH <sub>4</sub>   | -            | 0.003        |  |
| Ammonium chloride         | NH <sub>4</sub> Cl  | 0.003        | 0.001        |  |
| Ammonium molybdate        | (NH <sub>4</sub> ) <sub>2</sub> MoO <sub>4</sub>              | 0.002        | -            |  |
| Glycerol                  | C3H8O3  | 0.001        | -            |  |
| Azotic acid               | HNO <sub>3</sub>  | 0.001        |              |  |
| Barium chloride           | BaCl <sub>2</sub>   | 0.00025      | -            |  |
| Buffer solution Ph 4      | C <sub>8</sub> H <sub>5</sub> KO <sub>4</sub>                 | 0.0005       | -            |  |
| Buffer solution Ph 7      | H <sub>2</sub> KO <sub>4</sub> P                              | 0.0005       | -            |  |
| Buffer solution Ph 10     |   | 0.00025      | -            |  |
| Cadmium acetate dihydrate | $C_4H_{10}CdO_6$  | 0.0005       | 0.00025      |  |
| Camphor                   | C10H16O   | 0.0001       |              |  |
| Edetic acid               | C <sub>10</sub> H <sub>16</sub> N <sub>2</sub> O <sub>8</sub> | 0.0005       | 0.0005       |  |

conducted a feasibility study for the construction of a photovoltaic park for power production with a capacity of approximately 50 MW. This initiative is aimed at promoting the use of renewable energy sources and reducing the carbon footprint of RPE's operations.

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

In 2022, RPE has undertaken several processes that could impact the environment, including the Cogen Project, which involved construction and underground works as well as the construction of a natural gas pipeline.

The modernization of boilers no. 3 and 5 (2 Large Combustion Plants) was done with the objective of reducing NOx emissions to below 300mg/m<sup>3</sup> and minimizing process risks to As Low As Reasonably Practicable (ALARP) levels. The waste gases exhaust installation has two main components - the gas suction route from the existing pipeline that discharges the waste gases to the boiler stack and the discharge path of the fin fan that directs the waste gases flow to the boiler burner mixing chambers.

These processes have been designed to minimize environmental impact and comply with regulations, while ensuring the safety and reliability of the equipment.

## MATERIALS

| SU | STAIN. | ABILI | TΥ | REP | ORT | 2022 |
|----|--------|-------|----|-----|-----|------|
|    |        |       |    |     |     |      |

| Materials used                     |                                 | 2022      | 2021      |
|------------------------------------|---------------------------------|-----------|-----------|
| Eriochrome black T                 | $C_{20}H_{12}N_3O_7SNa$         | 0.00003   | 0.0001    |
| Ethanol                            | C <sub>2</sub> H <sub>4</sub> O | 0.00473   | 0.007     |
| Ferric chloride                    | <b>FeCl</b> <sub>3</sub>        | 0.00025   | -         |
| Hydrochloric acid 32%              | HCI                             | 1,982.433 | 1,573.359 |
| Lunar caustic                      | AgNO <sub>3</sub>               | 0.000016  | 0.000032  |
| Methyl orange                      | $C_{14}H_{14}N_3NaO_3S$         | 0.000025  | -         |
| Metol                              | $C_{14}H_{20}N_2O_6S\\$         | -         | 0.00075   |
| Murexide                           | $C_8H_8N_6O_6$                  | 0.000025  | 0.00005   |
| Nessler's reagent                  | K <sub>2</sub> HgI <sub>4</sub> | 0.003     | 0.002     |
| Oxalic acid                        | $C_2H_2O_4$                     | 0.002     | 0.003     |
| Peroxide                           | $H_2O_2$                        | 0.0011    | 0.001     |
| Petroleum ether                    | C <sub>6</sub> H <sub>14</sub>  | 0.0008    | -         |
| Phenolphthalein                    | $C_{20}H_{14}O_4$               | 0.0005    | -         |
| Potassium chloride                 | KCI                             | -         | 0.005     |
| Potassium hydroxide                | КОН                             | 0.001     | 0.001     |
| Potassium permangante              | KMnO <sub>4</sub>               | 0.00632   |           |
| Soda-lye                           |                                 | 0.001     | 0.0005    |
| Sodium carbonate                   | Na <sub>2</sub> CO <sub>3</sub> | 0.0005    |           |
| Sodium chloride                    | NaCl                            | 0.003     | 0.002     |
| Sodium hydroxide                   | NaOH                            | 442.918   | 0.003     |
| Sodium metabisulfite (pyrosulfite) | $Na_2S_2O_5$                    | 0.008     | 0.008     |
| Sodium-potassium tartrate          | $KNaC_4H_4O_{6\cdot4}H_2O$      | 0.001     |           |
| Sodium silicate                    | $Na_2SiO_3$                     | -         | 0.001     |
| Sodium sulfide                     | Na <sub>2</sub> S               | 0.0005    |           |
| Sodium tetraborate                 | $Na_2B_4O_7$                    | 0.0005    | -         |
| Sodium thiosulfate                 | $Na_2S_2O_3$                    | 0.002     | -         |
| Starch                             | $C_6H_{10}OS$                   | -         | 0.001     |
| Sulfuric acid                      | $H_2SO_4$                       | 0.0128    | 0.003     |
| Toluene                            | $C_6H_5CH_3$                    | 0.00693   | 0.005     |
| Universal indicator Ph 4-10        |                                 | 0.0019    | 0.0012    |
| Universal indicator Ph 9-13        |                                 | 0.0011    | 0.0001    |
| Zinc sulfate                       | ZnSO4                           | 0.0005    | -         |

## ENERGY

Rompetrol Energy's total energy consumption represents the sum of the non-renewable and renewable fuel used within the organization, the electricity, heating, cooling and steam purchased for consumption and sold, along with the self-generated electricity, heating, cooling and steam not used and the fuel consumption from company cars. Total energy consumption of Rompetrol Energy during the reporting period was 929,483 GJ, compared to 954,537.9 GJ in 2021.

Energy intensity was revised as per GRI 302-3 and the recalculation was done by dividing the 'absolute energy consumption' by the 'production volume'. As a result, we have a ratio of 1.292 GJ per unit produced in 2022 and 1.294 GJ per unit produced in 2021. The company's energy intensity in the past was calculated

per number of employees, during the reporting period being 6035.61 GJ / number of employees, while in 2021 the same indicator recorded a value of 6198.29 GJ / number of employees.

In 2022, Rompetrol Energy implemented a program to reduce energy consumption by switching the lighting system from gas to led technology. One hundred 160W-light sources were replaced with 30 W(50pcs) and 20 W(50pcs).

## WATER

RPE relies on two sources for its water supply: the Water State Company (RAJA Constanta) for fresh water and Rompetrol Rafinare SA for raw water used to produce demi-water. Water from RAJA comes from a single certified source and is measured on a daily basis internally and monthly by RAJA. Raw water from Rompetrol Rafinare is also measured daily after passing through a debit-meter. This raw water is chemically transformed into demi-water and used for three purposes: steam production at Rompetrol Rafinare, RPE Boilers, and Năvodari City district heating system (for approximately 1,500 residential buildings - until November 1st, 2022). The water is measured at all destinations via debit-meters. In case of failure, the two sources can be bypassed, and there is a six-hour emergency stock for normal operation.

Fire-fighting water is sourced from three places: RAJA water supply system, raw/surface water from Rompetrol Rafinare, or old cooling tower storage.

Domestic wastewater is sent by two pumps into the Rompetrol Rafinare sewage system and the Wastewater Treatment Plant. Technological wastewater includes water from the water recirculating system, condensed water from boilers' system bleed, washing of technological equipment surface, washing of boilers and equipment, regeneration of filters, demi-water plant, and laboratory. It goes into a reservoir as neutral water (to control the pH = 6.5/8.5) and then into two pits where water parameters are monitored and controlled by a accredited laboratory (Rompetrol Quality Control - RQC) before being discharged into the Midia Harbor basin. The stan-

| Technological freshwater from Rompetrol Rafinare,<br>oming from natural source Danube by Saligny and<br>Carasu water station, or Lake Taşaul (million liters)2,503<br>2,1Household freshwater from the Danube via<br>Galeşu water station (million liters)28 | Nater withdrawal   | 2022     |     |
|--|--|----------|-----|
| Household freshwater from the Danube via     28       Galeşu water station (million liters)     28   | echnological freshwater from Rompetrol Rafinare,<br>oming from natural source Danube by Saligny and<br>Carasu water station, or Lake Tașaul (million liters) | 2,503    | 2,2 |
|  | lousehold freshwater from the Danube via<br>Galeșu water station (million liters)  | 28       |     |
| Demi-water production (million liters) 2,522.72 2,3  | Demi-water production (million liters)   | 2,522.72 | 2,2 |

dard used is NTPA 001 / 2002, in compliance with the Integrated Environment Permit of Rompetrol Energy (renewed during the reporting period).

Pluvial water from demi-water plants is collected in two 400 m<sup>3</sup> pits for treatment before discharge into Black Sea Midia Harbor basin. Pluvial water from external areas is collected and discharged into the in-house water treatment system via oil-water separators. Pluvial water from other areas is collected in the ground and then drained via a drainage system.

Groundwater monitoring is performed annually by an accredited laboratory, according to the organization's environment monitoring plan. The samples are taken from 9 sample wells. We monitor several indicators in the discharged water at varying frequencies, including pH, total suspended solids, chemical oxygen consumption, NH4, Phenols, and SEEP (extractable substances with petroleum ether). We report these emissions regularly and can confirm that none of the values have exceeded the limits set during the reporting period, as the water is collected in neutralization basins beforehand

During the reporting period, we have successfully implemented several water reduction measures, resulting in a significant reduction in freshwater withdrawn or consumed within our reporting boundaries. Our efforts include a maintenance plan that monitors and addresses any leakage in our fresh water supply system, as well as a daily energy report that closely monitors our water consumption. Additionally, we have set a KPI for water consumption to ensure we continue to make progress in reducing our water usage. We have also implemented water recycling and reuse measures, which have further contributed to our reduction in freshwater consumption.

In 2022, Rompetrol Energy didn't record any incidents of non-compliance with water discharge limits.

| Water discharge           | 2022  | 2021    |
|---------------------------|-------|---------|
| Domestic waste water      | 56    | 55.448  |
| Technological waste water | 1,049 | 847.519 |

2021

266.675 5,594 260.389

In 2022, Rompetrol Energy's total water consumption was 1426 ML, compared to 1369.302 ML in 2021. In 2021, our freshwater withdrawal accounted for 50.1% of our total water withdrawal. This freshwater was sourced from the Danube river through the Galeşu water station. In 2022, we were able to maintain our freshwater withdrawal at 50%, with the same source through the Galeşu water station.

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## BIODIVERSITY

Rompetrol Energy recognizes the global significance of biodiversity resources and the impact we have on them, as well as our direct and indirect dependencies on these resources. Rompetrol Energy is not located in a natural protected area which includes biodiversity sites. However, it is situated in the vicinity of several Natura 2000 Sites:

- approx. 300 m from the Special Protection Area RO-SPA 0060 Tasaul-Corbu Lakes
- 1.35 km to ROSPA0076 Black Sea
- 5 km to Danube Delta.

Given the nature of its activity (steam distribution/ water treatment & water distribution), its ground footprint (182,690 sqm), as well as its proximity to the biodiversity sites above, Rompetrol Energy takes all the necessary precautions in its operations to minimize its impact on protected areas and areas of high biodiversity value outside protected areas.

At present, the site's biodiversity mainly consists of green spaces arranged for protection curtain and ruderal flora associated with anthropogenic habitats, along with several species of synanthropic fauna like Corvus corone cornix, Corvus frugilehus, Pica pica, Columba livia domestica, Passer domesticus, among others.

## EMISSIONS

For 2022, the emissions of boilers in RPE by equity share are 90,542.523 CO2e, while the mobile cars emission in RPE by equity share is 31.68 CO2e. The source of CH4 is from mobile company cars, with a total of 0.000904 CH4.

For 2021, the emissions of boilers in RPE by equity share are 79,196.82 CO2e, while the mobile cars emission in RPE by equity share is 3.8775 CO2e. The source of CH4 is from mobile company cars, with a total of 0.000248 CH4.

SCOPE 2 emissions of Rompetrol Energy in 2022 represented 1,872.35 to CO2e, with 3112811 kw/h delivered from green energy suppliers (Hidroelectrica - 1774264 kw/h and Midia Green Energy- 1338547 kw/h). In 2021, SCOPE 2 emissions represented 2,226.994 to CO2e, while emissions intensity for the same period was 828.832 To CO2e. We used the 2021 energy label for Hidroelectrica because the 2022 label was not available.

The GHG emissions intensity in 2022 was 945.720 CO2 per employee, while in 2021 it was 828.832 CO2e per employee. There were no emissions of ozone-depleting substances (ODS) generated by Rompetrol Energy operations during the reporting period.

To monitor gas emissions, we utilize the Emiterm software. The heavy fuel oil readings are done monthly following accredited laboratory analysis, while the gas chromatogram readings are taken daily. Air guality readings are performed on a monthly basis by a accredited laboratory and are reported to the Environmental Authority. No deviations have been observed during the reporting period. Air monitoring is reported monthly/ annually to the environmental authorities, demonstrating compliance with the requirements of applicable legislation and the integrated environmental permit.

| Scope 1: GHG en  | 20          | 22       | 2021    |            |
|--|-------------|----------|---------|------------|
| <b>Direct emissions</b><br>Combustion of fue<br>No biogenic CO <sub>2</sub> re | rs. 143,718 | .29      | 125,407 |            |
| Mobile emissions<br>Company vehicles (tCO2e)                                   |             | 50.      | .28     | 6.16       |
| Total Scope 1 (tCO₂e)  |             | 143,768. | 57      | 125,413.16 |
| Air emissions  | 2022        | 2021     |         |            |
| SO2 (t)  | 222.61      | 132.46   |         |            |
| NOx (t)  | 187.08      | 125.55   |         |            |
| CO (t)   | 26.93       | 24.06    |         |            |
| PM (t)   | 20.14       | 4.21     |         |            |

Source of emission factors: CORINAIR 2019

## WASTE

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

The waste management plan has been designed to ensure that each party involved in the works takes responsibility for the waste they generate and manages it in accordance with legal provisions and internal procedures to protect health and the environment. The producer/ generator of the waste, which is the Beneficiary for waste resulting from its own activity and the Contractor and its

| Waste reduction plan                |   |
|-------------------------------------|---|
| Wood waste                          |   |
| Toner waste                         |   |
| Plastic waste                       |   |
| Plastic packaging waste             |   |
| Paper and cardboard packaging waste |   |
| Metal packaging waste               |   |
| Wood packaging waste                |   |
| Rubber waste                        |   |
| Electrical and electronic waste     |   |
| Steel and iron waste                |   |
| Glass waste                         |   |
| Oil waste                           |   |
| Filters waste                       |   |
| Impregnated packaging waste         |   |
| Mixed municipal waste               |   |
| Chemical reagents waste             | Ĩ |

Subcontractors for waste resulting strictly from the works executed, are responsible for waste management.

The waste reduction plan sets objectives for reducing the amount of waste generated by specific categories by 2025:

Domestic waste and the waste generated by the execution of the organization's works follow a set of specific rules including:

- the collection of own municipal waste and assimilable waste is made in containers, labeled by waste category, and is handed over to authorized operators;
- inert and / or non-hazardous industrial waste resulting from activities is temporarily stored in the places indicated by RPE for collection, transport and recovery / disposal is done by an authorized operator;
- recyclable waste generated by RPE (like sheet metal, scrap iron, electrical and AMC cables, wood etc.) is transported by RPE and is temporarily stored in the places indicated for collection, transport and recovery by authorized operators;
- hazardous waste generated from works performed is separately collected, packaged and labeled appropriately and is temporarily stored on the concrete platform. Its collection, transport and disposal

| Target |
|--------|
| 10%    |
| 10%    |
| 2%     |
| 2%     |
| 10%    |
| 5%     |
| 5%     |
| 2%     |
| 2%     |
| 2%     |
| 2%     |
| 5%     |
| 5%     |
| 2%     |
| 50%    |
| 5%     |

/ recovery operations is performed by RPE, through authorized operators, in compliance with the applicable legislation.

All waste and scraps that can be reused and repurposed (such as iron, other metals, etc.) resulting from the activities that are performed by a Contractor and its Subcontractor(s) is to remain in the property of Rompetrol Energy and handed over to its representative.

The Rompetrol Energy platform is equipped with euro containers, especially designed outdoor areas, concrete platforms optimally located in relation to the points of waste generation, which have a temporary storage capacity corresponding to the quantities generated in the time between two collections.

According to Rompetrol Energy's internal policy and procedures regarding waste management, temporary storage / abandonment of waste resulting from activities carried out on the RPE site, in unprovided areas or directly on the ground is prohibited. Moreover, any contractor and / or its subcontractors must comply with the applicable legislation regarding the management of the waste generated from their activities. They must ensure by any means that their personnel are provided with biodegradable materials and means of intervention in order to take immediate action in case of accidental pollution. In the event of accidental pollution, RPE will stop the work, and take immediate action to decontaminate the affected area.

| Waste generated  | 2022                                 | 2021   |
|--|--------------------------------------|--|
| Hazardous waste  | 121.298                              | 1,619  |
| Non-hazardous waste  | 230.116                              | 3,970.352  |
| Total generated  | 351.414                              | 3,971.971  |
|  |                                      |  |
|  |                                      |  |
| Waste treated  | 2022                                 | 2021   |
| Waste treated Diverted (R12)   | <b>2022</b><br>127.803               | <b>2021</b><br>3,886.466                               |
| Waste treated<br>Diverted (R12)<br>Sent for disposal (D5)                    | <b>2022</b><br>127.803<br>223.61     | <b>2021</b><br>3,886.466<br>113.19                     |
| Waste treated<br>Diverted (R12)<br>Sent for disposal (D5)<br>Fotal recovered | 2022<br>127.803<br>223.61<br>127.803 | <b>2021</b><br>3,886.466<br>113.19<br><b>3,999.656</b> |

Precautions are taken to avoid accidental pollution, and the Contractor ensures that they and their Subcontractors are equipped with biodegradable material and means of intervention to take immediate action in case of accidental pollution. If there is accidental pollution, RPE stops the work and takes immediate action to decontaminate the affected area.

Decommissioning activities were carried out following an impact study conducted by authorized third-party entities based on the demolition projects. All waste materials generated from the demolition works were fully recovered.

The demolition works were undertaken for the construction of a New Power Plant (NPP) and involved the demolition of the old chimney and turbine hall of the existing installation. The demolition of the chimney served as a case study for the Bucharest Military Technic University and was also monitored by the Romanian ATEX authority (INSEMEX).

RPE regularly measures the impact of its decommissioning activities on the environment.

| Rompetrol Energy waste  | Code      | Generated (t) | Status    |
|---|-----------|---------------|-----------|
| Tank bottom sludges   | 05 01 03* | 120.2         | Recovered |
| Toner   | 08 03 17* | 0.001         | Recovered |
| Ferrous metal fillings and turnings   | 12 01 01  | 0.35          | Recovered |
| Packages, paper and cardboard   | 15 01 01  | 0.113         | Recovered |
| Plastic packages  | 15 01 02  | 0.035         | Recovered |
| Packaging containing residues<br>of or contaminated by<br>hazardous substances  | 15 01 10* | 0.032         | Recovered |
| Absorbents, filter materials<br>(including oil filters not otherwise<br>specified), wiping cloths, protective<br>clothing contaminated by hazardous<br>substances | 15 02 02* | 0.96          | Recovered |
| Waste containing oil  | 16 07 08* | 0.105         | Recovered |
| Mixed metals  | 17 04 07  | 3.6           | Recovered |
| Mineral wool  | 17 06 04  | 0.664         | Recovered |
| Plastic and rubber  | 19 12 04  | 0.201         | Recovered |
| Paper and cardboard   | 20 01 01  | 0.043         | Recovered |
| Mixed municipal waste   | 20 03 01  | 223.61        | Disposed  |
|   | 20 01 25  | 0.107         | Recovered |



#### GRI GRI 301-1 GRI 302-1 GRI 302-3 GRI 302-4 GRI 303-1 thru 303-5 GRI 305-1 GRI 305-2 GRI 305-4 GRI 306-2 thru 306-5 GRI 11.1.2 GRI 11.1.4 thry 11.1.6 GRÍ 11.1.8 GRI 11.5.3 thru 11.5.6 GRI 11.6.2 thru 11.6.6 GRI 11.8.2 GRI 11.15.4 SASB EM-SV-110a.1 EM-SV-110a.2 EM-MD-110a.1 EM-MD-110a.2 EM-MD-120a.1 EM-MD-120a.2

**IPIECA** CCE-4 C1, C2, A3 CCE-6 C1, C2, A2, A5 ENV-1 C1, A10 ENV-3 C1, C2 ENV-4 C1, C2, A1 ENV-6 C1-C4 ENV-7 C1-C3, A1, A2, A4 ENV-8 A1-A3

EM-MD-160a.1

Rominserv's compliance with the ISO14001 environmental management standard is regularly renewed, and whenever the company's activities undergo changes, its environmental impact assessment is reviewed and updated as necessary.

Rominserv has set various objectives in its Environmental Management Plan:

- "Zero" incidents with an impact on the environment in the activities carried out by Rominserv and its subcontractors
- Continuing the implementation of the Waste Reduction Action Plan (WRAP)
- Continuous assessment and improvement of the company's environmental performance, communication to interested organizations
- Management of expired / scrapped stocks in Deposits
- Selective waste collection according to the type and nature of the waste, in order to facilitate its specific treatment.

The company also aims to comply with reference standards and continuously assess and improve its environmental performance, while promoting employee awareness of waste reduction and selective waste collection. Moreover, Rominserv requires its subcontractors to comply with all environmental protection requirements specified in the contract and the HSE Convention.

Rominserv performs maintenance works and industrial projects on the Rompetrol Rafinare Petromidia Platform, a SEVESO site subject to Law 59/2016, which controls major accident risks involving hazardous substances. To prevent accidental releases of hydrocarbons, dangerous substances, or other materials into the environment, Rominserv has implemented a comprehensive set of internal policies and procedures. These include a list of dangerous substances, a risk assessment of hazardous substances used, an emergency response plan (Procedure RIV-QHS-PR-C08-0018-R5), an accidental pollution prevention plan, and an annual exercise plan. Rominserv staff also participate in exercises performed by Rompetrol Rafinare in the technological installations.

Rominserv conducts energy analysis in accordance with ISO 50001 to identify significant energy consumption

# **Rominserv SRL**

areas and potential reduction opportunities in electricity, gas, and diesel usage. The company aims to reduce its energy intensity index by at least 0.5% compared to the reference established between 2015-2019. In addition, Rominserv considers energy performance in the design of new facilities, equipment, systems, and processes, taking into account the energy class of equipment purchased and emissions established by law.

To promote efficient energy use by customers, Rominserv maintains 100% monitoring of energy consumption within its work points. The company has successfully reduced energy consumption, achieving a reduction of 29.38% in the energy intensity index compared to the previous reporting period, while in 2021, the value of the same indicator reached 4.74%.

The water used by Rominserv is supplied based on utility supply contracts concluded between Rompetrol Rafinare and Rominserv for the Petromidia and Vega work points:

- Water management authorization no. 135/ 19.10.2020 on Water supply and wastewater disposal at Rompetrol Rafinare (utility supply contract PEM-RIS no.505/2003)
- Water management authorization no. 42/ 26.02.2021 on Water supply and wastewater disposal at Rompetrol Vega (utility supply contract Vega-RIS no. 06/2011)
- Utility supply contract PEM –RIS no.505/2003
- Utility supply contract Vega RIS no. 06/2011

Rominserv does not hold Water Management Permits. Regarding water discharge management, operations are performed by Petromidia and Vega platforms. Rominserv wastewater is discharged into the Rompetrol Rafinare sewerage system. Drinking water is provided by the companies La Fantana (flat water) and Dacris (mineral water).

The waste generated by the company is managed in accordance with the legal provisions on waste management. Rominserv has a waste prevention plan in place, along with waste management plans for each work points, which set clear objectives and targets whose implementation stage is updated on a reqular basis. Most waste comes from scrapped stocks. All waste is stored selectively by waste category in properly labeled containers.

#### KMG INTERNATIONAL SUSTAINABILITY REPORT 2022

The waste management flow is observed according to the Waste Management Plan prepared for the works performed within Rompetrol Rafinare. Subcontractors are responsible for managing their own generated waste. The company has an external recovery service contract, with the condition of recovering at least 60% of the total amount of packaging placed on the market (from our own imports and products). Also, the packaging purchased for the products put on the market is exclusively recyclable (plastic and wood).

In 2022, projects and operations carried out by Rominserv in or near protected areas and priority sites for biodiversity conservation targeted the Rehabilitation of tank 120-338 B6 in the CoGen project, following the demolition of the turbogenerator hall its own sale lime bunker during the previous reporting period. The process was carried out with the observance of all legal requirements, procedures, work instructions, and regulated acts. In order to prioritize the elimination of any risk to nearby buildings and staff involved in the work, the company adhered to the principles of preventive action and the exclusive use of safe processes and methods.

Soil protection measures were taken to prevent pollutants, any pollution on the ground was eliminated, and biodegradable materials were used. Measures were taken to prevent liquid leakage, and at the end of the

| Materials used | 2022  | 2021  | 2020  |
|----------------|-------|-------|-------|
| Acetylene (t)  | 0.595 | 0.321 | 0.754 |
| Oxygen (t)     | 0.420 | 0.561 | 0.270 |
|                |       |       |       |

| 2022   | 2021  | 2020   |
|--------|---|--|
| 279.24 | 310   | 238  |
| 0.14   | 0.6   | 0.1  |
| 0      | 192   | 172  |
| 279.38 | 582   | 427  |
|        | <b>2022</b><br>279.24<br>0.14<br>0<br><b>279.38</b> | 2022         2021           279.24         310           0.14         0.6           0         192           279.38         582 |

Source of the emission factors: IPCC 2006 Guideline

| Scope 2 emissions | 2022 | 2021 |
|-------------------|------|------|
| Total (tCO2e)     | 143  | 149  |

Source of the emission factors: IPCC 2006 Guideline

| Emissions<br>Intensity                              | 2022     | 2021     | 2019     |
|---|----------|----------|----------|
| Scope 1+2<br>(tCO <sub>2</sub> e / fiscal<br>value) | 0.001509 | 0.001509 | 0.000945 |



works, the land was restored to its original state. Air protection measures were taken, including working with equipment instead of staff on-site, wetting work surfaces during dust-generating activities, and observing waste management principles in accordance with legal provisions.

The waste generated during the project was managed in compliance with the principles of waste collection, temporary storage, and recycling/recovery by authorized operators. The metal scrap (11.682 tons) resulting from the dismantling of the tank was taken to the Refinery's storage, while the excavated soil (10m3) was stored in a warehouse of the beneficiary for use as filling for other works. The rehabilitation of Tank 120-338 B6 ensured compliance with the requirements imposed by firefighting and emergency services, as well as the applicable environmental protection legislation.

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

| Energy consumption<br>inside the organization | 2022     | 2021    | 2020    |
|---|----------|---------|---------|
| Electricity (MWh)                             | 639      | 833.498 | 866.880 |
| Steam (MWh)                                   | 1,014.62 | 30.550  | 31.575  |
| Nat. gas (MWh)                                | 0.2519   | 0.200   | 0.183   |

| Energy            | 2022                                       | 2              | 021    | 2020     |
|-------------------|--|----------------|--------|----------|
| Energy intensity  | 0.000678081                                | 81 0.000926017 |        | 00425663 |
| Water manageme    | ent  |                | 2022   | 2021     |
| Water consumption | <b>on (million liters)</b><br>rkling water |                | 1.133  | 0.823    |
| Water discharge ( |  | 0.9875         | 1.0545 |          |

| Rominserv waste in 2022         | Code      | Generated (t) | Recycled (t) | Eliminated (t) |
|---------------------------------|-----------|---------------|--------------|----------------|
| Steel                           | 12 01 01  | 3.48          | 3.48         | 0              |
| Paper and cardboard             | 15 01 01  | 3.82          | 5.42         | 0              |
| Plastic (PET)                   | 15 01 02  | 0.1           | 0.1          | 0              |
| Wood, damaged pallets           | 15 01 03  | 19.26         | 19.26        | 0              |
| Absorbents, polishing materials | 15 02 02* | 0.92          | 0.92         | 0              |
| Insulation, cable jacket        | 19 12 04  | 0.46          | 0.46         | 0              |
| Paper and cardboard             | 20 01 01  | 2.46          | 2.46         | 0              |
| Mixed municipal waste           | 20 03 01  | 100.24        | 0            | 100.24         |
| Total (t)                       |           | 130.4         | 32.1         | 99.9           |

| Rominserv waste in 2021           | Code      | Generated (t) | Recycled (t) El | iminated (t) | Stockpiled (t) |
|-----------------------------------|-----------|---------------|-----------------|--------------|----------------|
| Adhesives                         | 08 04 09* | 0.8           | 0.8             | 0            | 0              |
| Lime calcination waste            | 10 13 04  | 0.4           | 0.4             | 0            | 0              |
| Steel                             | 12 01 01  | 4.34          | 3.34            | 0            | 1              |
| Paper and cardboard               | 15 01 01  | 1.58          | 0               | 0            | 1.58           |
| Plastic (PET)                     | 15 01 02  | 0.1           | 0.1             | 0            | 0.1            |
| Wood, damaged pallets             | 15 01 03  | 17.88         | 9.52            | 0            | 8.36           |
| Absorbents, polishing materials   | 15 02 02* | 0.46          | 0.46            | 0            | 0              |
| Stainless steel                   | 16 01 18  | 3.26          | 3.26            | 0            | 0              |
| Copper                            | 17 04 01  | 0.2           | 0.2             | 0            | 0              |
| Scrap metal                       | 17 04 05  | 102.76        | 102.76          | 0            | 0              |
| Construction and demolition waste | 17 09 04  | 4.38          | 4.38            | 0            | 0              |
| Heating nets                      | 17 09 04  | 2.93          | 2.93            | 0            | 0              |
| Rubber                            | 19 12 04  | 0.16          | 0.16            | 0            | 0              |
| WEEE                              | 20 01 36  | 3.1           | 3.1             | 0            | 0              |
| Plastic                           | 20 01 39  | 0.68          | 0.68            | 0            | 0              |
| Mixed municipal waste             | 20 03 01  | 87.99         | 0               | 87.99        | 0              |
| Total (t)                         |           | 231.030       | 132.100         | 87.990       | 11.040         |

# Rompetrol Well Services SA

Currently, the incorporation of a climate change-based risk assessment procedure has not been executed, and consequently, no risks or opportunities regarding energy transition have been identified. However, Rompetrol Well Services and Group Management are currently examining the feasibility of incorporating alternative energy sources (specifically solar and photovoltaic panels) in locations that permit the installation of such equipment. Legal obligations enforced by governing bodies are being considered in the analysis of the medium to long-term implementation prospects.

Rompetrol Well Services is committed to managing the impact of climate-related risks through the implementation of our QHSE policy and adherence to the company's objectives. We closely monitor environmental factors that have an impact on climate change to ensure that we are mitigating any negative effects.

We require all our contractors to comply with HS-ES-E conventions, respecting legislation and providing equipment that meets the required emissions parameters for GHG (NOx, CO, SOx, PM, noise). We also ensure that our transport contracts comply with the legislation in force, as we understand the importance of reducing our carbon footprint and minimizing our impact on the environment.

To prevent accidental releases of hydrocarbons or other materials to the environment, we employ a risk-based approach that includes the following strategies:

- We respect working procedures when operating our well services equipment.
- We conduct periodic spill prevention exercises to train our employees and prepare them for any potential spill incidents. These exercises help to identify and address any weaknesses in our spill response procedures and improve our overall preparedness.
- We keep spill neutralization substances available on-site, ensuring that we can respond quickly in the event of a spill or release. This helps to mitigate the potential impact on the environment and protect our employees and surrounding communities.
- We ensure that our employees wear personal protective equipment appropriate to the risks of injury and/or occupational disease. This helps to prevent accidental releases and minimize the risks to our employees' health and safety.

We also ensure the attachment of technical equipment to the earthing belt. This grounding process helps to prevent static electricity buildup and reduce the risk of sparks that could ignite flammable materials. By implementing these strategies, we can minimize the risks of accidental releases and protect the environment, our employees, and surrounding communities.

To manage our waste effectively, we have implemented a comprehensive system that includes designated containers for each waste type on the waste platform corresponding to each RWS location. We keep records of the monthly amount of waste generated and store them on the waste management record sheet, which is classified according to the waste code. We adhere to legal requirements and regulations by uploading the annual waste management sheets to the SIM (managed by NEPA) - PRODDES guestionnaire and reporting them to the local EPAs.

To ensure our waste is managed responsibly, we have contracted authorized companies to collect the waste from each location on a monthly basis. RWS comes equipped with specially designed outdoor areas featuring Euro containers, concrete platforms, and optimal proximity to waste generation points. These containers are marked and colored according to the waste category they collect, and the collection areas/platforms are clearly identified. They also have a temporary storage capacity that corresponds to the amount of waste generated between two collections.

We have a drinking water supply contract with Apa Nova Ploiești for our base in Ploiești, which includes household water-discharge and meteoric water. The used water is disposed of in the city's sewers. At our Câmpina base, we have a contract with Hidro Prahova for drinking water supply, as well as household water-evacuation and meteoric water. The used water is also disposed of in the city's sewers. For our Videle base, we have a contract with Apa-Serv Videle for meteoric water. The water used is sourced from our own unmetered drilled well. At the Timişoara base, we have a contract with Agua Tim for sewerage. The meter at the well is read and invoiced accordingly. We have a drilled well that is metered. Our Moinesti base has a contract with CRAB Bacau for both water and sewerage, but without meteoric water. In Mediaş, we have a contract with Apa Târnavei for drinking water, household water, and meteoric water. Lastly, our Govora base has a contract

| GRI 301-1<br>GRI 302-1<br>GRI 302-3<br>GRI 303-1 thru 303-5<br>GRI 305-1<br>GRI 305-2 |
|---|
| GRI 305-4   |
| GRI 306-3   |
| GRI 11.1.2<br>GRI 11 1 4  |
| GRI 11.1.5  |
| GRI 11.1.6  |
| GRI 11.1.8  |
| GRI 11.5.3 [Nfu 11.5.0<br>GRI 11.6.2 thru 11.6.6                                      |
| GRI 11.8.2  |
| GRI 11.15.4   |
| IPIECA  |
| CCE-1 C4  |
| CCE-2 C1  |
| CCE-3 C1  |
| CCE 4 C1 A2   |
| ULL-U UI, AZ  |

ENV-1 C1, C2

ENV-6 C1-C4

ENV-7 C2, C3

GRI

**Energy consumption** inside the organization 2022 2021 274 286 MWh Electricity tCO<sub>2</sub>e 62.10 59.44 615,675 liters 678,855 Fuels of which: MWh 6,811.184 6,177.277 Diesel for heat production (liters) 11,205 8,119 Diesel for mobility (liters) 666,039 605,686 Gasoline for mobility (liters) 1,611 1,870 MWh 1,468 1,818 Natural gas for m<sup>3</sup> 137,746 171,770 combustion 286.12 326.36 tCO<sub>2</sub>e Water (m<sup>3</sup>) 2,986 2,659 **Energy consumption** 2022 2021 outside the organization 274 286 MWh Electricity tCO<sub>2</sub>e 62.10 59.44 615,675 678,855 liters Fuels of which: MWh 6,811.184 6,177.277 Diesel for heat production (liters) 11,205 8,119 Diesel for mobility (liters) 666,039 605,686 1,611 1,870 Gasoline for mobility (liters) MWh 1,468 1,818 Natural gas for m<sup>3</sup> 137,746 171,770 combustion 286.12 326.36 tCO<sub>2</sub>e

Water (m<sup>3</sup>)

2,986

2,659

| Cement consumption                     | 2022       | 2021       | 2020       | for sewerage. To supply dri  | ve have a group  |          |  |  |
|--|------------|------------|------------|--|------------------|----------|--|--|
| Cement (t)                             | 3,285      | 3,208      | 2,386      | contract with "La Fântana"<br>erational base as needed.  | ited to each op- |          |  |  |
| Emission factor (tCO <sub>2</sub> /km) | 880        | 880        | 880        | During the reporting pariod there  |                  |          |  |  |
| Emissions (kgCO2e)                     | 2,890,800  | 2,823,040  | 2,099,680  | <ul> <li>During the reporting period, the</li> <li>were no significant spills or grid</li> </ul> |                  |          |  |  |
| Total (tCO2e)                          | 2,890.8    | 2,823.04   | 2,099.68   | from the local com   | munity re        | corded.  |  |  |
| Cement transportation                  | 2022       | 2021       | 2020       | Energy consumption   | 2022 ve          | 2021 vs  |  |  |
| Cement transport (liters)              | 100,640    | 102,656    | 76,352     | reduction  | 2022 03          | 1 2020   |  |  |
| Emission factor (tCO <sub>2</sub> /km) | 2.7        | 2.7        | 2.7        | Electricity (MWh)  | +4.29%           | 6.5%     |  |  |
| Emissions (kgCO2e)                     | 271,728.00 | 277,171.20 | 206,150.40 | Natural gas (MWh)  | -21.3%           | 6 -9.91% |  |  |
| Total (tCO2e)                          | 271.73     | 277.17     | 206.15     | Fuel transport (MWh) +9.76%  |                  | 6 +8.35% |  |  |

| 2020                       |
|----------------------------|
| 268<br>58.28               |
| 624,451<br>6,265.33        |
| 4,046                      |
| 616,960                    |
| 3,444                      |
| 1,621<br>150,592<br>286.12 |
| 3,555                      |

| 2 | 0 | 2 | ( |
|---|---|---|---|
|   |   |   |   |

| 268<br>58.28               |
|----------------------------|
| 624,451<br>6,265.33        |
| 4,046                      |
| 616,960                    |
| 3,444                      |
| 1,621<br>150,592<br>286.12 |
| 3,555                      |
| 2020                       |
|                            |

| 2,386   |
|---------|
| 880     |
| 099,680 |
| 099.68  |
|         |



with Apavil Vâlcea. We have a drainable concrete mixer

# KMG INTERNATIONAL SUSTAINABILITY REPORT 2022

| Energy intensity                   |       | 2022      |       | 2021      | 2020         |
|------------------------------------|-------|-----------|-------|-----------|--------------|
| Electricity (MWh)                  |       | 286       |       | 274       | 268          |
| Electricity intensity              | 0.000 | 0054219   | 0.000 | 0061439   | 0.0000056222 |
| Natural gas (MWh)                  |       | 1,468     |       | 1,818     | 1,621        |
| Natural gas intensity              | 0.00  | 0027830   | 0.00  | 0040765   | 0.000034006  |
| Fuel transport (MWh)               | (     | 6,811.184 |       | 6,177.277 | 6,265.33     |
| Transport intensity                | 0.0   | 0012912   | 0.0   | 0013851   | 0.00013144   |
| Water withdrawal                   | 2022  | 2021      | 2020  |           |              |
| Surface water (million liters)     | 18.03 | 19.68     | 18.30 |           |              |
| Third-party water (million liters) | 3.01  | 2.68      | 3.57  |           |              |
| Total (million liters)             | 21.04 | 22.36     | 21.87 |           |              |

| Water consumption             |             | 2022     | 2021     | 2020      |
|-------------------------------|-------------|----------|----------|-----------|
| Withdrawal - discharge (milli | ion liters) | 0.04     | 0.02     | 0.02      |
| GHG emissions                 |             | 2022     | 2021     | 2020      |
| Scope 1 (tCO <sub>2</sub> e)  |             | 2,069.49 | 1,987.94 | 1,970.76  |
| Scope 2 (tCO <sub>2</sub> e)  |             | 62.10    | 59.32    | 58.28     |
| Scope 3 (tCO <sub>2</sub> e)  |             | 3,491.40 | 3,386.92 | 2,597.98  |
| Emissions Intensity           | 202         | 22       | 2021     | 2019      |
| Scope 1+2+3 / Net sales       | 0.0001070   | 0.000    | 12185 0. | .00009707 |

| Emission reduction | 2022 vs 2021 | 2021 vs 2020 |  |  |
|--------------------|--------------|--------------|--|--|
| GHG emissions      | -13.85%      | +9.31%       |  |  |



| Rompetrol Well Services waste in 2022         | Code      | Generated (t) | Recycled (t) | Eliminated (t) |
|---|-----------|---------------|--------------|----------------|
| Other unspecified waste (such as rubber)      | 07 02 99  | 1.4           | 1.4          | 0              |
| Printer toner                                 | 08 03 17* | 0.03          | 0.03         | 0              |
| Fiberglass                                    | 10 11 03  | 2.5           | 2.5          | 0              |
| Non-chlorinated mineral oil                   | 13 02 05* | 0.85          | 0.85         | 0              |
| Plastic (PET)                                 | 15 01 02  | 0.196         | 0.196        | 0              |
| Metal packaging waste                         | 15 01 11* | 0.54          | 0.54         | 0              |
| Used tires                                    | 16 01 03  | 0.002         | 0            | 0.002          |
| Oil filters                                   | 16 01 07  | 0.26          | 0.26         | 0              |
| Organic waste containing hazardous substances | 16 03 05* | 0.84          | 0.84         | 0              |
| Iron and steel                                | 17 04 05  | 12.4          | 12.4         | 0              |
| Paper and cardboard                           | 20 01 01  | 0.36          | 0.36         | 0              |
| Fluorescent tubes                             | 20 01 21* | 0.015         | 0.015        | 0              |
| Mixed municipal waste                         | 20 03 01  | 31.46         | 0            | 31.46          |
| Total (t)                                     |           | 61.251        | 29.789       | 31.462         |

| Rompetrol Well Services waste in 2022         | Code      | Generated (t) | Recycled (t) | Eliminated (t) |
|---|-----------|---------------|--------------|----------------|
| Other unspecified waste (such as rubber)      | 07 02 99  | 1.4           | 1.4          | 0              |
| Printer toner                                 | 08 03 17* | 0.03          | 0.03         | 0              |
| Fiberglass                                    | 10 11 03  | 2.5           | 2.5          | 0              |
| Non-chlorinated mineral oil                   | 13 02 05* | 0.85          | 0.85         | 0              |
| Plastic (PET)                                 | 15 01 02  | 0.196         | 0.196        | 0              |
| Metal packaging waste                         | 15 01 11* | 0.54          | 0.54         | 0              |
| Used tires                                    | 16 01 03  | 0.002         | 0            | 0.002          |
| Oil filters                                   | 16 01 07  | 0.26          | 0.26         | 0              |
| Organic waste containing hazardous substances | 16 03 05* | 0.84          | 0.84         | 0              |
| Iron and steel                                | 17 04 05  | 12.4          | 12.4         | 0              |
| Paper and cardboard                           | 20 01 01  | 0.36          | 0.36         | 0              |
| Fluorescent tubes                             | 20 01 21* | 0.015         | 0.015        | 0              |
| Mixed municipal waste                         | 20 03 01  | 31.46         | 0            | 31.46          |
| Total (t)                                     |           | 61.251        | 29.789       | 31.462         |

| Rompetrol Well Services waste in 2021 | Code     | Generated (t) | Recycled (t) | Eliminated (t) |
|---------------------------------------|----------|---------------|--------------|----------------|
| Iron and steel filings and shavings   | 12 01 01 | 0.4           | 0.4          | 0              |
| Paper and cardboard packaging         | 15 01 01 | 0.16          | 0.16         | 0              |
| Plastic (PET)                         | 15 01 02 | 0.14          | 0.14         | 0              |
| Plastic packaging                     | 15 01 02 | 8.02          | 8.02         | 0              |
| Used tires                            | 16 01 03 | 3.46          | 3.46         | 0              |
| Iron and steel                        | 17 04 05 | 33.23         | 33.23        | 0              |
| Paper and cardboard                   | 20 01 01 | 0.63          | 0.63         | 0              |
| WEEE                                  | 20 01 36 | 1.3           | 1.3          | 0              |
| Mixed municipal waste                 | 20 03 01 | 25.31         | 0            | 25.31          |
| Total (t)                             |          | 72.652        | 47.339       | 25.31          |

| Rompetrol Well Services waste in 2020 | Code      | Generated (t) | Recycled (t) | Eliminated (t) |
|---------------------------------------|-----------|---------------|--------------|----------------|
| Paper and cardboard packaging         | 15 01 01  | 0.159         | 0.159        | 0              |
| Plastic packaging                     | 15 01 02  | 9.4           | 9.4          | 0              |
| Oil filters                           | 16 01 07* | 0.4           | 0.4          | 0              |
| Ferrous metals                        | 16 01 17  | 1.48          | 1.48         | 0              |
| Non-ferrous metals                    | 16 01 18  | 2.58          | 2.58         | 0              |
| Iron and steel                        | 17 04 05  | 118.23        | 118.23       | 0              |
| Paper and cardboard                   | 20 01 01  | 0.525         | 0.525        | 0              |
| Mixed municipal waste                 | 20 03 01  | 21.828        | 0            | 21.828         |
| Total (t)                             |           | 154.823       | 132.995      | 21.828         |

# **Rompetrol Quality Control SRL**

RQC adheres to all the relevant legal requirements in its field of operation. The register of risks and opportunities includes risks associated with climate change. Climate related risk and opportunities are assessed on a quarterly basis.

RQC complies with all the relevant emergency requirements by documenting, approving, implementing, and consistently updating the following plans and documents:

- List of hazardous substances
- Accident pollution prevention and response plan
- Fire prevention and intervention plan
- Internal emergency response plan
- Earthquake preparedness plan
- Evacuation plan
- Civil protection notification and alarm plan
- Emergency preparedness and response procedure.

RQC sources its water supply through utility supply contracts established between Rompetrol Rafinare and RQC for the Petromidia and Vega refineries operational locations. This water is utilized in RQC's internal processes and subsequently discharged into the sewer system managed by Rompetrol Rafinare. Drinking water is obtained from vendors that supply plain and sparkling water.

Our organization has implemented several strategies and a risk-based approach to prevent accidental releases of hydrocarbons and other materials to the environment. Firstly, we have developed a plan specifically designed to prevent and combat accidental pollution. Additionally, we have an emergency response plan in place to respond quickly and efficiently in the event of an accidental release.

To further mitigate risks, we conduct accidental pollution exercises twice a year to ensure that all personnel are adequately trained and prepared to respond to an accidental release scenario. These exercises also serve to identify any potential areas of improvement in our existing strategies and plans. During the reporting period, there were no spills or grievances from local communities identified. **GRI** GRI 301-1 GRI 302-1

GRI 302-3

GRI 303-1

GRI 303-3

GRI 303-4 GRI 303-5

GRI 305-1

GRI 305-2

GRI 306-3

EM-MD-110a.1

EM-MD-160a.1

CCE-1 C1, C3

CCE-4 C1, C2

SASB

**IPIECA** 

As part of our Environmental Factors/Chemical and Physical Noxes Testing Program, we continually monitor indoor pollutants emitted in the laboratory. Additionally, we conduct regular internal audits and environmental inspections to ensure our operations remain compliant and environmentally responsible.

The following indicators are monitored in discharged water on a semi-annual basis:

| • | pH levels  | CCE-6 C1, A2<br>ENV-1 C1, C2 |
|---|--|------------------------------|
| • | Suspended solids                                   | ENV-2 A1                     |
| • | SEEP (substances extractable with petroleum ether) | ENV-6 CT-C4<br>ENV-7 C2, C3  |

- Chemical oxygen demand
- Biochemical oxygen demand
- Anionic surfactants.

The organization manages its waste in compliance with the legal regulations governing waste management. All generated waste is temporarily stored according to its type in designated, marked, and enclosed areas, ensuring the prevention of soil contamination. The waste is then dispatched for recovery or disposal by an authorized waste management company. Monthly records of the waste code and the amount of waste generated are maintained in the waste management record sheet. On an annual basis, these waste management sheets are uploaded to the SIM (managed by NEPA) - PRODDES questionnaire in accordance with legal requirements and reported to local EPAs as per the prevailing legislation.

From the initial production of waste to its final disposal or recovery, waste management is undertaken by two companies: 'Polaris Mediu SRL' for general waste and 'Greentech Servicii Ecologice SRL' for specialized waste. RQC's objective is to decrease the waste generation by 1% in comparison to the previous reporting period.

| Materials used (t)              |  | 202      |
|---------------------------------|--|----------|
| Phenylhydrazine hydrochloride   | C <sub>6</sub> H <sub>8</sub> N <sub>2</sub> .CIH                | 0.0000   |
| Acetone                         | C3H6O  | 0.02     |
| Amino acid F reagent            | $C_{45}H_{45}F_3IrN_3$   | 0.00     |
| Ammonia 25%                     | NH <sub>3</sub>  | 0.02     |
| Ammonium acetate                | C <sub>2</sub> H <sub>7</sub> NO <sub>2</sub>                    | 0.00043  |
| Ammonium chloride               | NH <sub>4</sub> Cl   | 0.001    |
| Ammonium ferric alum            | NH <sub>4</sub> Fe(SO <sub>4</sub> ) <sub>2</sub>                | 0.000    |
| Ammonium heptamolybdate         | (NH <sub>4</sub> ) <sub>6</sub> Mo <sub>7</sub> O <sub>24</sub>  | 0.00     |
| Benzyl alcohol                  | C7H8O  | 0.047    |
| Biokit LZK555 set               |  | 0.00     |
| Bismuth nitrate                 | Bi(NO <sub>3</sub> ) <sub>3</sub>                                | 0.000    |
| Boric acid                      | H <sub>3</sub> BO <sub>3</sub>                                   | 0.0004   |
| Bromocresol green               | C <sub>21</sub> H <sub>14</sub> Br <sub>4</sub> O <sub>5</sub> S | 0.00000  |
| Cadmium acetate                 | $C_4H_{10}CdO_6$   | 0.0027   |
| Calcium chloride                | CaCl <sub>2</sub>  | 0.00     |
| Chlorobenzene                   | C₀H₅Cl   | 0.00     |
| Coulometric Karl Fischer reagen | t  | 0.02     |
| Cyclohexane                     | C <sub>6</sub> H <sub>12</sub>                                   | 0.03     |
| DEHA 1 (glycine)                | (C <sub>2</sub> H <sub>5</sub> ) <sub>2</sub> NOH                | 0.0100   |
| DEHA 2                          | (C <sub>2</sub> H <sub>5</sub> ) <sub>2</sub> NOH                | 0.004    |
| Dichloromethane                 | CH <sub>2</sub> Cl <sub>2</sub>                                  | 0.037    |
| Dissolved oxygen reagent        |  | 0.0024   |
| Dithizone                       | $C_{13}H_{12}N_4S$   | 0.000000 |
| Edetic acid                     | C <sub>10</sub> H <sub>16</sub> N <sub>2</sub> O <sub>8</sub>    | 0.00002  |
| Eriochrome black T              | $C_{20}H_{12}N_3O_7SNa$  | 0.000030 |
| Ethanol                         | C <sub>2</sub> H <sub>4</sub> O                                  | 0.18     |
| Ethanolamine                    | C <sub>2</sub> H <sub>7</sub> NO                                 | 0.000    |
| Ether                           | (C <sub>2</sub> H <sub>5</sub> ) <sub>2</sub> O                  | 0.0002   |
| Flow injection analysis (FIA)   |  | 0.25     |
| Flow injection analysis (FIA)   |  | 0.00     |
| Formaldehyde                    | CH <sub>2</sub> O  | 0.0002   |
| Glacial acetic acid             | CH <sub>3</sub> COOH   | 0.03     |
| Hexane                          | C <sub>6</sub> H <sub>14</sub>                                   | 0.003    |
| Hydranal-composite 5            |  | 0.00     |
| Hydrocarbons, C9-16, hydrotrea  | ted, dearomatized  | 0.307    |
| Hydrochloric acid               | HCI  | 0.0378   |
| Isooctane                       | C <sub>8</sub> H <sub>18</sub>                                   | 0.4357   |
| Isopropyl alcohol               | C <sub>3</sub> H <sub>8</sub> O                                  | 0.41     |
| LCK345 phenol cuvette test      |  | 0.0024   |

| Materials used (t)             |   | 2022      |  |
|--------------------------------|---|-----------|--|
| Mercury (II) sulfate           | HgSO₄   | 0.00004   |  |
| Mercury thiocyanate            | Hg(SCN) <sub>2</sub>  | 0.002001  |  |
| Methanol                       | CH <sub>3</sub> OH  | 0.049     |  |
| Methyl red                     | C <sub>15</sub> H <sub>15</sub> N <sub>3</sub> O <sub>2</sub> | 0.000006  |  |
| Monopotassium phosphate        | KH <sub>2</sub> PO <sub>4</sub>                               | 0.001     |  |
| N-heptane                      | C7H16   | 0.208     |  |
| N-hydrocarbons, c9-16, hydrotr | eated, dearomatized   | 0.001     |  |
| Nessler's reagent              | K₂HgI₄  | 0.00275   |  |
| NitraVer 5 Nitrare reagent PP  |   | 0.00025   |  |
| Nitric acid                    | HNO <sub>3</sub>  | 0.0175    |  |
| Nitrogen-ammonia reagent, TN   | T   | 0.0005    |  |
| Ortho-xylene                   | C <sub>8</sub> H <sub>10</sub>                                | 0.201     |  |
| Oxalate of N, n-dimethyl-p-phe | nylenediamine   | 0.00003   |  |
| Oxalic acid dihydrate          | $H_2C_2O_{4\cdot 2}H_2O$                                      | 0.0014    |  |
| Perchloric acid                | HCIO <sub>4</sub>   | 0.00002   |  |
| Phenolphthalein                | C20H14O4  | 0.000023  |  |
| Potassium bromide              | KBr   | 0.003     |  |
| Potassium dichromate           | K <sub>2</sub> Cr <sub>2</sub> O <sub>7</sub>                 | 0.0001935 |  |
| Potassium hydroxide            | КОН   | 0.021     |  |
| Potassium iodide               | KI  | 0.004666  |  |
| Potassium permanganate         | KMnO <sub>4</sub>   | 0.0000186 |  |
| Silver nitrate                 | AgNO <sub>3</sub>   | 0.1001185 |  |
| Sodium acetate                 | C <sub>2</sub> H <sub>3</sub> NaO <sub>2</sub>                | 0.00001   |  |
| Sodium biphenyl                | C <sub>12</sub> H <sub>9</sub> Na                             | 0.003     |  |
| Sodium borohydride             | NaBH <sub>4</sub>   | 0.00005   |  |
| Sodium hydroxide               | NaOH  | 0.022     |  |
| Sodium metabisulfite           | $Na_2S_2O_5$  | 0.005     |  |
| Sodium nitroprusside           | $C_5H_4FeN_6Na_2O_3$  | 0.000306  |  |
| Sodium oxalate                 | $Na_2C_2O_4$  | 0.000019  |  |
| Sodium-potassium tartrate      | $KNaC_4H_4O_{6\cdot4}H_2O$                                    | 0.00152   |  |
| Sodium sulfate anhydrous       | NA <sub>2</sub> SO <sub>4</sub>                               | 0.00132   |  |
| Sodium thiosulfate             | $Na_2S_2O_3$  | 0.00224   |  |
| Sulfide 1                      | Cu₂S  | 0.001     |  |
| Sulfuric acid                  | $H_2SO_4$   | 0.24      |  |
| Tetrahydrofuran                | $C_4H_8O$   | 0.005     |  |
| Xylene                         | C8H10   | 0.222     |  |
| Zinc                           | Zn  | 0.000008  |  |
| Zinc acetate                   | ZnC <sub>4</sub> H <sub>6</sub> O <sub>4</sub>                | 0.000126  |  |
| Zinc oxide                     | ZnO   | 0.001     |  |

#### **KMG INTERNATIONAL** SUSTAINABILITY REPORT 2022

| Water withdrawal                           | 2022     | Energy consump      | otion             | 2022                        |
|--|----------|---------------------|-------------------|-----------------------------|
| Fresh water from network (million liters)  | 11.951   | inside the organ    |                   | 2022                        |
| La Fântâna drinking water (million liters) | 0.046484 | Fleet fuel          | Gasoline (liters) | 23,524                      |
| <br>Total (million liters)                 | 11 00784 |                     | Diesel (liters)   | 10,051                      |
|  | 11.77704 | Electricity (MWh)   | Electricity (MWh) |                             |
| Water discharge                            | 2022     | Natural gas (MWh)   | )                 | 636                         |
| Total (million liters)                     | 11.951   | Energy Intensity    | 2022              | Emissions                   |
| Water consumption                          | 2022     | tE (GJ) / headcount | t 4.81            | Scope 1 (tCO2e)             |
| Total (million liters)                     | 0 046484 |                     |                   | Scope 2 (tCO2e)             |
|  | 0.040404 |                     |                   | Scope 3 (tCO <sub>2</sub> e |

| Rompetrol Quality Control waste in 2022                              | Code       | Generated (t) | Recycled (t) | Eliminated (t) |
|--|------------|---------------|--------------|----------------|
| Hazardous waste, of which:   |            | 0.851         | 0.851        | 0              |
| Used oil   |            | 0.2           | 0            | 0              |
| Packaging containing residues or contaminated with hazardous subs    | tances     | 0.375         | 0            | 0              |
| Absorbents, filters, protective clothing contaminated with dangerous | substances | 0.0522        | 0            | 0              |
| Inorganic lab chemicals constantly expired from dangerous substance  | es         | 0.127         | 0            | 0              |
| Organic lab chemicals constantly expired from dangerous substances   | ;          | 0.097         | 0            | 0              |
| Non-hazardous waste, of which:                                       |            | 40.94         | 5.76         | 35.18          |
| Plastic packaging  | 15 01 02   | 2.6           | 0            | 0              |
| Paper and cardboard  |            | 2.58          | 0            | 0              |
| Paper and cardboard packaging  | 15 01 01   | 0.58          | 0            | 0              |
| Glass  | 15 01 07   | 0.03          | 0            | 0              |
| Mixed municipal waste  | 20 03 01   | 35.18         | 0            | 35.18          |
| Total (t)  |            | 41.791        | 6.639        | 35.18          |



| GRI 302-1<br>GRI 302-3<br>GRI 303-1<br>GRI 303-3<br>GRI 303-4  |
|--|
| GRI 305-1<br>GRI 305-2   |
| GRI 306-2 thru 306-5   |
| SASB   |
| EM-MD-110a.1<br>EM-MD-160a.1   |
| IPIECA   |
| CCE-4 C1, C2<br>CCE-6 C1, C2, A2<br>ENV-1 C1, C2<br>ENV-2 A1, A2<br>ENV-3 C1, C3<br>ENV-6 C1, C4<br>ENV-7 C2, C3 |

2022

83.1

0

0

GRI

Petromidia Refinery is classified as a SEVESO upper-tier site, and therefore is subject to Law 59/2016 which implements the SEVESO Directive, a regulation governing the control of major accident hazards involving dangerous substances. As the operator of the offshore Midia marine terminal, as well as the entire supply and storage chain of oil for Rompetrol Midia Marine Terminal (MMT) must comply with this legislation.

The Midia Marin Terminal, remotely operated and situated in the middle of the Black Sea, is pivotal in supplying petrol to our refinery. The positive environmental aspects of the terminal's operations are its use only renewable energy sources which reduce carbon emissions. Moreover, the terminal's unique design, including double-casing hoses and regular equipment replacement, reduces the risk of leaks and subsequent marine pollution. The terminal also supports indirect job creation in the refinery and logistics sectors due to its role in the energy supply chain.

However, potential negative impacts cannot be dismissed. The process of petrol transfer presents the risk of oil spills, a significant hazard to marine ecosystems. Also, the continuous production and replacement of equipment may generate waste, and the terminal's mere presence could disrupt local marine life. Mitigation strategies in place include stringent safety and maintenance protocols to prevent oil spills, proper waste management for discarded equipment, and ongoing monitoring to limit disruptions to marine life.

Thus, the company has developed and continually updates a range of plans and documents to manage and mitigate potential risks. These include a list of dangerous substances, a safety report, an internal emergency plan, an accidental pollution prevention and control plan, a fire prevention and extinction intervention plan, an evacuation plan, a civil protection notification and alarm plan, an earthquake defense plan, a plan for managing emergencies caused by floods and hazardous weather events, an action plan for preventing and combatting snowfall, frost, landslides, and other cold season weather phenomena, a work procedure for emergency preparedness and response capacity, and a program for training and developing skills related to emergency response.

To identify and manage activities in sensitive operating areas, including those covered by Biodiversity Actions Plans, we have established a process called "The environmental aspects and risk factors". This procedure outlines how we identify and assess environmental aspects associated with our activities, to determine which ones

# **Midia Marine Terminal SRL**

are considered significant. By analyzing these factors, we are able to determine areas that require particular attention and sensitivity in order to minimize any potential negative impacts. This process includes criteria to assess the sensitivity of certain areas, as well as relevant metrics that help us measure and monitor our environmental impact.

To prevent accidental releases of hydrocarbons and other materials into the environment, we have implemented a range of procedures and plans. These include a plan specifically designed to prevent and combat accidental pollution, as well as emergency response plans. Additionally, we have taken steps to prepare for potential emergency situations and have established response capacities to ensure that we are equipped to guickly and effectively manage any incidents that may occur. During the reporting period, there were no significant spills identified, nor were there any grievances from the local community.

Midia Marine Terminal complies with the regulations set out in Water Management Permit no. 40/2021, which has a validity of three years. The water supply for the administrative building comes from the drinking water distribution network of the port premises, owned by RAJA SA. This water is used for drinking, sanitation, and domestic purposes. The terminal does not use water in its technological flow and does not discharge wastewater in a sewer system. Wastewater is collected in a septic tank and then transported to the Waste Water Treatment Plant of Rompetrol Rafinare - Petromidia Refinery for for treatment and evacuation in the Black Sea.

In 2022, MMT didn't record any incidents of non-compliance with water discharge limits.

As per our water management permit, we monitor specific pollutants at each emptying of our discharge water, including CCOCr, total suspended matter, substances extractable in petroleum ether, pH, CBO5, and anionic surface agents. Rainwater and products resulting from emptying hoses and arms are collected and pumped to the refinery, while domestic wastewater is discharged into the ecological pit (septic tank). Our loading and unloading procedures for ships involve surrounding them with anti-pollution floating dams provided by the authorized company CNAPMC, which helps limit the spreading of oil products accidentally discharged into the sea.

Our management of treated wastewater discharge follows certain principles, including keeping emissions to water below the emission limit values specified in our water management permit and taking all necessary measures to prevent or minimize the emissions of pollutants into water. Unauthorized and accidental discharges of pollutants to soil, surface, or groundwater are strictly prohibited. We regularly check and maintain our wastewater disposal facilities, and our accidental pollution prevention and control plan outlines measures for managing possible incidents and establishing immediate intervention and control measures to limit the impact. In addition, we keep sufficient neutralization/treatment substances within reach and in sufficient quantities in the vicinity of any facilities handling substances of water hazard.

The different departments at MMT are responsible for identifying the types of waste produced by their activities and recording them in a list of specific environmental aspects. Depending on the waste category, it is temporarily stored in dedicated locations for either disposal or recovery. The entire process, from waste generation to its valorization or elimination, is documented in internal procedures and plans such as the "Waste Management" procedure and waste management yearly plan. This process is verified through internal audits and inspections by both internal and external parties.

MMT has entered into contracts with authorized companies for the collection and recovery/disposal of waste generated by activities carried out on site.

MMT's Environmental Management Plan outlines a series of objectives and actions to guide our environmental management efforts, which include:

- Maintaining our ISO 14001 environmental management certification
- Ensuring zero incidents that could impact the environment in all our activities
- Conducting environmental impact assessments whenever there are changes to our operations
- Continuing to implement the Program for the prevention and reduction of the quantities of waste generated from the activity
- Regularly evaluating and improving our environmental performance, and communicating this to relevant stakeholders
- Complying with the requirements of our environmental permit
- Promoting awareness among our employees about waste prevention and reduction measures and ensuring proper waste separation and collection.

There was no recorded energy consumption outside of the organization.

For 2022, the energy consumption was 670,133 MWh, and the total tons handled/unloaded at SPM/ berth 9 was 6,237,076 tons.

| Nater withdraw     | al                       | 2022       |              |
|--------------------|--------------------------|------------|--------------|
| resh water from n  | etwork (million liters)  | 2.074      |              |
| a Fântâna drinkin  | g water (million liters) | 0.038      |              |
| otal (million lit  | ers)                     | 2,112      |              |
| Vater discharge    | 9                        | 2022       |              |
| otal (million lit  | ers)                     | 0.076      |              |
| Vater consump      | tion                     | 2022       |              |
| otal (million lit  | ers)                     | 2.036      |              |
| nergy consum       | otion inside the organ   | ization    | 2022         |
| loot fuol          | Gasoline (liters)        |            | 13,589       |
| ieetiuei           | Diesel (liters)          |            | 513,890      |
| ectricity (MWh)    |                          |            | 670.133      |
| uel for heating    | Propane (liters)         |            | 12,372       |
| nergy intensity    | 1                        |            | 2022         |
| E/t of products ha | ndled at the SPM buoy ar | nd Berth 9 | 0.000138225  |
| Reduction in en    | ergy consumption         |            | 2022 vs 2021 |
| nergy consumpti    | on                       |            | -8.5%        |
| iHG emissions      |                          |            | 2022         |
| leating and coolir | ng system (tCO2e)        |            | 316.12       |
| Car fleet (tCO2e)  |                          |            | 314.63       |
| otal (tCO2e)       |                          |            | 630.75       |

| Emissions Intensity                                      | 2022        |
|--|-------------|
| Scope 1+2/t products handled at the SPM buoy and Berth 9 | 0.000254276 |
| 1 585 94 tCO2e / 6 237 076 t of products                 |             |

| MMT waste in 2022                | Generated (t) |  |
|----------------------------------|---------------|--|
| Non-hazardous waste, of which:   | 5.358         | Waste directed to offsite                        |
| Plastic packaging waste          | 0.058         | disposal operations can be                       |
| Paper and cardboard              | 0.3           | classified into two categories:                  |
| Mixed municipal waste            | 5             | hazardous waste. In the case                     |
| Hazardous waste, of which:       | 4.4808        | of non-hazardous waste,                          |
| Used oil                         | 1.3           | tons are sent to landfill, and                   |
| Bilge water                      | 2.85          | 0.058 tons are sent to other                     |
| Slam                             | 0.33          | disposal operations. For hazardous waste, 4.4808 |
| Clothes soaked with oil products | 0.0008        | tons are directed to other                       |
| <br>Total                        | 9.8388        | disposal operations.                             |

Concrated (+)

#### GRI GRI 302-1 GRI 303-3 thru 303-5 GRI 305-1 GRI 305-2 GRI 305-6 GRI 305-7 GRI 306-1 thru 306-5

KMG Rompetrol Services Center and KMG Rompetrol Development operate in the Rompetrol HQ building, which holds LEED GOLD certification and has recently benefited from both interior and exterior improvements focused on sustainability. The design, quality of materials, furniture, lighting, and energy-efficient solutions were all given careful consideration to ensure functionality and energy efficiency.

In 2022, a total of 3.331 million liters (ML) of used water was discharged into the public network at the HQ. Additionally, the total water consumption at the HQ in 2022, was 0.05441 ML.

#### **Energy consumption** inside the organization

|                   | Gasoline (liters)<br>Gasoline (MWh) | 30,625<br>290.9375   |
|-------------------|-------------------------------------|----------------------|
| rieet luei        | Diesel (liters)<br>Diesel (MWh)     | 90,433<br>4,420.2443 |
| Electricity (MWh) |                                     | 1,194                |
|                   | Natural gas (MWh)                   | 0.05441              |
| and cooling       | Diesel (liters)<br>Diesel (MWh)     | 3,076<br>150.3507    |

## **Scope 1: GHG emissions**

| lotal (tCO <sub>2</sub> e)                      |  |
|---|--|
|   |  |
| Car fleet (tCO2e)                               |  |
| Heating and cooling system (tCO <sub>2</sub> e) |  |

#### **Scope 2: GHG emissions**

Energy consumption (tCO<sub>2</sub>e)

| Rompetrol HQ waste in 2022      | Code                 | Generated (t) | Recycled (t) | Eliminated (t) |
|---------------------------------|----------------------|---------------|--------------|----------------|
| Non-hazardous waste, of which:  |                      | 309.79        | 0            | 0              |
| Paper and cardboard<br>Plastics | 15 01 01<br>15 01 02 | 16.35         | 16.35        | 0              |
| NEEE                            | 20 01 36             | 5.44          | 5.44         | 0              |
| Mixed municipal waste           | 20 03 01             | 288           | 0            | 288            |
| Hazardous waste                 |                      | 0             | 0            | 0              |
| fotal                           |                      | 309.79        | 21.79        | 288            |

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# **KMG Rompetrol Services Center SRL KMG Rompetrol Development SRL**

2022

2022

At the HQ, a selective waste collection system is implemented with containers placed on each floor at suitable distances from workstations for the disposal of plastic, paper, and municipal waste. The building Administrator has concluded contracts with authorized companies to collect and transport the waste for valorization or final disposal. A specific protocol has also been established with a company responsible for the valorization of electrical and electronic equipment waste. Waste records are kept at the HQ, including the waste type (hazardous or non-hazardous), classification code, waste collection and transportation company, and final destination (recovery or disposal) to ensure traceability.

Furthermore, an organizational Plan for the prevention and reduction of waste generation has been developed and updated as needed. All legal provisions governing waste management are strictly adhered to.

| Water withdrawal                | 2022    |
|---------------------------------|---------|
| Network supply (million liters) | 3.331   |
| La Fântâna (million liters)     | 0.05441 |
| Total (million liters)          | 3.38541 |

| 316.12 | Air emissions                  | 2022     |
|--------|--------------------------------|----------|
| 314.63 | SOx (t)                        | 0.001    |
| 630.75 | NOx (t)                        | 187.08   |
| 2022   | Ozone-depleting substances (t) | 0        |
| 259.34 | PM (t)                         | 0.001028 |



# BUILDING A NEW FRAME OF REFERENCE







# Introduction

The KMG International Group is a community of more than 5,000 employees, working across the Group's entities in different countries. With 5 generations of specialists working together in over 200 different types of jobs, the Group's dynamic workforce reflects not only the common knowledge of multiple generations, but also the values and principles shared across different nationalities and cultures.

While the COVID-19 pandemic transformed the way of working within the Group, increasing our agility and accelerating the integration of digitalization within our processes and operations, 2022 was a year of great trials in the global and domestic energy market. Our Human Resources Strategy in 2022 was focused on the Together We Grow People platform, through which we want to grow tomorrow's leaders, cultivate a culture of conscious choices and decisions, and take care of our people. The strategy includes four main pillars that create an optimum framework for employees to form communities around their interests, work together and enjoy the results of their work:

- Education & Growth growth of the professionals within the company, as well as today's generations who will become tomorrow's professionals and leaders, through dedicated programs like Internship, vocational education, mentoring, knowledge transfer and learning opportunities;
- **People of Rompetrol Community** strengthening relations between employees, through charitable actions such as "Easter Bunny", "Secret Santa", "Back to School", and other;
- Working Environment & Culture organizing actions and activities that bring beneficial changes in the organizational culture, so that we contribute to a healthy working environment for us and for those around us;
- **Employees Health & Wellbeing** promoting sports activities & friendly competition, such as squash, rollerblading or cycling, encouraging and promoting a healthy lifestyle through the Financial Education program, wellbeing activities and balanced eating habits.



"In 2022, our main challenge was to redefine how we relate to people's needs. Nevertheless, we continued to consolidate the transformational role we have taken on, encouraging conscious decision-making and thought leadership, embracing change culture and supporting process automation and streamlining. Going further, we are focused on building communities inside and outside the Group, that work together for a more sustainable future."

*Gina Cruceru HR Director, KMG International Group*  Our commitment to sustainability goes beyond responding to environmental challenges, with a strong focus on a culture incorporating inclusion and diversity, transparency and equal treatment, employee health and wellbeing and workforce engagement.

## **INDUSTRIAL SERVICES**

| 2035  | 2040  | 2045        | 2050             |
|-------|-------|-------------|------------------|
| 20    | 20    | 20          | 20               |
| 100%  | 100%  | 100%        | 100%             |
| 100%  | 100%  | 100%        | 100%             |
| 33%   | 33%   | 33%         | 33%              |
| >100% | >100% | >100%       | >100%            |
| > 98% | > 98% | 100%        | 100%             |
| >     | > 98% | > 98% > 98% | > 98% > 98% 100% |

\* 2022 is the base year for the measurements

| Rominserv SRL  | 2022* | 2023  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Average training hours<br>per year per employee                                      | 9.01  | 10    | 15    | 20    | 20    | 20    | 20    | 20    |
| Percentage of total employees covered by collective bargaining agreements            | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Percentage of total employees<br>with labor contract                                 | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Share of women at management level<br>(mid & top management positions)               | 15%   | 20%   | 30%   | 33%   | 33%   | 33%   | 33%   | 33%   |
| Ratios of standard level wage<br>compared to local minimum wage                      | >100% | >100% | >100% | >100% | >100% | >100% | >100% | >100% |
| Percentage of employees receiving regular performance and career development reviews | >98%  | >98%  | >98%  | >98%  | >98%  | >98%  | 100%  | 100%  |

# **Social targets**

To continue improving our performance, we have set short-, medium- and long-term Social targets, in an effort to achieve sustainable growth and generate social value.

Our detailed objectives' matrix includes baseline sustainability metrics for the current reporting period, along with interim targets and 2050 commitments, reflecting social performance throughout the entire value chain, including in refining, retail and services operations.

## REFINING

| Rompetrol Rafinare SA  | 2022* | 2023  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Average training hours<br>per year per employee                                      | 39.85 | 45    | 50    | 50    | 50    | 55    | 55    | 55    |
| Percentage of total employees covered by collective bargaining agreements            | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Percentage of total employees<br>with labor contract                                 | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Percentage of women at management level<br>(mid & top management positions)          | 27%   | 27%   | 30%   | 33%   | 33%   | 33%   | 33%   | 33%   |
| Ratios of standard level wage<br>compared to local minimum wage                      | >100% | >100% | >100% | >100% | >100% | >100% | >100% | >100% |
| Percentage of employees receiving regular performance and career development reviews | >98%  | >98%  | >98%  | >98%  | >98%  | >98%  | 100%  | 100%  |

## **RETAIL ROMANIA**

| Rompetrol Downstream SRL<br>Rompetrol Gas SRL                                       | 2022* | 2023 | 2025 | 2030 | 2035  | 2040  | 2045 | 2050 |
|---|-------|------|------|------|-------|-------|------|------|
| Average training hours<br>per year per employee                                     | 6.28  | 7    | 9    | 10   | 11    | 12    | 13   | 14   |
| Number of employees that received one or multiple training sessions                 | 43%   | 45%  | 60%  | 65%  | 70%   | 75%   | 80%  | 85%  |
| Percentage of total employees covered by collective bargaining agreements           | 100%  | 100% | 100% | 100% | 100%  | 100%  | 100% | 100% |
| Percentage of total employees<br>with labor contract                                | 100%  | 100% | 100% | 100% | 100%  | 100%  | 100% | 100% |
| Share of women at management level<br>(mid & top management positions)              | 32%   | 32%  | 32%  | 33%  | 33%   | 34%   | 35%  | 36%  |
| Ratios of standard level wage compared to local minimum wage                        | 100%  | 100% | 100% | 100% | 100%  | 100%  | 100% | 100% |
| Percentage of employees receiving annual performance and career development reviews | >96%  | >96% | >97% | >97% | > 98% | > 99% | 100% | 100% |

\* 2022 is the base year for the measurements



# **RETAIL NEAR-ABROAD**

| Rompetrol Bulgaria EAD  | 2022* | 2023 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|-------|------|------|------|------|------|------|------|
| Average training hours<br>per year per employee                                     | 5.8   | 6    | 6.5  | 7    | 7.5  | 8    | 9    | 10   |
| Number of employees that received one or multiple training sessions                 | 65%   | 65%  | 70%  | 75%  | 80%  | 85%  | 90%  | 95%  |
| Percentage of total employees<br>with labor contract                                | 100%  | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Share of women at management level<br>(mid & top management positions)              | 25%   | 25%  | 25%  | 33%  | 33%  | 33%  | 33%  | 33%  |
| Ratios of standard level wage compared to local minimum wage                        | 100%  | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Percentage of employees receiving annual performance and career development reviews | 86.15 | >97% | >98% | >99% | 100% | 100% | 100% | 100% |

| Rompetrol Georgia LTD   | 2022* | 2023 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|-------|------|------|------|------|------|------|------|
| Average training hours<br>per year per employee                                     | 2.29  | 3    | 3.5  | 4    | 4.5  | 5    | 6    | 7    |
| Number of employees that received one or multiple training                          | 17%   | 20%  | 25%  | 30%  | 35%  | 40%  | 45%  | 50%  |
| Percentage of total employees<br>with labor contract                                | 100%  | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Share of women at management level<br>(mid & top management positions)              | 45%   | 45%  | 45%  | 45%  | 45%  | 45%  | 45%  | 45%  |
| Ratios of standard level wage compared to local minimum wage                        | n/a   | n/a  | n/a  | n/a  | n/a  | n/a  | n/a  | n/a  |
| Percentage of employees receiving annual performance and career development reviews | 97%   | >97% | >98% | >99% | 100% | 100% | 100% | 100% |

| Rompetrol Moldova SA  | 2022* | 2023 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|-------|------|------|------|------|------|------|------|
| Average training hours<br>per year per employee                                     | 6.95  | 7    | 7.5  | 8    | 8.5  | 9    | 10   | 11   |
| Number of employees that received one or multiple training                          | 77%   | 80%  | 85%  | 85%  | 90%  | 95%  | 95%  | 95%  |
| Percentage of total employees<br>with labor contract                                | 100%  | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Share of women at management level<br>(mid & top management positions)              | 50%   | 52%  | 52%  | 52%  | 52%  | 52%  | 52%  | 52%  |
| Ratios of standard level wage<br>compared to local minimum wage                     | 100%  | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Percentage of employees receiving annual performance and career development reviews | 99.66 | >98% | >98% | >99% | 100% | 100% | 100% | 100% |

\* 2022 is the base year for the measurements

# Workforce structure

## HEADCOUNT **STATUS AND EVOLUTION**

Our average headcount in 2022 was 5,335, of which 63.51% being located in Romania, the Group's largest operations base. Compared to the previous year, the figures show a slight increase across Group operations. In 2022, the fuel distribution network in Romania expanded with 8 new CODO stations (Company Owned Dealer Operated), which generated approximately 184 jobs. Near abroad, in Moldova, Bulgaria and Georgia, the Group's headcount either saw a stable trend or a slight increase.



| Headcount*  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | Gender    |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Romania     | 5,035 | 4,293 | 3,724 | 3,727 | 3,752 | 3,676 | 3,351 | 3,391 | Bulgaria  |
| Georgia     | 706   | 774   | 792   | 787   | 762   | 776   | 802   | 774   | Georgia   |
| Moldova     | 604   | 708   | 790   | 941   | 931   | 967   | 1,043 | 1,047 | Kazakhst  |
| France      | 367   | -     | -     | -     | -     | -     | -     | -     | Libya     |
| Kazakhstan  | 200   | 328   | 196   | 33    | 27    | 20    | 15    | 15    | Moldova   |
| Bulgaria    | 65    | 66    | 74    | 79    | 76    | 78    | 79    | 78    | Netherla  |
| Libya       | 52    | 10    | 10    | 7     | 3     | 3     | 2     | 2     | Romania   |
| Spain       | 44    | -     | -     | -     | -     | -     | -     | -     | Switzerla |
| Switzerland | 28    | 26    | 26    | 29    | 29    | 28    | 21    | 21    | Turkey    |
| Ukraine     | 21    | 3     | -     | -     | -     | -     | -     | -     | Total     |
| Singapore   | 8     | 6     | 6     | 5     | 5     | -     | -     | -     |           |
| Netherlands | 6     | 6     | 6     | 6     | 5     | 4     | 4     | 3     |           |
| Turkey      | 4     | 4     | 5     | 5     | 5     | 5     | 5     | 4     |           |
| Total       | 7,139 | 6,224 | 5,628 | 5,619 | 5,595 | 5,557 | 5,322 | 5,335 |           |

| Gender      | <b>-</b> - | IVI   | 2022  |
|-------------|------------|-------|-------|
| Bulgaria    | 23         | 55    | 78    |
| Georgia     | 45         | 729   | 774   |
| Kazakhstan  | 6          | 9     | 15    |
| Libya       | -          | 2     | 2     |
| Moldova     | 348        | 699   | 1,047 |
| Netherlands | 1          | 2     | 3     |
| Romania     | 1,086      | 2,305 | 3,391 |
| Switzerland | 10         | 11    | 21    |
| Turkey      | -          | 4     | 4     |
| Total       | 1,518      | 3,817 | 5,335 |
|             |            |       |       |

2022

\* Average number for the year

| Total labor contracts                 | F   | Μ      | 2022 |
|---------------------------------------|-----|--------|------|
| Byron Shipping Ltd                    | 4   | 6      | 10   |
| KMG Rompetrol SRL                     | 101 | 91     | 191  |
| KMG Rompetrol Services Center SRL     | 172 | 53     | 225  |
| Midia Marine Terminal SRL             | 53  | 185    | 238  |
| Rominserv SRL                         | 100 | 443    | 543  |
| Rompetrol Downstream SRL & Rom Oil SA | 142 | 306    | 448  |
| Rompetrol Gas SRL                     | 12  | 83     | 95   |
| Rompetrol Logistics SRL               | 3   | 1      | 4    |
|                                       | con | tinuas |      |

| Total labor contracts                      | F     | М     | 2022  |
|--|-------|-------|-------|
| Rompetrol Petrochemicals SRL               | 2     | -     | 2     |
| Rompetrol Quality Control SRL              | 164   | 42    | 206   |
| Rompetrol Rafinare SA                      | 266   | 842   | 1,108 |
| Oilfield Exploration Business Solutions SA | 3     | 7     | 10    |
| Rompetrol Well Services SA                 | 22    | 115   | 137   |
| Rompetrol Development SRL                  | 3     | 2     | 5     |
| Rompetrol Energy SA                        | 35    | 122   | 157   |
| Fondul de investiții în energie KZ-RO SA   | 5     | 7     | 12    |
| Romania total                              | 1,086 | 2,305 | 3,391 |

| Permanent             |                   | Full Time |           |            |            |       |  |  |
|-----------------------|-------------------|-----------|-----------|------------|------------|-------|--|--|
| employees             | F                 | М         | 2022      | F          | Μ          | 2022  |  |  |
| Bulgaria              | 23                | 55        | 77        | -          | 1          | 1     |  |  |
| Georgia               | 45                | 720       | 764       | -          | -          | -     |  |  |
| Kazakhstan            | 6                 | 3         | 9         | 0          | -          | 0     |  |  |
| Libya                 | -                 | 2         | 2         | -          | -          | -     |  |  |
| Moldova               | 333               | 694       | 1,027     | 1          | 0          | 1     |  |  |
| Netherlands           | 1                 | 2         | 3         | -          | -          | -     |  |  |
| Romania               | 972               | 2,139     | 3,111     | 35         | 42         | 77    |  |  |
| Switzerland           | 9                 | 11        | 20        | -          | -          | -     |  |  |
| Turkey                | -                 | 4         | 4         | -          | -          | -     |  |  |
| Total                 | 1,388             | 3,631     | 5,018     | 36         | 43         | 79    |  |  |
| The figures are repor | rtad as avarana l | Jaadcount | throughou | it the ver | The recult | miaht |  |  |

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

| Full time labor contracts             | F   | Μ       | 2022 | Full time labor contracts                  |          | М     | 2022  |
|---------------------------------------|-----|---------|------|--|----------|-------|-------|
| Byron Shipping Ltd                    | 3   | 6       | 9    | Rompetrol Petrochemicals SRL               |          | -     | -     |
| KMG Rompetrol SRL                     | 95  | 88      | 183  | Rompetrol Quality Control SRL              | 134      | 24    | 158   |
| KMG Rompetrol Services Center SRL     | 167 | 51      | 217  | Rompetrol Rafinare SA                      | 239      | 780   | 1,019 |
| Midia Marine Terminal SRL             | 49  | 184     | 233  | Oilfield Exploration Business Solutions SA | 1        | -     | 1     |
| Rominserv SRL                         | 95  | 423     | 517  | Rompetrol Well Services SA                 | 20       | 113   | 132   |
| Rompetrol Downstream SRL & Rom Oil SA | 132 | 292     | 424  | Rompetrol Development SRL                  | 2        | 1     | 3     |
| Rompetrol Gas SRL                     | 11  | 80      | 91   | Rompetrol Energy SA                        | 24       | 98    | 122   |
| Rompetrol Logistics SRL               | 2   | -       | 2    | Fondul de investiții în energie KZ-RO SA   | -        | 1     | 1     |
|                                       | cor | ntinues |      | Romania total                              | 972      | 2,139 | 3,111 |
| Part time la bay contracto            |     |         | 2022 | Post time laker contracts                  |          |       | 2022  |
|                                       |     | IVI     | 2022 |  | <u> </u> | IVI   | 2022  |

| Part time labor contracts             | F   | Μ      | 2022 | Part time labor contracts                  |    | М  | 2022 |
|---------------------------------------|-----|--------|------|--|----|----|------|
| Byron Shipping Ltd                    | 1   | -      | 1    | Rompetrol Petrochemicals SRL               | 2  | -  | 2    |
| KMG Rompetrol SRL                     | 3   | -      | 3    | Rompetrol Quality Control SRL              | 5  | 13 | 18   |
| KMG Rompetrol Services Center SRL     | 0   | -      | 0    | Rompetrol Rafinare SA                      | 6  | 6  | 13   |
| Midia Marine Terminal SRL             | 2   | -      | 2    | Oilfield Exploration Business Solutions SA | 2  | 7  | 9    |
| Rominserv SRL                         | 2   | 1      | 3    | Rompetrol Well Services SA                 | 1  | 1  | 2    |
| Rompetrol Downstream SRL & Rom Oil SA | 4   | 8      | 12   | Rompetrol Development SRL                  | 1  | 1  | 2    |
| Rompetrol Gas SRL                     | 1   | 3      | 4    | Rompetrol Energy SA                        | 2  | 1  | 3    |
| Rompetrol Logistics SRL               | 1   | 1      | 2    | Fondul de investiții în energie KZ-RO SA   | 1  | 1  | 2    |
|                                       | con | tinues |      | Romania total                              | 35 | 42 | 77   |

| Permanent employees | F     | М     | 2022  | Temporary employees | F  | М   | 2022 |
|---------------------|-------|-------|-------|---------------------|----|-----|------|
| Romania             | 1,007 | 2,182 | 3,188 | Romania             | 79 | 124 | 203  |
| Moldova             | 334   | 695   | 1,028 | Moldova             | 14 | 5   | 19   |
| Georgia             | 45    | 720   | 764   | Georgia             | 1  | 10  | 10   |
| Bulgaria            | 23    | 55    | 78    | Bulgaria            | -  | -   |      |
| Switzerland         | 9     | 11    | 20    | Switzerland         | 0  | -   | C    |
| Kazakhstan          | 6     | 3     | 9     | Kazakhstan          | -  | 5   | 5    |
| Netherlands         | 1     | 2     | 3     | Netherlands         | -  | -   | -    |
| Libya               | -     | 2     | 2     | Libya               | -  | -   |      |
| Turkey              | -     | 4     | 4     | Turkey              | -  | -   |      |
| Total               | 1,423 | 3,674 | 5,097 | Total               | 94 | 143 | 237  |

The Group does not have supervised workers, neither non-guaranteed hours employees, hence all workforce is represented by employees with labor contracts (full time/part-time, permanent/temporary). All our employees have a labor contract, of which 98.18% have full time contracts, minor increase compared to the previous reporting period. Of the 79 part-time employees within the Group, 77 are active in the Romanian operations. Nevertheless, the Group offers the same benefits to its employees, regardless of their contract type, be it part-time of full-time, as part of KMG International's internal policy. Of the total number of part-time employees, 43 are male and 36 are female.

# Generational

makeup of Rompetrol

## **DIVERSITY AND** INCLUSION

We are committed to providing a respectful, inclusive workplace, free from discrimination, violence, and intimidation. We do not discriminate based on gender, race, color, age, national origin, religion, disability, sexual orientation, marital status, or any other characteristic protected by applicable laws. Moreover, we embrace diversity and equal opportunity as means to access a broader talent pool and foster innovation.

Anti-discrimination provisions are included in the Group's collective bargaining agreements and also in the internal regulations in force. As such, no discrimination incidents were reported in 2022.

## AGE DIVERSITY

At Rompetrol, we offer career opportunities for candidates of all working-age groups. The energy field has been facing a decrease in the number of professionals for many years, and the complex nature of our activities, which range from procurement of raw materials to transportation, production, and industrial services, has made us recognize the value of experience.

Thus, not only do we support the engagement of our experienced colleagues in all our activities, but we also seek to attract other experienced professionals in our operations. The Group is part of the Restart 45+

| Age of employees (#) | <30   | 30-50 | >50   | Age of  |
|----------------------|-------|-------|-------|---------|
| Romania              | 475   | 1,531 | 1,385 | Romani  |
| Moldova              | 269   | 563   | 215   | Moldov  |
| Georgia              | 255   | 337   | 183   | Georgia |
| Bulgaria             | 7     | 52    | 18    | Bulgari |
| Switzerland          | -     | 16    | 5     | Switzer |
| Kazakhstan           | 2     | 11    | 1     | Kazakh  |
| Netherlands          | -     | 3     | 0     | Netherl |
| Libya                | -     | 2     | 1     | Libya   |
| Turkey               | 0     | 4     | -     | Turkey  |
| Total                | 1,007 | 2,519 | 1,808 | Total   |

initiative, a national program focused on ending age discrimination and biases in the labor market, encouraging mentorship and knowledge transfer within different generations within the Group operations.

**9%** 

**Baby Boomers** 

At the same time, we constantly focus on bringing young talents to our internal community. In this endeavor we are in permanent contact with high schools and universities in order to identify their needs and build together better prepared generations of students. For more than 10 years now, we have been organizing workshops and business talks in order to develop their hard and soft skills. Also, we open our doors to university and high-school students through our annual Internship program that is now a 22-year tradition for us. At the end of this program each year we hire many of the interns based on the results of the final evaluations. This way we offer a chance to fresh graduates with no previous work experience, and they continue their learning process closely guided by a mentor.

Also, we always promote our vacancies in gas stations, which are open to candidates regardless of their work experience, age or gender, as the Group provides them with the necessary trainings for the job.

We encourage communication, openness to learning and knowledge transfer from one generation to another We work together, we support and value the specific qualities of each age category. In our activities in Romania, we have representatives from all active generations.

| Age of employees (%) | <30 | 30-50 | >50 |
|----------------------|-----|-------|-----|
| Romania              | 14% | 45%   | 41% |
| Moldova              | 26% | 54%   | 21% |
| Georgia              | 33% | 44%   | 24% |
| Bulgaria             | 9%  | 67%   | 24% |
| Switzerland          | 0%  | 76%   | 24% |
| Kazakhstan           | 15% | 76%   | 9%  |
| Netherlands          | 0%  | 95%   | 5%  |
| Libya                | 0%  | 75%   | 25% |
| Turkey               | 0%  | 100%  | 0%  |
| Total                | 19% | 47%   | 34% |



| Age of employees in Romania                | <30 | 30-50 | >50   |
|--|-----|-------|-------|
| Byron Shipping Ltd                         | 0   | 4     | 6     |
| KMG Rompetrol SRL                          | 25  | 142   | 24    |
| KMG Rompetrol Services Center SRL          | 19  | 154   | 52    |
| Midia Marine Terminal SRL                  | 49  | 91    | 97    |
| Rominserv SRL                              | 62  | 248   | 234   |
| Rompetrol Downstream SRL & Rom Oil SA      | 62  | 286   | 99    |
| Rompetrol Gas SRL                          | 12  | 45    | 38    |
| Rompetrol Logistics SRL                    | 0   | 1     | 3     |
| Rompetrol Petrochemicals SRL               | 0   | 2     | 0     |
| Rompetrol Quality Control SRL              | 41  | 72    | 94    |
| Rompetrol Rafinare SA                      | 183 | 349   | 576   |
| Oilfield Exploration Business Solutions SA | 0   | 3     | 7     |
| Rompetrol Well Services SA                 | 12  | 58    | 67    |
| Rompetrol Development SRL                  | 0   | 4     | 1     |
| Rompetrol Energy SA                        | 10  | 59    | 88    |
| Fondul de investiții în energie KZ-RO      | 0   | 12    | 0     |
| Romania total                              | 475 | 1,531 | 1,385 |

# GENDER DIVERSITY

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. The oil & gas industry has historically been male dominated at all levels, from leadership roles in major corporations to operational roles. However, we are committed to reduce gender inequality and promote equity in terms of hires and payment across Group operations.

Our efforts towards fostering gender diversity and equal opportunity within the Group are constant. However, although that there are still improvements to make, we strive to make the gap smaller every day. As proof, the percentage of female employees has increased by 0.5% from the previous reporting period, reaching an overall 28% at Group level.

It is clear to us that this is a lengthy process, especially considering our field of operations. Nevertheless, we



| Age of employees in Romania                | <30 | 30-50 | >50 |
|--|-----|-------|-----|
| Byron Shipping LTD                         | 0%  | 40%   | 60% |
| KMG Rompetrol SRL                          | 13% | 74%   | 13% |
| KMG Rompetrol Services Center SRL          | 9%  | 68%   | 23% |
| Midia Marine Terminal SRL                  | 21% | 38%   | 41% |
| Rominserv SRL                              | 11% | 46%   | 43% |
| Rompetrol Downstream SRL & Rom Oil SA      | 14% | 64%   | 22% |
| Rompetrol Gas SRL                          | 13% | 47%   | 40% |
| Rompetrol Logistics SRL                    | 0%  | 35%   | 45% |
| Rompetrol Petrochemicals SRL               | 0%  | 100%  | 0%  |
| Rompetrol Quality Control SRL              | 20% | 35%   | 45% |
| Rompetrol Rafinare SA                      | 17% | 32%   | 52% |
| Oilfield Exploration Business Solutions SA | 0%  | 30%   | 70% |
| Rompetrol Well Services SA                 | 9%  | 42%   | 49% |
| Rompetrol Development SRL                  | 9%  | 79%   | 13% |
| Rompetrol Energy SA                        | 6%  | 38%   | 56% |
| Fondul de investiții în energie KZ-RO      | 0%  | 97%   | 3%  |
| Romania total                              | 14% | 45%   | 41% |

are making every effort to attract gualified female employees across all areas and functions of our business. This can be noticed from the evolution of our women-to men employee ratio over the years, as well as from the women new hires each year.

Equal opportunities also refer to equal pay. In this regard, the evolution of the ratio of the base salary and remuneration of women to men has recorded an optimistic evolution in various of our regional operations, considering the absolute values of this indicator.

The percentage was calculated as ratio between average gross salary for women and average gross salary for men (negative values means average gross salary for women are below men's average gross salary with % calculated). The calculation was made at country level and, for Romania, at entity level.

The figures are reported considering only full-time employees during the period under review. They should be

| Base salary and remuneration of women to men |      |      |      |      |      |      |  |  |  |
|--|------|------|------|------|------|------|--|--|--|
| Evolution                                    | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |  |  |  |
| Romania                                      | -6%  | 2%   | 5%   | 4%   | 0%   | -1%  |  |  |  |

| Georgia     | 249%  | 280% | 285% | 245% | 236% | 212% |
|-------------|-------|------|------|------|------|------|
| Moldova     | 13%   | -67% | 0%   | 8%   | 6%   | 11%  |
| Kazakhstan  | 36%   | 6%   | 8%   | 1%   | -14% | -51% |
| Bulgaria    | -22%  | -27% | -22% | -21% | -20% | -17% |
| Libya       | -41%  | n/a  | n/a  | n/a  | n/a  | n/a  |
| Switzerland | -33%  | -42% | -35% | -21% | -16% | -20% |
| Singapore   | -36%  | n/a  | -78% | n/a  | n/a  | n/a  |
| Netherlands | -76%  | -74% | -76% | -86% | -87% | -95% |
| Turkey      | -100% | n/a  | n/a  | n/a  | n/a  | n/a  |

correlated with the number and percentage of employees, as well as with the types of jobs available in each country. For example, in Georgia and Moldova, average gross salaries for women are higher due to the fact that most employees are men hired in the gas station network, with minimum wage.

## **DIVERSITY ACROSS** NATIONALITIES

While our employees are mainly located in Romania, at Group level, we are 17 different nationalities, including Georgian, Moldovan, Kazakh, Bulgarian, among others, a reflection of our commitment to fostering diversity and inclusion.

| Nationality | #     | %   | Origin      | Locals | Expats |
|-------------|-------|-----|-------------|--------|--------|
| Romanian    | 3,330 | 62% | Romania     | 3,328  | 63     |
| Moldovan    | 1,045 | 20% | Moldova     | 1,043  | 4      |
| Georgian    | 768   | 14% | Georgia     | 768    | 7      |
| Bulgarian   | 77    | 1%  | Bulgaria    | 76     | 2      |
| Russian     | 5     | 0%  | Switzerland | 1      | 20     |
| Turkish     | 4     | 0%  | Kazakhstan  | 15     | -      |
| German      | 3     | 0%  | Turkey      | 4      | -      |
| Italian     | 3     | 0%  | Netherlands | 0      | 3      |
| Ukrainian   | 3     | 0%  | Libya       | 2      | -      |
| Libyan      | 2     | 0%  |             |        |        |
| Dutch       | 1     | 0%  |             |        |        |
| Swiss       | 1     | 0%  |             |        |        |
| Latvian     | 1     | 0%  |             |        |        |
| Estonian    | 1     | 0%  |             |        |        |
| Greek       | 1     | 0%  |             |        |        |
| Serbian     | 1     | 0%  |             |        |        |

|--|

| Evolution in Romania                       | 2022 |
|--|------|
| Byron Shipping LTD                         | -40% |
| KMG Rompetrol SRL                          | -47% |
| KMG Rompetrol Services Center SRL          | -18% |
| Midia Marine Terminal SRL                  | -18% |
| Rominserv SRL                              | -11% |
| Rompetrol Downstream SRL & Rom Oil SA      | 12%  |
| Rompetrol Gas SRL                          | 36%  |
| Rompetrol Logistics SRL                    | n/a  |
| Rompetrol Petrochemicals SRL               | n/a  |
| Rompetrol Quality Control SRL              | 5%   |
| Rompetrol Rafinare SA                      | 8%   |
| Oilfield Exploration Business Solutions SA | n/a  |
| Rompetrol Well Services SA                 | 23%  |
| Rompetrol Development SRL                  | -28% |
| Rompetrol Energy SA                        | -28% |
| Fondul de investiții în energie KZ-RO      | n/a  |

| Origin of employees in Romania             | Locals | Expats |
|--|--------|--------|
| Byron Shipping LTD                         | 10     | -      |
| KMG Rompetrol SRL                          | 151    | 40     |
| KMG Rompetrol Services Center SRL          | 221    | 4      |
| Midia Marine Terminal SRL                  | 238    | -      |
| Rominserv SRL                              | 529    | 14     |
| Rompetrol Downstream SRL & Rom Oil SA      | 447    | 0      |
| Rompetrol Gas SRL                          | 95     | -      |
| Rompetrol Logistics SRL                    | 4      | -      |
| Rompetrol Petrochemicals SRL               | 2      | -      |
| Rompetrol Quality Control SRL              | 205    | 1      |
| Rompetrol Rafinare SA                      | 1,107  | 1      |
| Oilfield Exploration Business Solutions SA | 10     | -      |
| Rompetrol Well Services SA                 | 137    | -      |
| Rompetrol Development SRL                  | 5      | -      |
| Rompetrol Energy SA                        | 157    | -      |
| Fondul de investiții în energie KZ-RO      | 9      | 3      |

All the Group CEOs, Chief Officers and Advisors to the Group CEOs in the Romania region are employees of KMG Rompetrol SRL

# **DIVERSITY OF GOVERNANCE BODIES**

In Romania, over the course of the reporting period, 28,16% of the senior management team members were hired from the local community and 71,84% were expatriates. There was only a slight variation from the previous year, when the ratio was 27-73%, considering the specific of the Group's structure and operations in the region.

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

When referring to the Governance Body, we are specifically addressing the board members.

| Senior board members hired<br>from the local community | Jan | Feb | Mar | Apr | Мау | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Romania total  | 11  | 9   | 9   | 9   | 9   | 8   | 9   | 9   | 8   | 8   | 7   | 7   |
| Kazakh   | 8   | 6   | 6   | 6   | 6   | 6   | 6   | 6   | 5   | 5   | 4   | 4   |
| Romanian   | 3   | 3   | 3   | 3   | 3   | 2   | 2   | 2   | 2   | 2   | 2   | 2   |
| Russian  | -   | -   | -   | -   | -   | -   | 1   | 1   | 1   | 1   | 1   | 1   |
| Netherlands total                                      | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   | 1   |
| Kazakh   | 1   | 1   | 1   | 1   | 1   | -   | -   | -   | -   |     | -   | -   |
| Russian  | -   | -   | -   | -   | -   | 1   | 1   | 1   | 1   | 1   | 1   | 1   |

| Board members (#) |     |   | м   | ~30 | 20-20 | >50 | ΛΠΟ | RIII | GEO | K \ 7 | мра | POIL | DIIC |
|-------------------|-----|---|-----|-----|-------|-----|-----|------|-----|-------|-----|------|------|
| board members (#) |     |   | ·   |     | 50-50 |     | AUJ | DOL  |     |       |     | NOU  |      |
| Bulgaria          | 3   | - | 3   | -   | 2     | 1   | -   | 1    | -   | 1     | -   | 1    | -    |
| Georgia           | 3   | - | 3   | -   | 2     | 1   | -   | -    | -   | 2     | -   | 1    |      |
| Moldova           | 3   | - | 3   | -   | 2     | 1   | -   | -    | -   | 1     |     | 2    | -    |
| Romania           | 47  | 3 | 45  | -   | 35    | 12  | -   | -    | -   | 19    |     | 28   | 1    |
| Switzerland       | 5   | - | 5   | -   | 4     | 1   | 1   | -    | -   | 3     | -   | 1    | -    |
| Turkey            | 3   | - | 3   | -   | 2     | 1   | -   | -    | -   | 2     | -   | 1    |      |
| Total             | *65 | 3 | *61 | -   | 47    | 17  | 1   | 1    | -   | 28    | -   | 34   | 1    |

\* Some discrepancies may appear between row values and column total. Since figures are calculated as yearly average, the totals are correct.

| Board members | ; (%) | F  | М    | <30 | 30-50 | >50 | AUS | BUL | GEO | KAZ | MDA | ROU | RUS |
|---------------|-------|----|------|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|
| Bulgaria      | 100%  | 0% | 100% | 0%  | 67%   | 33% | 0%  | 33% | 0%  | 33% | 0%  | 33% | 0%  |
| Georgia       | 100%  | 0% | 100% | 0%  | 67%   | 33% | 0%  | 0%  | 0%  | 67% | 0%  | 33% | 0%  |
| Moldova       | 100%  | 0% | 100% | 0%  | 67%   | 33% | 0%  | 0%  | 0%  | 33% | 0%  | 67% | 0%  |
| Romania       | 100%  | 7% | 93%  | 0%  | 74%   | 26% | 0%  | 0%  | 0%  | 41% | 0%  | 58% | 1%  |
| Switzerland   | 100%  | 0% | 100% | 0%  | 80%   | 20% | 20% | 0%  | 0%  | 60% | 0%  | 20% | 0%  |
| Turkey        | 100%  | 0% | 100% | 0%  | 67%   | 33% | 0%  | 0%  | 0%  | 67% | 0%  | 33% | 0%  |
| Total         | 100%  | 5% | 95%  | 0%  | 73%   | 27% | 2%  | 2%  | 0%  | 44% | 0%  | 52% | 1%  |
|               |       |    |      |     |       |     |     |     |     |     |     |     |     |

# Nationality of board members in the Netherlands

| Russian | 58.33% |
|---------|--------|
| Kazakh  | 41.67% |

#### Nationality of board members in Romania

| Kazakh   | 66.02% |
|----------|--------|
| Romanian | 28.16% |
| Russian  | 5.83%  |

KMG INTERNATIONAL

| Total                | 48 | 3 | 44 | - | 35 | 12 | - | - | • | 19 | - | 28 | 1 |
|----------------------|----|---|----|---|----|----|---|---|---|----|---|----|---|
| FIE KZ-RO            | 5  | 1 | 4  | - | 3  | 2  | - | - | - | 3  | - | 2  | - |
| Rompetrol Energy     | 5  | - | 5  | - | 3  | 2  | - | - | - | 3  | - | 2  | - |
| Rompetrol Dev.       | 1  | - | 1  | - | 1  | -  | - | - | - | -  | - | 1  | - |
| RWS                  | 5  | 1 | 4  | - | 5  | -  | - | - | - | 1  | - | 4  | - |
| OEBS                 | 1  | - | 1  | - | 1  | -  | - | - | - | 1  | - | -  | - |
| Rompetrol Rafinare   | 5  | - | 5  | - | 4  | 1  | - | - | - | 2  | - | 3  | - |
| RQC                  | 1  | 1 |    | - | -  | 1  | - | - | - | -  | - | 1  | - |
| Rompetrol Petrochem. | 1  | 0 | 1  | - | 1  | -  | - | - | - | 1  | - | 0  | - |
| Rompetrol Logistics  | 1  | - | 1  | - | 1  | -  | - | - | - | -  | - | 1  | - |
| Rompetrol Gas        | 4  | - | 4  | - | 2  | 2  | - | - | - | 1  | - | 3  | - |
| DWS & RML            | 8  | - | 8  | - | 6  | 2  | - | - | - | 2  | - | 5  | - |
| Rominserv            | 4  | - | 4  | - | 4  | 0  | - | - | - | 2  | - | 2  | - |
| MMT                  | 3  | - | 3  | - | 2  | 1  | - | - | - | -  | - | 3  | - |
| KMG RSC              | 3  | - | 3  | - | 2  | 1  | - | - | - | 3  | - | 0  | - |
| KMG Rompetrol        | 1  | - | 1  | - | 1  | -  | - | - | - | 0  | - | -  | 1 |
| Byron Shipping       |    | - |    | - | -  | -  | - | - | - | -  | - | -  | - |

AUS BUL GEO KAZ MDA ROU RUS

| Board members (%)    | - ROU | F    | М    | <30 | 30-50 | >50  | AUS | BUL | GEO | KAZ | MDA | ROU  | RUS |
|----------------------|-------|------|------|-----|-------|------|-----|-----|-----|-----|-----|------|-----|
| Byron Shipping       | 0%    | 0%   | 0%   | 0%  | 0%    | 0%   | 0%  | 0%  | 0%  | 0%  | 0%  | 0%   | 0%  |
| KMG Rompetrol        | 0%    | 0%   | 0%   | 0%  | 0%    | 0%   | 0%  | 0%  | 0%  | 0%  | 0%  | 0%   | 0%  |
| KMG RSC              | 100%  | 0%   | 100% | 0%  | 65%   | 35%  | 0%  | 0%  | 0%  | 97% | 0%  | 3%   | 0%  |
| MMT                  | 100%  | 0%   | 100% | 0%  | 67%   | 33%  | 0%  | 0%  | 0%  | 0%  | 0%  | 100% | 0%  |
| Rominserv            | 100%  | 0%   | 100% | 0%  | 90%   | 10%  | 0%  | 0%  | 0%  | 52% | 0%  | 48%  | 0%  |
| DWS & RML            | 100%  | 0%   | 100% | 0%  | 74%   | 26%  | 0%  | 0%  | 0%  | 31% | 0%  | 69%  | 0%  |
| Rompetrol Gas        | 100%  | 0%   | 100% | 0%  | 48%   | 52%  | 0%  | 0%  | 0%  | 22% | 0%  | 78%  | 0%  |
| Rompetrol Logistics  | 100%  | 0%   | 100% | 0%  | 100%  | 0%   | 0%  | 0%  | 0%  | 0%  | 0%  | 100% | 0%  |
| Rompetrol Petrochem. | 100%  | 17%  | 83%  | 0%  | 100%  | 0%   | 0%  | 0%  | 0%  | 83% | 0%  | 17%  | 0%  |
| RQC                  | 100%  | 100% | 0%   | 0%  | 0%    | 100% | 0%  | 0%  | 0%  | 0%  | 0%  | 100% | 0%  |
| Rompetrol Rafinare   | 100%  | 0%   | 100% | 0%  | 80%   | 20%  | 0%  | 0%  | 0%  | 40% | 0%  | 60%  | 0%  |
| OEBS                 | 0%    | 0%   | 0%   | 0%  | 0%    | 0%   | 0%  | 0%  | 0%  | 0%  | 0%  | 0%   | 0%  |
| RWS                  | 100%  | 20%  | 80%  | 0%  | 100%  | 0%   | 0%  | 0%  | 0%  | 20% | 0%  | 80%  | 0%  |
| Rompetrol Dev.       | 0%    | 0%   | 0%   | 0%  | 0%    | 0%   | 0%  | 0%  | 0%  | 0%  | 0%  | 0%   | 0%  |
| Rompetrol Energy     | 100%  | 0%   | 100% | 0%  | 60%   | 40%  | 0%  | 0%  | 0%  | 60% | 0%  | 40%  | 0%  |
| FIE KZ-RO            | 100%  | 20%  | 80%  | 0%  | 62%   | 38%  | 0%  | 0%  | 0%  | 60% | 0%  | 40%  | 0%  |
| Total                | 100%  | 7%   | 93%  | 0%  | 74%   | 26%  | 0%  | 0%  | 0%  | 41% | 0%  | 58%  | 1%  |

## PROMOTIONS AND NEW HIRES

a vacant position. In 2022, there were 113 employees promoted at Group level - a comparable figure to the previous year (117 promotions in 2021), of which 81 employees in the Romanian entities, followed in descending order by Georgia, with 17 promotions, Moldova with 10, Bulgaria with 3 and 1 in Switzerland.

| Promotions (#)       | 2022 | F  | М  | <30 | 30-50 | >50 | BUL | GEO | DEU | KAZ | MDA | ROU | RUS |
|----------------------|------|----|----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|
| Bulgaria             | 3    | 1  | 2  | -   | 3     | -   | 3   | -   | -   | -   |     | -   | -   |
| Georgia              | 17   | 4  | 13 | 10  | 7     | -   | -   | 16  | -   | 1   | -   | -   | -   |
| Kazakhstan           |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| Libya                |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| Moldova              | 10   | 8  | 2  | 1   | 8     | 1   | -   | -   | -   | -   | 10  | -   | -   |
| Netherlands          |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   |     |     |
| Romania              | 81   | 35 | 46 | 29  | 45    | 7   | -   | -   | -   | 2   | -   | 79  | -   |
| Singapore            | -    | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   |     |
| Switzerland          | 2    | -  | 2  | -   | 2     | -   | -   | -   | 1   | -   | -   | 1   | -   |
| Turkey               |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| Total                | 113  | 48 | 65 | 40  | 65    | 8   | 3   | 16  | 1   | 3   | 10  | 80  | 1   |
| Promotions (#) - ROU | 2022 | F  | М  | <30 | 30-50 | >50 | BUL | GEO | DEU | KAZ | MDA | ROU | RUS |
| Byron Shipping       |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| KMG Rompetrol        | 22   | 15 | 7  | 6   | 15    | 1   | -   | -   | -   | 2   | -   | 20  |     |
| KMG Rompetrol SC     | 6    | 4  | 2  | 1   | 5     | -   | -   | -   | -   | -   | -   | 6   |     |
| MMT                  | -    | -  | -  | -   | -     | -   | -   | -   | -   | -   |     | -   | -   |
| Palplast             | -    | -  |    | -   | -     | -   | -   | -   | -   | -   |     |     |     |

| Promotions (#) - ROU | 2022 | F  | М  | <30 | 30-50 | >50 | BUL | GEO | DEU | KAZ | MDA | ROU | RUS |
|----------------------|------|----|----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|
| Byron Shipping       | -    | -  | -  | -   | -     | -   | -   | -   | -   | -   |     | -   | -   |
| KMG Rompetrol        | 22   | 15 | 7  | 6   | 15    | 1   | -   | -   | -   | 2   | -   | 20  | -   |
| KMG Rompetrol SC     | 6    | 4  | 2  | 1   | 5     | -   | -   | -   | -   | -   | -   | 6   | -   |
| MMT                  | -    | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   |     | -   |
| Palplast             | -    | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| Rominserv            | 10   | -  | 10 | 2   | 5     | 3   | -   | -   | -   | -   | -   | 10  |     |
| Rominserv Valves     |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   |     |     |
| DWS & RML            | 7    | 1  | 6  | 1   | 6     | 1   | -   | -   | -   | -   | -   | 7   |     |
| Rompetrol Gas        | 1    | 1  | -  | -   | 1     | -   | -   | -   | -   | -   | -   | 1   |     |
| Rompetrol Logistics  |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| Rompetrol Petrochem. |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| RQC                  | 4    | 4  | -  | 3   | -     | 1   | -   | -   | -   | -   | -   | 4   | -   |
| Rompetrol Rafinare   | 26   | 8  | 18 | 15  | 9     | 2   | -   | -   | -   | -   | -   | 26  | -   |
| OEBS                 | -    | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| RWS                  | 1    | -  | 1  | 1   | -     | -   | -   | -   | -   | -   | -   | 1   | -   |
| Rompetrol Dev.       | 1    | 1  | -  | -   | 1     | -   | -   | -   | -   | -   | -   | 1   | -   |
| Rompetrol Energy     | 3    | 1  | 2  | -   | 3     | -   | -   | -   | -   | -   | -   | 3   | -   |
| FIE KZ-RO            |      | -  | -  | -   | -     | -   | -   | -   | -   | -   | -   | -   | -   |
| Total                | 81   | 35 | 46 | 29  | 45    | 7   | -   | -   | -   | 2   | -   | 79  | -   |

Of the overall 113 promotions, 48 were among female employees and 65 among male employees. In Romania, there were 35 female employees and 46 male Internal promotions are encouraged whenever there is employees promoted. In Romania, of a total of 81 promotions, 26 were within Rompetrol Rafinare, 22 within KMG Rompetrol, and 10 within Rominserv, with the rest of 23 split across other entities. Most of the promoted employees were local. In Romania, 97.5% of the promoted employees were Romanian, while in other countries 100% of the promoted employees were local.

#### KMG INTERNATIONAL SUSTAINABILITY REPORT 2022

During the reporting period, there were 1,239 new hires across the Group, of which 31% female and 69% male, compared to 28% new female hires and 72% new male hires in 2021. The highest number of new hires was recorded in Romania, the Group's largest operations base and Moldova and Georgia, regions where the Group extended its retail network in 2022.

"We have 200 different jobs and are often looking for niche professionals. Recruiting candidates for niche positions, especially where at least 5 years of experience are required, usually turns out to be a complex and time-consuming process. Nonetheless, new hires are not the easiest task regardless of the type of operations. Attracting and keeping motivated and engaged colleagues requires sustained efforts. That is why, where we can, in retail for example, we choose the on-the-job training instead of requirements or skills that we can form more effectively through trainings."

Gina Cruceru HR Director, KMG International Group

| New hires (#)        | 2022  | F   | М   | <30 | 30-50 | >50 |
|----------------------|-------|-----|-----|-----|-------|-----|
| Bulgaria             | 6     | 0   | 6   | 4   | 1     | 1   |
| Georgia              | 284   | 10  | 274 | 146 | 102   | 36  |
| Kazakhstan           | 20    | 0   | 20  | 5   | 15    | -   |
| Libya                | -     | -   | -   | -   | -     | -   |
| Moldova              | 470   | 200 | 270 | 234 | 181   | 55  |
| Netherlands          | 1     | 0   | 1   | -   | 1     | -   |
| Romania              | 456   | 167 | 289 | 201 | 185   | 70  |
| Switzerland          | 2     | 1   | 1   | -   | 2     | -   |
| Turkey               | -     | -   | -   | -   | -     | -   |
| Total                | 1,239 | 378 | 861 | 590 | 487   | 162 |
| New hires (#) - ROU  | 2022  | F   | М   | <30 | 30-50 | >50 |
| Byron Shipping       | -     | -   | -   | -   | -     | -   |
| KMG Rompetrol        | 37    | 20  | 17  | 12  | 25    | -   |
| KMG Rompetrol SC     | 43    | 35  | 8   | 19  | 24    | -   |
| MMT                  | 29    | 4   | 25  | 16  | 12    | 1   |
| Rominserv            | 63    | 14  | 49  | 24  | 29    | 10  |
| DWS & RML            | 49    | 23  | 26  | 16  | 30    | 3   |
| Rompetrol Gas        | 3     | -   | 3   | 2   | -     | 1   |
| Rompetrol Logistics  | -     | -   | -   | -   | -     | -   |
| Rompetrol Petrochem. | -     | -   | -   | -   | -     | -   |
| RQC                  | 23    | 20  | 3   | 11  | 7     | 5   |
| Rompetrol Rafinare   | 158   | 32  | 126 | 83  | 46    | 29  |
| OEBS                 | -     | -   | -   | -   | -     | -   |
| RWS                  | 9     | 2   | 7   | 4   | 3     | 2   |
| Rompetrol Dev.       | 4     | 2   | 2   | 1   | 2     | 1   |
| Rompetrol Energy     | 37    | 14  | 23  | 13  | 6     | 18  |
| FIE KZ-RO            | 1     | 1   | -   | -   | 1     | -   |
| Total                | 456   | 167 | 289 | 201 | 185   | 70  |



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#### EMPLOYEE TURNOVER AND RETENTION

Rompetrol employees have job security, a flexible work schedule and dedicated physical and mental health packages. All these are important criteria for candidates when they make the decision to join us or stay with us. Furthermore, we create career plans that provide a logical and fair career path, thus retaining employees for longer periods of time. Continuous development is important in Rompetrol, so we aim to help our people improve their skills and abilities.

| Turnover (#)         | 2022  | E.  | М   | <30 | 30-50 | >50 |
|----------------------|-------|-----|-----|-----|-------|-----|
| Bulgaria             | 9     | 3   | 6   | 3   | 4     | 2   |
| Georgia              | 380   | 11  | 369 | 191 | 131   | 58  |
| Kazakhstan           | 5     | 2   | 3   | -   | 4     | 1   |
| Libya                | -     | -   | -   | -   | -     | -   |
| Moldova              | 498   | 192 | 306 | 238 | 202   | 58  |
| Netherlands          | -     | -   | -   | -   | -     | -   |
| Romania              | 285   | 86  | 199 | 57  | 106   | 122 |
| Switzerland          | 2     | 1   | 1   | -   | 2     | -   |
| Turkey               | -     | -   | -   | -   | -     | -   |
| Total                | 1,179 | 295 | 884 | 489 | 449   | 241 |
| Turnover (#) - ROU   | 2022  | F   | М   | <30 | 30-50 | >50 |
| Byron Shipping       | -     | -   | -   | -   | -     | -   |
| KMG Rompetrol        | 37    | 14  | 23  | 9   | 27    | 1   |
| KMG Rompetrol SC     | 25    | 18  | 7   | 11  | 14    | -   |
| MMT                  | 18    | 4   | 14  | 2   | 1     | 15  |
| Rominserv            | 33    | 7   | 26  | 4   | 15    | 14  |
| DWS & RML            | 36    | 10  | 26  | 9   | 20    | 7   |
| Rompetrol Gas        | 6     | -   | 6   | -   | 2     | 4   |
| Rompetrol Logistics  |       | -   | -   | -   | -     | -   |
| Rompetrol Petrochem. | -     | -   | -   | -   | -     | -   |
| RQC                  | 12    | 11  | 1   | 1   | 2     | 9   |
| Rompetrol Rafinare   | 74    | 12  | 62  | 17  | 18    | 39  |
| OEBS                 | -     | -   | -   | -   | -     | -   |
| RWS                  | 22    | 2   | 20  | 4   | 3     | 15  |
| Rompetrol Dev.       | -     | -   | -   | -   | -     | -   |
| Rompetrol Energy     | 20    | 7   | 13  | -   | 3     | 17  |
| FIE KZ-RO            | 2     | 1   | 1   | -   | 1     | 1   |
| Total                | 285   | 86  | 199 | 57  | 106   | 122 |



| Entitled to<br>parental leave | 2022 | F  |
|-------------------------------|------|----|
| Bulgaria                      | 5    | 5  |
| Georgia                       | 2    | 2  |
| Kazakhstan                    | 1    | -  |
| Libya                         | -    | -  |
| Moldova                       | 23   | 20 |
| Netherlands                   |      | -  |
| Romania                       | 102  | 45 |
| Singapore                     | -    | -  |
| Switzerland                   | -    | -  |
| Turkey                        | -    | -  |
| Total                         | 133  | 72 |

| Entitled to<br>Darental leave - ROU | 2022 | F  | М  |
|-------------------------------------|------|----|----|
| Byron Shipping                      | -    | -  | -  |
| KMG Rompetrol                       | 12   | 7  | 5  |
| KMG Rompetrol SC                    | 9    | 8  | 1  |
| MMT                                 | 7    | 2  | 5  |
| Rominserv                           | 19   | 7  | 12 |
| Rompetrol Downstream                | 22   | 10 | 12 |
| Rompetrol Gas                       | 4    | -  | 4  |
| Rompetrol Logistics                 |      | -  | -  |
| Rompetrol Petrochem.                |      | -  | -  |
| ROC                                 | 3    | 3  | -  |
| Rompetrol Rafinare                  | 23   | 7  | 16 |
| DEBS                                | -    | -  | -  |
| RWS                                 | 2    | 1  | 1  |
| Rompetrol Dev.                      | -    | -  | -  |
| Rompetrol Energy                    | 1    | -  | 1  |
| IE KZ-RO                            |      | -  | -  |
| otal                                | 102  | 45 | 57 |

| М  |  |
|----|--|
| -  |  |
| -  |  |
| 1  |  |
| -  |  |
| 3  |  |
| -  |  |
| 57 |  |
| -  |  |
| -  |  |
| -  |  |
| 61 |  |
|    |  |

| Actually took<br>parental leave | 2022 |
|---------------------------------|------|
| Bulgaria                        | 1    |
| Georgia                         | 2    |
| Kazakhstan                      | -    |
| Libya                           | -    |
| Moldova                         | 23   |
| Netherlands                     | -    |
| Romania                         | 43   |
| Singapore                       | -    |
| Switzerland                     | -    |
| Turkey                          | -    |
| Total                           | 69   |
|                                 |      |

|   | F  | М |
|---|----|---|
|   | 1  |   |
|   | 2  |   |
|   | -  |   |
|   | -  |   |
|   | 20 | 3 |
|   | -  |   |
|   | 39 | 4 |
|   | -  |   |
|   | -  |   |
|   | -  |   |
|   | 62 | 7 |
| _ | 1  |   |

| М  | Actually took<br>parental leave - ROU | 2022 | F  | М |  |
|----|---------------------------------------|------|----|---|--|
| -  | Byron Shipping                        | -    | -  | - |  |
| 5  | KMG Rompetrol                         | 5    | 5  | - |  |
| 1  | KMG Rompetrol SC                      | 8    | 8  | - |  |
| 5  | MMT                                   | 2    | 2  | - |  |
| 12 | Rominserv                             | 6    | 6  | - |  |
| 12 | Rompetrol Downstream                  | 11   | 10 | 1 |  |
| 4  | Rompetrol Gas                         | 1    | -  | 1 |  |
| -  | Rompetrol Logistics                   | -    | -  | - |  |
| -  | Rompetrol Petrochem.                  | -    | -  | - |  |
| -  | RQC                                   | 4    | 4  | - |  |
| 16 | Rompetrol Rafinare                    | 5    | 3  | 2 |  |
| -  | OEBS                                  | -    | -  | - |  |
| 1  | RWS                                   | 1    | 1  | - |  |
| -  | Rompetrol Dev.                        | -    | -  | - |  |
| 1  | Rompetrol Energy                      | -    | -  | - |  |
| -  | FIE KZ-RO                             | -    | -  | - |  |
| 57 | Total                                 | 43   | 39 | 4 |  |

| Returned to work<br>after parental leave | 2022 | F  | М | Returned to work | 2021 | F  |
|--|------|----|---|------------------|------|----|
| Bulgaria                                 | 1    | 1  | - | Bulgaria         | 2    | 2  |
| Georgia                                  | 2    | 2  | - | Georgia          | 1    | 1  |
| Kazakhstan                               |      | -  | - | Kazakhstan       | -    | -  |
| Libya                                    |      | -  | - | Libya            | -    | -  |
| Moldova                                  | 6    | 5  | 1 | Moldova          | 5    | 5  |
| Netherlands                              |      | -  | - | Netherlands      | -    | -  |
| Romania                                  | 34   | 31 | 3 | Romania          | 33   | 28 |
| Singapore                                |      | -  | - | Singapore        | -    | -  |
| Switzerland                              | -    | -  | - | Switzerland      | 1    | 1  |
| Turkey                                   |      | -  | - | Turkey           |      | -  |
| Total                                    | 43   | 39 | 4 | Total            | 42   | 37 |

#### Returned to work

| after parental leave | 2022 | F  | М |
|----------------------|------|----|---|
| Byron Shipping       | -    | -  | - |
| KMG Rompetrol        | 10   | 10 | - |
| KMG Rompetrol SC     | 5    | 5  | - |
| MMT                  | -    | -  | - |
| Rominserv            | 3    | 2  | 1 |
| Rompetrol Downstream | 6    | 5  | 1 |
| Rompetrol Gas        | 1    | -  | 1 |
| Rompetrol Logistics  | -    | -  | - |
| Rompetrol Petrochem. | -    | -  | - |
| RQC                  | 3    | 3  | - |
| Rompetrol Rafinare   | 6    | 6  | - |
| OEBS                 | -    | -  | - |
| RWS                  | -    | -  | - |
| Rompetrol Dev.       | -    | -  | - |
| Rompetrol Energy     | -    | -  | - |
| FIE KZ-RO            | -    | -  | - |
| Total                | 34   | 31 | 3 |

| Returned to work     | 2021 | F  | Μ |
|----------------------|------|----|---|
| Byron Shipping       | -    | -  | - |
| KMG Rompetrol        | 9    | 9  | - |
| KMG Rompetrol SC     | 6    | 6  | - |
| MMT                  | -    | -  | - |
| Rominserv            | 4    | 3  | 1 |
| Rompetrol Downstream | 3    | 3  | - |
| Rompetrol Gas        | -    | -  |   |
| Rompetrol Logistics  | -    | -  |   |
| Rompetrol Petrochem. | -    | -  |   |
| RQC                  | 3    | 2  | 1 |
| Rompetrol Rafinare   | 8    | 5  | 3 |
| OEBS                 | -    | -  |   |
| RWS                  |      | -  |   |
| Rompetrol Dev.       |      | -  |   |
| Rompetrol Energy     |      | -  |   |
| FIE KZ-RO            | -    | -  | - |
| Total                | 33   | 28 | 5 |

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| Still employed<br>after 12 months | 2022 | F  |
|-----------------------------------|------|----|
| Bulgaria                          | 2    | 2  |
| Georgia                           | 1    | 1  |
| Kazakhstan                        |      | -  |
| Libya                             |      | -  |
| Moldova                           | 3    | 3  |
| Netherlands                       |      | -  |
| Romania                           | 29   | 25 |
| Singapore                         |      | -  |
| Switzerland                       | 1    | 1  |
| Turkey                            |      | -  |
| Total                             | 36   | 32 |

| Still employed<br>after 12 months | 2022 | F  | М |
|-----------------------------------|------|----|---|
| Byron Shipping                    | -    | -  | - |
| KMG Rompetrol                     | 9    | 9  | - |
| KMG Rompetrol SC                  | 5    | 5  | - |
| MMT                               | -    | -  | - |
| Rominserv                         | 2    | 2  | - |
| Rompetrol Downstream              | 2    | 2  | - |
| Rompetrol Gas                     |      | -  | - |
| Rompetrol Logistics               |      | -  | - |
| Rompetrol Petrochem.              |      | -  | - |
| RQC                               | 3    | 2  | 1 |
| Rompetrol Rafinare                | 8    | 5  | 3 |
| OEBS                              |      | -  | - |
| RWS                               |      | -  | - |
| Rompetrol Dev.                    |      | -  | - |
| Rompetrol Energy                  |      | -  | - |
| FIE KZ-RO                         |      | -  | - |
| Total                             | 29   | 25 | 4 |

| I | М |
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|   | - |
|   | 4 |
|   | - |
|   | - |
|   | - |
|   | 4 |
|   | _ |

| Return to work and<br>retention rates | 2022 | F    | М   |
|---------------------------------------|------|------|-----|
| Bulgaria                              | 100% | 100% | 0%  |
| Georgia                               | 100% | 100% | 0%  |
| Kazakhstan                            | 0%   | 0%   | 0%  |
| Libya                                 | 0%   | 0%   | 0%  |
| Moldova                               | 60%  | 60%  | 0%  |
| Netherlands                           | 0%   | 0%   | 0%  |
| Romania                               | 88%  | 89%  | 80% |
| Singapore                             | 0%   | 0%   | 0%  |
| Switzerland                           | 100% | 100% | 0%  |
| Turkey                                | 0%   | 0%   | 0%  |
| Total                                 | 86%  | 86%  | 80% |

| F | М | Return to work and<br>retention rates | 2022 | F           | м    |
|---|---|---------------------------------------|------|-------------|------|
| - | - | Byron Shipping                        | -    | -           | -    |
| 9 | - | KMG Rompetrol                         | 100% | 100%        | 0%   |
| 5 | - | KMG Rompetrol SC                      | 83%  | 83%         | 0%   |
| - | - | MMT                                   |      | •           | -    |
| 2 | - | Rominserv                             | 50%  | 67%         | 0%   |
| 2 | - | Rompetrol Downstream                  | 67%  | 67%         | 0%   |
| - | - | Rompetrol Gas                         | -    | -           | -    |
| - | - | Rompetrol Logistics                   | -    | -           | _    |
| - | - | Rompetrol Petrochem.                  | -    | -           | -    |
| 2 | 1 | RQC                                   | 100% | 100%        | 0%   |
| 5 | 3 | Rompetrol Rafinare                    | 100% | 100%        | 100% |
| - | - | OEBS                                  | -    | -           | -    |
| - | - | RWS                                   | -    | -           | -    |
| - | - | Rompetrol Dev.                        | -    | -           | -    |
| - | - | Rompetrol Energy                      | -    | -           | -    |
| - | - | FIE KZ-RO                             | -    | -           | -    |
| 5 | 4 | Total                                 | 88%  | <b>89</b> % | 80%  |

### **Remuneration, compensation, benefits**

#### REMUNERATION **AND BENEFITS**

The Group's current remuneration policy aims to set a comprehensive framework for establishing and adjusting the compensation elements and to provide the line management with a useful tool to ensure its consistent implementation (in terms of pay movements and related decisions), while maintaining internal equity and external competitiveness.

Across all locations within our company, our goal is to provide our team with one of the most competitive compensation and benefits packages in the markets where we operate. Thus, external benchmarking is carried out to understand changes in the market compared to the previous year - annual salary surveys rolled out together with leading consulting companies. Also, our annual salary benchmarking analysis for all our subsidiaries helps us maintain and ensure internal equity- similar pay for similar impact in the business.

The Appointment and Remuneration Committee established by the Board of Directors at the level of KMG International N.V. is responsible for advising the Board and the Management Council (i.e., Sole Shareholder) in matters related to remuneration policy, terms of employment, total compensation, and performance criteria for top management. It is also responsible for the creation and implementation of any compensation plans, as well as monitoring and aiding in the implementation of remuneration policies and plans at Group level. However, decision making on any remuneration policies and plans applicable at Group level rests upon the KMG International N.V. Board of Directors.

At KMG International, we are constantly working to provide the best compensation and benefits because, for us, motivated and engaged employees are the key drivers of individual and company performance. The Group's compensation program supports employee performance by aligning rewards with employee achievements and contribution. Our global pay positioning is at or above the market median for all employees. Pay packages generally comprise base salary and variable pay and are linked to employee and management performance and business results.

Complementing the base pay, variable pay bonuses are structured in a variety of ways and may take the form of performance bonuses, bonus schemes for production,

operational, sales and project jobs, and also bonuses stipulated in the Collective Labor Agreements.

GRI GRI 2-19

GRI 2-20

GRI 2-21

GRI 201-3 GRI 202-1

GRI 401-2

GRI 405-2

GRI 11.10.3

GRI 11.11.6

**IPIECA** 

SOC-5 A2

All our employees have access to the same benefits package no matter if they are full-time or part-time employees. As part of their benefits package, and depending on their individual situation, each employee may have access to several financial and non-financial benefits including:

- Health, life, illness, and disability insurance
- Medical care subscriptions
- Humanitarian aid for significant damages further to calamities
- Pregnancy and postpartum support and allowances
- Retirement planning and management services and allowances
- Rest and relaxation allowances/tickets
- Transportation and commuting reimbursement
- Relocation assistance and allowances
- Significant life events support and allowances (marriage, childbirth, illness, bereavement)
- Kindergarten allowances
- Work from home
- Flexible schedule
- Short Friday schedule
- Paid time off
- Gifts for employees' children on Christmas and International Children's Day
- Discounts for company products or other third-party suppliers.

Regarding our senior executive team, our goal is to provide one of the most competitive compensation and benefits packages in the markets where we operate, across all locations covered by Group operations. In addition to compensation, we believe a highly competitive benefits package is just as valuable for the senior executive team.

The annual total compensation ratio is influenced by the size of the organization (e.g., revenue, number of employees), its sector and diversity of the core-activities for the subsidiaries. Based on our remuneration policy and availability of data, in calculating the annual total compensation, the following elements are considered: base salary, different allowances, bonuses, rest and relaxation tickets, meal vouchers.

| Ratio of standard entry level wage to local minimum wage - per month of 2022 |        |        |        |        |        |        |        |        |        |        |        |        |        |            |              |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------------|
| By gender  | -      | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     | Min. wage  | Equiv.       |
| Bulgaria   | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | BGN 710    | USD 380.40   |
| Georgia  | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | n/a        | n/a          |
| Kazakhstan   | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | KZT 60,000 | USD 130.09   |
| Libya  | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |        | LYD 450    | USD 95.30    |
| Moldova  | F<br>M | 1<br>3 | 1<br>3 | 1<br>3 | 1<br>3 | 1<br>3 | -<br>3 | MDL 3,500  | USD 185.43   |
| Netherlands  | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | EUR 1,756  | USD 1,847.40 |
| Romania  | F<br>M | 1<br>5 | 1<br>6 | 1<br>6 | 1<br>6 | 1<br>6 | 1<br>6 | 1<br>5 | 1<br>5 | -<br>5 | -<br>5 | -<br>5 | -<br>5 | RON 2,550  | USD 543.88   |
| Singapore  | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | n/a        | n/a          |
| Switzerland  | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | n/a        | n/a          |
| Turkey   | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | TRY 5,004  | USD 302.40   |

The figures are reported as Headcount, considering only full-time employees from the analyzed period. The analysis was made at country level. There are 2 countries where there is no minimum wage established by law: Georgia and Switzerland.

| Romania entities - per month of 2022       |        | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Byron Shipping LTD                         | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | Ċ      | -      |
| KMG Rompetrol SRL                          | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| KMG Rompetrol Services Center SRL          | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | •      | -      | -      |
| Midia Marine Terminal SRL                  | F      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Rominserv SRL                              | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | •      | -      | -      |
| Rompetrol Downstream SRL & Rom Oil SA      | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | _      |
| Rompetrol Gas SRL                          | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Rompetrol Logistics SRL                    | F<br>M | 1      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Rompetrol Petrochemicals SRL               | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | •      |
| Rompetrol Quality Control SRL              | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |        |        |
| Rompetrol Rafinare SA                      | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | _      | _      | _      |
| Oilfield Exploration Business Solutions SA | F<br>M | -<br>4 | -<br>5 | -<br>5 | -<br>5 | -<br>5 | -<br>5 | 4      | - 4    | - 4    | - 4    | -<br>4 | -<br>4 |
| Rompetrol Well Services SA                 | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Rompetrol Development SRL                  | F<br>M | 1<br>1 | -<br>1 | -<br>1 | -<br>1 | -<br>1 |
| Rompetrol Energy SA                        | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Fondul de investiții în energie KZ-RO      | F<br>M | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |

#### DEFINED BENEFIT PLAN **OBLIGATIONS AND OTHER RETIREMENT PLANS**

According to the local legislation in Romania, a benefit plan obligation is a mandatory contribution paid monthly by the employer for all its employees. It represents a percentage of the total compensation for health, pension, and social insurances.

The International Pension Plan is a defined contribution plan granted by the employer, which includes certain employees of KMG International Group entities occupying managerial positions and having executive attributions, with the possibility to be extended to other level of employees and collaborators, under certain economic, financial and fiscal conditions existing and/or taken on by each entity, and subject to the decisions of each competent body of such entity.

The Group pays an agreed level of contributions into individual savings accounts for each employee, as beneficiary members of the Plan. The organization's contribution level, expressed as a percentage of the monthly gross base salary, depends on the employees' position/level in the Company. The members are not required but are able to contribute additional amounts from their monthly basic salary. Members' individual savings accounts are invested based on their individual investment decisions. Over time, the value of each employee's account can change according to the amounts contributed and the performance of their investment. When employees leave the Company or retire, they receive a lump sum benefit equal to the value of their individual retirement account.

In 2022, the total contribution in Romania was USD 28,222,126, of which Rompetrol Rafinare contributes USD 8,710,699, Rominserv contributes USD 4,445,764 and Rompetrol Downstream USD 3,184,639.

Additionally, KMG International Group offers access to prevention and prophylaxis medical services based on staff/managerial subscriptions and life and health insurance to all employees.

| Pillar I pension contributions paid in 2022<br>(25% of gross income) | 22<br>USD  |  |  |  |
|--|------------|--|--|--|
| Byron Shipping LTD   | 112,662    |  |  |  |
| KMG Rompetrol SRL  | 3,959,277  |  |  |  |
| KMG Rompetrol Services Center SRL                                    | 1,727,880  |  |  |  |
| Midia Marine Terminal SRL  | 1,940,845  |  |  |  |
| Rominserv SRL  | 4,445,764  |  |  |  |
| Rom Oil SA   | 19,241     |  |  |  |
| Rompetrol Downstream SRL   | 3,184,639  |  |  |  |
| Rompetrol Gas SRL  | 658,282    |  |  |  |
| Rompetrol Logistics SRL  | 8,308      |  |  |  |
| Rompetrol Petrochemicals SRL   | 2,047      |  |  |  |
| Rompetrol Quality Control SRL  | 1,301,169  |  |  |  |
| Rompetrol Rafinare SA  | 8,710,699  |  |  |  |
| Oilfield Exploration Business Solutions SA                           | 21,878     |  |  |  |
| Rompetrol Well Services SA   | 931,268    |  |  |  |
| Rompetrol Development SRL  | 28,401     |  |  |  |
| Rompetrol Energy SA  | 1,100,690  |  |  |  |
| Fondul de investiții în energie kazah-român SA                       | 69,077     |  |  |  |
| Romania total  | 28,222,126 |  |  |  |



## **Collective bargaining and labor practices**

Collective bargaining plays an important role in securing decent work and guaranteeing equality of opportunity and treatment. It is one of the core values embedded in KMG International's Code of Conduct and guiding principle across our operations.

GRI

GRI 2-30

GRI 402-1

GRI 407-1

GRI 408-1

GRI 409-1

GRI 11.7.2

GRI 11.10.5 GRI 11.12.2

GRI 11.13.2

Of the total number of employees hired within KMG International, 63.15% are covered by the provisions of collective bargaining agreements applicable to each company they are employed by, a marginal increase compared to the previous reporting period.

- Percentage of total employees covered by collective bargaining agreements (all companies): 63.15%
- Percentage of total employees covered by collective bargaining agreements (only Romania): 99.35%

| Col | lecti | ive | barga | ining | agreen | ients |
|-----|-------|-----|-------|-------|--------|-------|
|     |       |     |       |       |        |       |

| Collective bar | gaining agreements                               | Covered | Headcount |
|----------------|--|---------|-----------|
| Bulgaria       | Rompetrol Bulgaria EAD                           | yes     | 78        |
| ieorgia        | Rompetrol Georgia LTD                            | no      | 774       |
| (              | KMG Rompetrol SRL branch                         | no      | 13        |
| azaknstan      | Rominserv SRL branch                             | no      | 2         |
| ibya           | Oifield Exploration Business Solutions SA branch | no      | 2         |
| Aoldova        | Rompetrol Moldova SA                             | no      | 1,047     |
| letherlands    | KMG International NV                             | no      | 3         |
| witzerland     | KMG Trading AG                                   | no      | 23        |
| urkey          | TRG Petrol Ticaret AŞ                            | no      | 4         |
|                | Byron Shipping LTD                               | yes     | 10        |
|                | KMG Rompetrol SRL                                | yes     | 191       |
|                | KMG Rompetrol Services Center SRL                | yes     | 225       |
|                | Midia Marine Terminal SRL                        | yes     | 238       |
|                | Rominserv SRL                                    | yes     | 543       |
|                | Rom Oil SA                                       | yes     | 10        |
|                | Rompetrol Downstream SRL                         | yes     | 438       |
|                | Rompetrol Gas SRL                                | yes     | 95        |
| lomania        | Rompetrol Logistics SRL                          | yes     | 4         |
|                | Rompetrol Petrochemicals SRL                     | yes     | 2         |
|                | Rompetrol Quality Control SRL                    | yes     | 206       |
|                | Rompetrol Rafinare SA                            | yes     | 1,108     |
|                | Oilfield Exploration Business Solutions SA       | no      | 10        |
|                | Rompetrol Well Services SA                       | yes     | 137       |
|                | Rompetrol Development SRL                        | yes     | 5         |
|                | Rompetrol Energy SA                              | yes     | 157       |
|                | Fondul de investiții în energie kazah-român SA   | no      | 12        |
| lomania tota   | I  |         | 3,391     |

For the employees of companies not covered by collective bargaining agreements, working conditions and terms of employment are established in line with applicable labor regulations in force.

At KMG International, we fully acknowledge our employees' legal right to form trade unions and join other third-party organizations without fear of coercion. The percentage of employees who are members of trade unions across the Group is 34.15%.

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

**KMG INTERNATIONAL** SUSTAINABILITY REPORT 2022







For the employees of companies not covered by collective bargaining agreements, working conditions and terms of employment are established in line with applicable labor regulations in force.

| Union members - Romania                    | 1   | 2      | 3   | 4     | 5   | 6      |
|--|-----|--------|-----|-------|-----|--------|
| Byron Shipping LTD                         | -   | 8.00   | -   | -     | -   | -      |
| KMG Rompetrol SRL                          | -   | -      | -   | -     | -   | -      |
| KMG Rompetrol Services Center SRL          | -   | 122.58 | -   | 1.00  | -   | 2.00   |
| Midia Marine Terminal SRL                  | -   | 63.50  | -   | 5     | -   | 129.67 |
| Rominserv SRL                              | -   | 238    | -   | 25.67 | -   | 39.25  |
| Rom Oil SA                                 | -   | -      | -   | -     | -   | -      |
| Rompetrol Downstream SRL                   | -   | -      | 162 | 1.00  | -   | -      |
| Rompetrol Gas SRL                          | -   | 65.00  | -   | -     | -   | 1.00   |
| Rompetrol Logistics SRL                    | -   | -      | -   | 1.00  | -   | -      |
| Rompetrol Petrochemicals SRL               | -   | -      | -   | -     | -   | -      |
| Rompetrol Quality Control SRL              | -   | 118.33 | -   | 11.00 | -   | 31.00  |
| Rompetrol Rafinare SA                      | -   | 609.58 | -   | -     | -   | 212.58 |
| Oilfield Exploration Business Solutions SA | -   | -      | -   | 35.92 | -   | -      |
| Rompetrol Well Services SA                 | -   | -      | -   | -     | 123 | -      |
| Rompetrol Development SRL                  | -   | -      | -   | -     | -   | -      |
| Rompetrol Energy SA                        | 111 | 6.83   | -   | -     | -   | 1.00   |
| Fondul de investiții în energie KZ-RO SA   | -   | -      | -   | -     | -   | -      |
| Romania total                              | 111 | 1,341  | 162 | 80    | 123 | 417    |

Midia Union #2 Petrochimistul Free Union #3 Rompetrol Downstream Free Union #4 Vega Free Union

#6 Midia-Năvodari Industrial Platform Workers' Union (SLPIMN)

Note: The figures are reported as average Headcount throughout the year.

\* The result might seem inexact due to the average calculation which involves decimals.

At KMG International, we fully acknowledge our employees' legal right to form trade unions and join other third-party organizations without fear of coercion. The percentage of employees who are members of trade unions across the Group is 34.15%.

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



#### MINIMUM NOTICE PERIOD

In each region where we have operations, the notice period typically provided to employees and their elected representatives reflects the provisions of the local legislation. In Romania, the minimum notice period is 20 working days, in Moldova, Bulgaria, Georgia it is 30 days. In Switzerland, the minimum notice period is 2 months from the end of the month for the employees with less than 1 year work seniority and for the employees with more than 1 year work seniority, the legislation states a minimum 3 months' notice period, countable from the end of the month.

For companies with collective bargaining agreements, provisions related to the minimum notice period are included and the notice period is either equal to or higher than the mandatory period required by the law.

Also, consultation with union or elected employee representatives before adopting decisions or implementing operational changes that can affect employees is provided in the collective bargaining agreements, along with the timely provision of all information needed to make an informed decision.

#### **OTHER LABOR** PRACTICES

We respect all minimum age laws in the countries where we operate. In 2022, the Group did not resort to, and will never resort in any way, to hiring children or putting them in working relations with KMG International. This also applies to all Group suppliers.

Furthermore, throughout the reporting period, KMG International did not resort to and does not condone the use of forced or compulsory labor within any of the entities and in any relations with the Group, including all of our suppliers.

## Training and skill development

#### TRAININGS

Considering the favorable epidemiologic evolution across the region and the reinstatement of the pre-pandemic types of interactions, training hours across the Group saw a considerable increase, nearly double compared to the previous reporting period, which was still marked by numerous restrictions and limitations.

On average, the number of training hours per total headcount was 13.41 during the reporting period. compared to 6.68 in 2021. Managers benefited, on average, from 10.63 training hours, whilst the average for execution-level employees was 13.66 training hours (external, third-party training).

GRI GRI 2-18 GRI 404-1 GRI 404-2

GRI 404-3

GRI 11.7.3 GRI 11.10.6

GRI 11.11.4

GRI 11.10.7

**IPIECA** 

GOV-1 A5

SHS-2 A1 SOC-7 A2, C1, C2 SOC-15 A3

A total of **71,133.35** 

performed in 2022, for a

total of 5,335 employees

training hours were

as of Dec. 31, 2022.

| Employee training                                    | Group | ROU   | MDA  | GEO  | BUL  | Rep. office | Group level<br>except ROU |
|--|-------|-------|------|------|------|-------------|---------------------------|
| Average number of training<br>hours per employee     | 13.41 | 18.13 | 6.96 | 2.29 | 5.80 | 10.00       | 5.05                      |
| Average training hours for female employees          | 7.55  | 9.23  | 3.36 | 1.82 | 2.29 | 10.00       | 3.21                      |
| Average training hours for male employees            | 15.74 | 22.32 | 8.75 | 2.32 | 7.27 | 10.00       | 5.56                      |
| Average training hours for managers                  | 10.63 | 11.60 | 1.50 | 2.04 | 1.45 | 50.00       | 2.70                      |
| Average training hours for execution level employees | 13.66 | 18.98 | 7.05 | 2.30 | 6.52 | 6.66        | 5.10                      |

The training plan was implemented in proportion of 96% compared to 2021, when the implementation rate had reached 93%, thus meeting the objective set during the previous reporting period. Consequently, one of the main goals for 2023 is to reach an even higher percentage, specifically over 97% implementation rate.

In 2022, the total number of employees in Romania that received trainings was 2,120. They covered 61,486 training hours (mandatory, soft & technical skills). Most training hours and the highest number of trained employees were recorded by Rompetrol Rafinare, where 685 employees benefitted from various trainings (mostly authorizations/ reauthorizations), cumulating 44,142 training hours. The entity was followed by Rominserv, with 482 trained personnel and 4,913 training hours.

| Fraining plan - Group                          | 2022  | 2021 | 2020 |
|--|-------|------|------|
| Average training hours<br>per employee         | 13.41 | 6.68 | 4.49 |
| Average training hours<br>for female employees | 7.55  | 4.06 | 4.63 |
| Average training hours                         | 15.74 | 7.70 | 4.44 |

\* Previously, this indicator was calculated according to the formula: Total hours/Total Trained Employees. For the reporting period included in the current report, the formula used to calculate the indicator was Total Hours/Total Headcount, according to GRI guidelines.

The new formula used to calculate this indicator was retroactively applied to 2021 and 2020 to provide an accurate reflection of the indicator's evolution.

| Employee training - ROU                              | RR    | RIS   | RWS   | DWS  | RQC   | MMT   | KMG   | RSC   | RPG   | ROM  | RPE   |
|--|-------|-------|-------|------|-------|-------|-------|-------|-------|------|-------|
| Average number of training<br>hours per employee     | 39.83 | 9.01  | 9.13  | 2.65 | 7.28  | 2.26  | 12.71 | 4.79  | 22.80 | 8.01 | 14.11 |
| Average training hours for female employees          | 18.84 | 3.72  | 1.70  | 1.80 | 8.81  | 1.66  | 14.41 | 4.42  | 1.00  | 4.07 | 16.40 |
| Average training hours for male employees            | 46.47 | 10.21 | 10.55 | 3.06 | 1.30  | 2.43  | 10.69 | 6.00  | 25.95 | 9.00 | 13.45 |
| Average training hours for managers                  | 12.13 | 9.19  | 5.65  | 5.44 | 59.00 | 15.62 | 14.51 | 10.51 | 0.00  | 0.00 | 14.85 |
| Average training hours for execution level employees | 41.92 | 8.99  | 9.50  | 2.28 | 6.00  | 1.79  | 9.06  | 3.94  | 23.54 | 8.01 | 14.04 |

| Emp | loyee | train | ing - | ROU |
|-----|-------|-------|-------|-----|
|-----|-------|-------|-------|-----|

| Employee training - ROU           | Hours  | Employees |
|-----------------------------------|--------|-----------|
| KMG Rompetrol SRL                 | 2,430  | 144       |
| KMG Rompetrol Services Center SRL | 1,080  | 97        |
| Midia Marine Terminal SRL         | 539    | 23        |
| Rominserv SRL                     | 4,913  | 249       |
| Rom Oil SA                        | 80     | 7         |
| Rompetrol Downstream SRL          | 1,164  | 82        |
| Rompetrol Gas SRL                 | 2,167  | 68        |
| Rompetrol Quality Control SRL     | 1,501  | 45        |
| Rompetrol Rafinare SA             | 44,142 | 439       |
| Rompetrol Well Services SA        | 1,252  | 72        |
| Rompetrol Energy SA               | 2,217  | 48        |
| Romania total                     | 61,486 | 1,266     |

#### PERFORMANCE REVIEW

Our goal is to provide a clear path for career development and progression, to ensure that our employees have a clear vision of where they want their career to go and how they can get there. To facilitate this objective, each of our employees participate in an annual performance review. This is their opportunity to share their goals and desires with their leaders, but also hear constructive feedback on how they can improve and reach their goals.

All Group employees receive regular performance reviews. The performance appraisal process is approached differently depending on each employee category: top management (1.53%), middle management (8.16%) and non-management (90.31%).

In 2022, nearly 100% of our employees were eligible to participate in this annual review. All locations, all genders and all levels of management got this opportunity, and we look forward to continuing this in the future.

Following performance assessments, customized development programs are designed and implemented. During 2022, our development programs covered both professional and personal development, addressing issues like leadership, communication, personal branding, etc.

Performance objectives refer to financial and non-financial perspectives. The financial perspective includes objective indicators such as maintaining costs within the

allocated budgets. The non-financial perspective objective indicators refer to customer satisfaction and market presence, processes that need to be emphasized or improved or areas and dimensions on which the company / employee needs to develop, improve, or learn.

The balanced scorecard approach requires using KPIs related to both perspectives and, depending on the job particularities, a higher weight is allocated to one or the other perspective.

Performance Bonuses are paid depending on activity results. They are designed to encourage target achievement and increase activity effectiveness.

For the managerial positions within the Group there are various practices in place to assess performance and progress. These include the evaluation of competencies, practical leadership trainings and refresher sessions where participants can evaluate themselves on practicing and improving the skills acquired through on-the-job training.

Regarding performance assessment of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people, KMG International has vet to develop a dedicated internal policy. The Group will focus on developing such a procedure and commits itself to implement it across the Group in the upcoming period. This progress will be reported in the following sustainability report.

#### SKILL-DEVELOPMENT AND TRANSITION ASSISTANCE PROGRAMS

At KMG International, we believe that the training and development process is continuous, and we expect our employees to be permanently informed of the latest updates in their field of expertise. The Group offers its employees various opportunities to develop the competencies and skills relevant for the activity they perform in the company:

- Core competencies for each managerial level - a set of competencies is in place (SHL Universal Framework). For each competence relevant courses/ providers are identified;
- Professional certifications PMP, CIPD, CIPS, CIMA, ACCA, etc. - relevant in each field;
- Technical courses specific to each domain.

#### TALENT DEVELOPMENT PROGRAM

In 2022, after approving the framework with the senior management, the Talent Development Program was launched. The program started with identifying key positions within our Group and talents - high performing employees with potential - that might fill key positions in the future as successors.

The main objective of this program was to develop a strong leadership, with a focus on high potential people, an essential priority for business growth and success. There is a strong commitment from senior management to continue this program in the future, so our company will continue to invest in developing its future leaders, identify and retain talents.

#### ENCOURAGE INNOVATION

Another essential growth factor that we focused on was creating an organizational culture based on Innovation An innovative ideas contest aimed at cultivating innovative thinking and encouraging new ideas was piloted for gas stations employees.

In 2022, employees with relevant roles were exposed to valuable insights on Business Scaleup & Strategy, Sales Strategy, Viral Marketing, Team Leadership, Team Performance, Stress Management, Business Innovation, Personal Growth, and Understanding of the consumer's mind with the purpose of stimulating innovation.

#### TOP E-LEARNING PLATFORM

During the reporting period, employees continued to have access to 2 digital learning platforms with unlimited access to more than 18,000 high guality courses covering business, creative and technology topics, taught by today's leading industry experts. 484 employees used the platforms, accessing more than 530 courses throughout 2022.

Taking into consideration the employee demographics within the Group, we decided to continue the Knowledge Transfer program during the reporting period, especially in the production area. The program had the following objectives:

- · Keep key information & skills within the organization through knowledge transfer from future retirees to nominated disciples
- Ensure smooth generations exchange and business continuity
- Extend knowledge and expertise of employees and prepare them for taking on new roles
- Facilitate transfer of knowledge and technical skills.

#### REFINERY FUNDAMENTALS & ECONOMICS

The program also carried on in 2022. It consisted in learning sessions facilitated by one of our senior experts in the field who offered useful information about Petromidia Refinery. The program was updated to reflect the new economic realities. Different sessions were organized both in Romanian and English with the scope to facilitate a better understanding of the processes through which Rompetrol produces its high-quality fuel, as well as the economics and operational aspects that make Petromidia one of the top refineries in the region. Through this program, more than 170 employees had the opportunity to better understand the oil & gas industry, the Group's challenges throughout its history and the factors that bring added value to our products and business results.

#### **RETAIL ACADEMY**

Retail Academy is a program that aims to foster continuous development of the Retail employees within the Group, including gas stations employees. A thorough analysis of the needed resources in terms of people and budget was performed during the reporting period. Consequently, internal capability will be further developed to deliver specific training programs both face to face and online.



Dedicated programs to attract talents within the Group workforce and encourage early skill development in 2022 included:

- "Ready for Your Career" Internship Program carried out without any interruption for 22 years. The program oversaw the training of more than 1,600 university and high school students since its beginning. In 2022, 78 interns entered and successfully completed the training course, guided for two months by 50 mentors.
  - More recently, the Internship program also includes the **Community Challenge**, an initiative to empower and involve interns in making a real impact, by implementing community projects. Supported by 7 business mentors, the interns developed 7 social projects that focused on the real needs of the communities in Constanța and Prahova counties. The projects addressed the integration of disabled people into society, promotion of a healthy lifestyle among young people, supply, food and toys donations for orphanages, solutions to help some families from disadvantaged backgrounds (from Ploiesti, Năvodari and surroundings) and the encouragement of blood donations.

- "Rompetrol School The First Step Towards the Refining Profession" was launched early 2022 on the Petromidia platform, with the main goal to develop the necessary skills to support the transfer of skills & knowledge between generations through a process of continuous upskilling and reskilling. For 4 months, 49 trainees went through a structured training program to learn theoretical aspects, equipment operation and technological processes in the refinery. Participants were trained for the Chemical Operator and Compressor Operator qualifications by 30 dedicated mentors. At the end of the sessions, 36 of the trainees became our colleagues within the Rompetrol Rafinare company.
- Vocational learning class in Rominserv was also a newly established program during the reporting period. Developed in partnership with Lazăr Edeleanu Technical high-school in Ploiești, the program is a 3-year commitment through which we support high-school students with annual practice in Rominserv guided by three mentors, monthly scholarships and workshops designed to develop their soft skills.

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

We take care of our people, and we consider their health a priority. We take special measures to ensure their health and well-being, across all our operations, in line with the legal provisions imposed by national and local authorities.

Through our Health and Protection Plan we offer our employees medical subscriptions through private clinics, covering outpatient and prevention services, health insurance with top insurers on the market, covering hospitalization and surgery, and life insurance, covering in validity and serious diseases. The services included in the corporate plan are free of charge for all employees. Furthermore, employee family members can also benefit from the medical subscriptions under the same conditions.

The medical services supplier and the health insurer constantly monitor the health of employees and report on it in order for the organization to take appropriate measures to keep our employees healthy. Each need is carefully analyzed and considered for inclusion in the Group-provided benefits package. To further support our employees, they can access dedicated medical offices in our main locations for minor medical emergencies during working hours. There, a doctor can assist and offer first aid if needed.

Moreover, to prevent serious diseases among Rompetrol employees we have implemented a health program aimed at educating them to medically self-assess themselves and to lead a healthy lifestyle by accessing consultations and screening tests for breast, cervical, colon and prostate cancer.

Despite the waning effects of COVID-19 in 2022, we continued to make sure our employees were safe and protected. From the beginning of the pandemic, we implemented 'Work from Home' model for all eligible employees and during the periods when the incident rate was low, we enabled 'Hybrid model' (2 days work from office + 3 days' work from home) and enforced 'Flexy Time', to ensure staff rotation and distancing. The working model continued after the end of the pandemic restrictions and is currently transforming and adapting to our employees' evolving needs.

Also, in the first guarter of 2022, we organized recurrent anti-Covid19 testing sessions for all KMGI employees in Romania, to limit potential contamination among office and production personnel. In the last guarter of 2022, we took all the necessary measures to prevent the effects of the seasonal flu spread, offering our employees the opportunity to have the vaccine for free.

In addition to our existing pay and benefits system, we have developed the Well Station global platform, designed to integrate all our well-being initiatives. Well Station consists of three pillars:

#### 1) Emotional and social well-being 2) Physical well-being 3) Financial well-being.

Under the three pillars, we mapped and implemented programs such as: stress management and mindfulness, health education and prevention, nutrition and hydration. In 2022, we continued and even diversified the initiatives, to respond to the specific employee needs.

In this sense, we have developed and implemented a wellbeing program meant to increase awareness and to prevent the negative effects that can occur due to physical and mental exhaustion. Thus, we focused on these problems and addressed them through a series of actions for employees aimed to combat and prevent burnout and encourage a healthy lifestyle. These included actions targeted at emotional & physical health, as well as work-life balance.

GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-6 **IPIECA** SHS-2 A3, C1, C2

GRI

GRI GRI 403-6 GRI 11.9.7 **IPIECA** SHS-2 C1 SOC-6 C1-C3, A1-A4

We want to continuously inspire and motivate employees to create value by getting involved in their communities, sharing their knowledge, skills, and kindness. We invest in their health and well-being and have an open dialogue to learn about their evolving needs, so we can best meet them through dedicated initiatives.

In 2022, we decided to measure the workforce engagement on a more frequent basis through a dedicated pulse survey platform - Glint - a tool developed by LinkedIn. By the end of the reporting period, we have managed to cover all the employees of the Group. The survey was carried out in multiple stages. It started with the employees in Romania, followed by those from Georgia, Bulgaria, Switzerland, Moldova. The survey also allows comparing results to a relevant European benchmark, for a more in-depth analysis.

Results are used to develop customized initiatives and projects in 2023, with a view to improve engagement and retention at Group level.

Also, we run an internal customer satisfaction survey on an annual basis to support the Group's various departments. The results of the survey then become KPIs for the respective departments. The survey can be accessed by all employees, responses being anonymous.

Based on our initial feedbacks, we have already established that in 2023 we will be focusing on Development so that all our actions within the "Together We Grow People" will follow this component - the development of the community through our individual development. We aim to develop competencies such as:

- the development of project management skills so that our colleagues can take over projects from their area of activity or different areas;
- the development of Leadership skills, which has an impact in succession;
- the development of talents, the increased performance of the organization,
- the improvement of Rompetrol's image as an employer,
- new initiatives at Group level.

Early in 2022, we launched a survey within Rompetrol Moldova to assess the organizational climate, in which all employees were encouraged to express their opinions regarding the leadership style of the management team, internal communication, working conditions, sal-

#### **Workforce engagement**

ary and benefits, and express any concerns or suggestions to improve the work environment.

Based on the feedback received from more than 85% of employees who responded to this survey, Rompetrol Moldova managed to develop an action plan with initiatives to meet the employees' needs, such as the implementation of new benefits (meal vouchers), the "Corporate University" project aimed at the professional development of employees, and the "One Day Switch" project, through which gas stations employees switch places for one day with their colleagues in HQ.

During the reporting period we also reinforced our working methods (e.g. online/video meetings and trainings, workshops, events) and created framework to balance work and spare time when they happen in the same space (sessions for employees and content created to support new work model - flexible schedule and work from home - and collaboration).

Besides the public health preventive measures, specific staff engagement actions were taken such as work from home and hybrid working models, online development actions, recurrent team gathering via Teams and workshops on different topics.

- Meet our People turned our colleagues into brand ambassadors who can inspire teams and even motivate those who want to apply for one of the open positions within the Group. Together with them, we made their stories and careers known, and their profile is available on the company's website in the Careers section.
- "Rompetrol Fuels People's Passions" is an initiative of the Human Resources Department, which supports the passions of our colleagues, from gastronomy to painting, ceramics and jewelry, in order to promote them within the organization, as well as outside of the Group. Through this program, we create a work environment that inspires everyday passions and supports a healthy work-life balance.
- "One day in the gas station" is about the role switch for a day from work at the office to work in a Rompetrol gas station. It is an internal event which has been organized since 2013, and the involvement of colleagues, as well as the experience gained, consolidate the relations within the organization. In 2022, more than 50 colleagues joined the event, experiencing work in 14 Rompetrol stations in Bucharest, Constanta and Ploiesti.



## BUILDING A NEW FRAME OF REFERENCE SAFETY

Introduction Safety performance targets KMG International QHSE framework Rompetrol Rafinare SA Rompetrol Downstream SRL, Rompetrol Gas SRL, Rompetrol Moldova SA Rompetrol Bulgaria EAD Rompetrol Georgia LTD Rominserv SRL, Rompetrol Energy SRL Rompetrol Well Services SA Rompetrol Quality Control SRL Midia Marine Terminal SRL



#### Introduction

Sustainability means more than the responsible use of resources and assets, or minimizing our environmental impact.

The concept of sustainability also extends to fair labor practices and worker health and safety. Our people represent one of our most important resources, which is why our sustainability strategy addresses principles like health and quality of life, prevention of known risks and to the application of precaution when there is uncertainty with regard to the risks, thoughtful human capital management.

By ensuring the health, safety and wellbeing of our people, we also contribute to the Group's lasting value, profit, stronger performance, growth and sustainable workforce.

Safety performance targets

To ensure sustainable operations, we prioritize the safety of our employees, contractors, and communities. Safety performance indicators are an essential tool for measuring and monitoring the effectiveness of our safety programs, policies and procedures. They provide valuable insights into the safety culture of the Group and can be used to identify areas for improvement. In this context, we have set ambitious targets to address short-, medium- and long-term safety performance, in line with our overall sustainability commitments.

As an industry best practice, we benchmark our main reactive indicator (LTIR – Lost Time Injury Rate) against International Oil and Gas Producers (IOGP) association. Our aim and efforts are towards LTIR 0, but considering the profile of our industry, the realistic objective and KPI for us is to be under the annual IOGP average.

Workplace safety not only protects our employees, but

it also keeps our communities and the environment

healthy and safe. Our commitment to safety extends

beyond our employees to our partners and suppliers,

our customers, and the communities in which we carry

Across all Group operations, we cover a large set of

procedures, conditions and environments, from occu-

pational safety, which protects the individual worker,

to process safety, which focuses on the equipment and

procedures carried out within our operations. Occupa-

tional and process safety are followed closely in our day-

to-day activity, to ensure the responsible development

and delivery of sustainable products and services for a

out our activities.

better living.

Our key long-term objectives are:



| Lost-Time Incident Rate (LTIR)          | *2022 | 2023                     | 2025                     | 2030                     | 2035                     | 2040                     | 2050                     |
|---|-------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| KMG International NV corporate entities | 0.26  | below<br>IOGP<br>average | below<br>IOGP<br>average | below<br>IOGP<br>average | below<br>IOGP<br>average | below<br>IOGP<br>average | below<br>IOGP<br>average |
| Rompetrol Rafinare SA                   | 1.2   | 1                        | 0.8                      | 0.56                     | 0.4                      | 0.35                     | 0.2                      |
| Rompetrol Downstream SRL                | 1.28  | 0.19                     | IOGP<br>average          | IOGP<br>average          | IOGP<br>average          | IOGP<br>average          | IOGP<br>average          |
| Rompetrol Gas SRL                       | 0     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| Rominserv SRL                           | 0     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| Rompetrol Energy SA                     | 0     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| Rompetrol Well Services SA              | 0     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| Rompetrol Quality Control SRL           | 0     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
| Midia Marine Terminal SRL               | 0     | 0                        | 0                        | 0                        | 0                        | 0                        | 0                        |
|   |       |                          |                          |                          |                          |                          |                          |

#### \* Base year

**Rompetrol Rafinare SA** recorded 25 Lost-Time Injury days following the incident on Mar. 13, and 77 LTIs following the incident on Oct. 16. **Rompetrol Downstream SRL** recorded 18 LTIs following the incident on Aug. 3.

| Total Recordable Incident Rate (TRIR)   | *2022                            | 2023 | 2025            | 2030            | 2035            | 2040            | 2050            |
|---|----------------------------------|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| KMG International NV corporate entities | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| Rompetrol Rafinare SA                   | 1.00 / 1 million<br>hours worked |      | S               | tabilize at b   | elow 1.00       |                 |                 |
| Rompetrol Downstream SRL                | 1.28                             | 0.19 | IOGP<br>average | IOGP<br>average | IOGP<br>average | IOGP<br>average | IOGP<br>average |
| Rompetrol Gas SRL                       | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| Rominserv SRL                           | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| Rompetrol Energy SA                     | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| Rompetrol Well Services SA              | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| Rompetrol Quality Control SRL           | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| Midia Marine Terminal SRL               | 0                                | 0    | 0               | 0               | 0               | 0               | 0               |
| * Base vear                             |                                  |      |                 |                 |                 |                 |                 |

#### Worker training on OHS (average number of training hours/employee/year

| and increase from base year)  | *2022 | 2023 | 2025 | 2030 | 2035 | 2040 | 2050 |
|-------------------------------|-------|------|------|------|------|------|------|
| Rompetrol Rafinare SA         | 132   | -    | +1%  | +1%  | +2%  | +3%  | +4%  |
| Rompetrol Downstream SRL      | 36    | +2%  | +3%  | +4%  | +5%  | +6%  | +7%  |
| Rompetrol Gas SRL             | 46    | +2%  | +3%  | +4%  | +5%  | +6%  | +7%  |
| Rominserv SRL                 | 32    | +15% | +20% | +25% | +30% | +35% | +40% |
| Rompetrol Energy SA           | 19    | +2%  | +3%  | +5%  | +6%  | +8%  | +10% |
| Rompetrol Well Services SA    | 24    | +3%  | +5%  | +10% | +15% | +20% | +25% |
| Rompetrol Quality Control SRL | 40    | +1%  | +1%  | +2%  | +2%  | +3%  | +3%  |
| Rompetrol Moldova SA          | 24    | +2%  | +3%  | +4%  | +5%  | +6%  | +7%  |
| * Daca year                   |       |      |      |      |      |      |      |

\* Base year

#### **KMG International QHSE Framework**

The main role of the QHSE function is to secure effective management and control of hazards, while mitigating workplace risks by using tools such as trainings, inspections, audits, and incident investigations. Added to that is the role of ensuring compliance with regulatory frameworks, building up and maintaining a functional safety management system.

#### OUR APPROACH TO SAFETY

KMGI Group has implemented a comprehensive Risk Assessment methodology covering both occupational and process safety. The methodology follows a rigorous process which includes hazard identification, quantitative risk assessment and implementation of control measures.

We have an integrated QHSE management system in place, which is certified against ISO 9001, ISO 14001, and ISO 45001. The implemented Management System consist of nine distinct elements covering all the QHSE topics and professional areas. The entire KMG International workforce is under the scope of the mentioned system, including operational and nonoperational employees and interns.

The Group's various internal policies pertaining to occupational health and safety cover all types of operations carried out throughout the Group and represent the foundation of both preventive and reactive programs aimed at delivering safe, secure, and sustainable operations:

- Global QHSE Policy;
- Defensive Driving Policy;
- Alcohol, Drugs and Contraband Policy;
- Rules and Disciplinary Action Policy;
- QHSE Training Policy;
- Policy for Emergency Situations;
- Risk Assessment Policy;
- PPE Policy;
- Contractor Policy;
- Safe System of Work Policy;
- Occupational Health Policy;
- Hazardous Substances Policy;
- Site Acquisition Assessments Divestiture Policy;
- Waste Minimization Policy;
- Incident Reporting &Investigation Policy;
- Auditing and Evaluation Policy.

As a proactive approach, the Group runs two major safety surveillance programs in the effort to supervise and educate its workforce with respect to the QHSE rules and best practice:

- Behavior Based Surveillance (BBS) program ensures proper behavioral supervision and empowers employees to issue observations about any unsafe acts or unsafe conditions that they might observe.
- Hazard Observations Cards (HOC) program ensures early identification of potential hazards and proper definition of mitigation and control measures.

In order to reduce the likelihood of low-frequency, high-impact catastrophic incidents, our approach is to provide assurance that risks in high-hazard and strategically important operations are being properly managed, delivering a full range of dedicated activities including targeted inspections and audits, assessments of safety cases/ incidents, by which eventual failings in control systems are identified, thus reducing risks to workers, the public and the environment. All incidents are thoroughly investigated and, depending on the incident's severity, different incident investigation methodologies are used.

Additionally, in accordance with law no. 319/2006, health & safety committees are active throughout the Group's operations and business units, being comprised of management representatives, labor administration and employees, as well as union reps, looking to ensure full compliance with the applicable legislation, as well as to incorporate everyone's opinions on how KMG International can continue to improve health and safety. Committees meet regularly and minutes from each meeting are recorded and kept for future reference. Communication is conducted via internal platforms like email or Yammer, and through Safety Alerts.

Moreover, the Group performs regular QHSE-related trainings, both in-house and outsourced, addressing its entire workforce. All the operative and nonoperative personnel is trained periodically with respect to QHSE related topics according to the approved training plans. For

#### **GRI** GRI 403-1 GRI 403-3 thru 403-10 GRI 11.9.2 GRI 11.9.4 thru 11.9.11 **SASB** EM-RM-320a.1 EM-RM-320a.2 EM-MD-540a.4 EM-SV-320a.1 EM-SV-320a.2 EM-EP-320a.2 **IPIECA** SHS-1 A1, C1-C3

SHS-3 A2-A4, C1-C4 SHS-7 A1, C2

The nonconformities issued as a result of running the two mentioned programs are consolidated, reported and tracked for closure. Even more, the nonconformity closure rate has an annual target set at 92%. example, during the reporting period, the Group carried out 366,000 safety training hours across its operations, including trainings for CODO stations' personnel.

To comply with all the occupational health requirements, KMG International has contracted a professional health services provider. Moreover, KMGI HQ has an onsite medical facility, with a medic present eight hours a day every weekday, and two more onsite medical facilities located on Petromidia and Vega platforms.

SEVESO entities, due to their adherence to strict regulations, usually implement robust safety systems and rigorous environmental management practices. This often leads to an improved overall environmental performance, with lower emissions and waste generation. They also prioritize the use of environmentally friendly technologies and procedures, which can lead to more efficient resource use and a lower carbon footprint. On the other hand, the potential negative impacts can be significant if accidents occur. These could range from soil and water contamination to atmospheric pollution, which could harm ecosystems and human health. Despite rigorous safety measures, accidental pollution is a risk, and managing this risk effectively is of paramount importance. To limit these effects, immediate measures are taken, especially in SEVESO entities. These include containment and cleanup efforts, waste management, and environmental restoration. Further actions include informing stakeholders, monitoring environmental indicators, and compliance with prevailing laws. These measures apply to all facilities, not just SEVESO entities, to minimize the impact of accidental pollution.

#### QHSE MANAGEMENT

QHSE Management is a line management responsibility within all KMG International entities. All employees are responsible for actively participating in the promotion of a positive health & safety culture within each KMG International entity organization. Furthermore, they also have the responsibility to communicate QHSE concerns, hazards, issues, and reward positive QHSE behavior. The most senior manager in an operational area is responsible for planning, conducting and drafting the minutes of management Review Meetings, which are held at least twice a year.

The management is responsible for effectively communicating their commitment to safety issues and encouraging employee participation in the QHSE management system. Effective communication ensures that all KMG International QHSE objectives and policies are clearly understood by employees across all Group entities, that action plans, standards, procedures and systems are implemented appropriately, that performance is monitored, and feedback is provided accordingly.

#### SAFETY INDICATORS

The lost time injury rate (LTIR) is the indicator used to assess the success of our occupational safety efforts. This figure is a global measure of the number of accidents (including fatalities and victims following catastrophic and major vehicle crashes) resulting in at least one day of missed work per one million hours worked. From 2020, the LTIR replaced the HSE Index as reference KPI in evaluating the safety performance across the Group.

KMG International concluded 2022 with a LTIR (Lost Time Injury Rate) of 0.26, compared to 0.46 in 2021. Except for the previous reporting period, when the indicators was impacted by a high severity incident occurred on the Petromidia platform, the LTIR in 2020 was 0.25, and 0.26 in 2019.

No Fatality cases were recorded by the Group during the reporting period. However, there were 4 Total Recordable Injuries and three first aid cases. There were no occupational illnesses reported by the Group in 2022. There were, however, 20 non-occupational illnesses recorded, most of which were not severe and didn't result in medical leave. Nevertheless, two of them resulted in fatalities. For further reference, there were 13 occupational illnesses recorded in 2021, but none ending in fatalities, 5 occupational illnesses recorded in 2020 and 37 in 2019.

Of the 5,375 total non-conformities issued during the reporting period, 4,977 were closed, maintaining the same closing rate as in 2021, respectively 93%. In 2022, the Group registered 14 near miss cases (compared to 9 in 2021) and 8 property damage cases (10 in 2021).

Throughout 2022, there were no high-consequence work-related injuries registered within the entities of the KMGI Group.

Throughout the reporting period, there were 11,527,772 worked man hours across all Group divisions and entities, 5% more than in 2021. Unlike the increase in the number of worked manhours, a reverse trend can be observed in safety rates, with significant decreases recorded during the current reporting period, compared to the previous one:

- **FIR** 0.00 in 2022 vs. 27.45 in 2021
- LTIF 0.26 in 2022 vs. 0.46 in 2021
- **TRIR** 0.35 in 2022 vs. 0.46 in 2021

## KMG INTERNATIONAL SUSTAINABILITY REPORT 2022

| <b>Overall</b> safe   | ty indicators                              |              |            |                       | e,                       | e                           | 3                          | 2              | e                                |
|-----------------------|--|--------------|------------|-----------------------|--------------------------|-----------------------------|----------------------------|----------------|----------------------------------|
| Division              | Entity                                     | Worked hours | Fatalities | <b>First aid Case</b> | Medical<br>treatment Cas | Restricted<br>work days Cas | Days away fro<br>work Case | Lost time inju | Total recordat<br>injury/illness |
|                       | KMG Trading AG (frm. Vector Energy)        | 43,207       | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Trading &             | TRG Petrol Ticaret AŞ                      | 8,192        | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Supply<br>Chain       | Midia Marine Terminal SRL                  | 410,405      | 0          | 1                     | 0                        | 0                           | 0                          | 0              | 0                                |
|                       | Byron Shipping SRL                         | 18,372       | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
|                       | Rompetrol Downstream SRL (Romania)         | 780,812      | 0          | 0                     | 0                        | 0                           | 1                          | 1              | 1                                |
|                       | Rompetrol Bulgaria EAD                     | 148,015      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Retail &<br>Marketing | Rompetrol Georgia LTD                      | 1,913,181    | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
|                       | Rompetrol Moldova SA                       | 1,949,019    | 0          | 2                     | 0                        | 0                           | 0                          | 0              | 0                                |
|                       | Rompetrol Gas SRL (Romania)                | 177,102      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Due du ation          | Petromidia Refinery                        | 1,632,526    | 0          | 0                     | 0                        | 0                           | 2                          | 2              | 2                                |
| Production            | Vega Refinery                              | 339,482      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Unstragen             | Rompetrol Well Services SA                 | 238,047      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Upstream              | Oilfield Exploration Business Solutions SA | 6,593        | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Industrial            | Rominserv SRL                              | 971,683      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Services              | Rompetrol Energy SA                        | 264,649      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
|                       | KMG Rompetrol SRL                          | 741,132      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Non-core              | Global Security System SA                  | 1,496,600    | 0          | 0                     | 1                        | 0                           | 0                          | 0              | 1                                |
|                       | Rompetrol Quality Control SRL              | 328,647      | 0          | 0                     | 0                        | 0                           | 0                          | 0              | 0                                |
| Group total           | year-to-date December 2022                 | 11,527,772   | 0          | 3                     | 1                        | 0                           | 3                          | 3              | 4                                |

Formulas: LTI = FTL + DAFWC TRI = FTL + MTC + RWDC + DAFWC

#### a ativa an fatu india -

| Division              | Entity                                     | Nonconformity<br>issued | Noncon-<br>formity closed | QHSE<br>training hours | Fire/Emergency<br>drill | OHSE audits/<br>inspections |
|-----------------------|--|-------------------------|---------------------------|------------------------|-------------------------|-----------------------------|
|                       | KMG Trading AG (frm. Vector Energy)        | 0                       | 0                         | 0                      | 0                       | 0                           |
| Trading &             | TRG Petrol Ticaret AŞ                      | 0                       | 0                         | 0                      | 0                       | 0                           |
| Suppiy<br>Chain       | Midia Marine Terminal SRL                  | 113                     | 112                       | 2,307                  | 37                      | 161                         |
|                       | Byron Shipping SRL                         | 0                       | 0                         | 41                     | 1                       | 0                           |
|                       | Rompetrol Downstream SRL (Romania)         | 539                     | 499                       | 21,702                 | 75                      | 2,151                       |
|                       | Rompetrol Bulgaria EAD                     | 45                      | 42                        | 390                    | 27                      | 632                         |
| Retail &<br>Marketing | Rompetrol Georgia LTD                      | 108                     | 58                        | 1,204                  | 9                       | 69                          |
| j                     | Rompetrol Moldova SA                       | 432                     | 417                       | 20,140                 | 1,004                   | 152                         |
|                       | Rompetrol Gas SRL (Romania)                | 36                      | 36                        | 316                    | 13                      | 5                           |
| Droduction            | Petromidia Refinery                        | 911                     | 709                       | 133,095                | 61                      | 403                         |
| Production            | Vega Refinery                              | 241                     | 234                       | 24,824                 | 25                      | 104                         |
| Unctroom              | Rompetrol Well Services SA                 | 1,523                   | 1,523                     | 5,408                  | 18                      | 114                         |
| upstream              | Oilfield Exploration Business Solutions SA | 0                       | 0                         | 48                     | 0                       | 0                           |
| Industrial            | Rominserv SRL                              | 792                     | 756                       | 6,576                  | 1                       | 490                         |
| Services              | Rompetrol Energy SA                        | 550                     | 509                       | 3,012                  | 54                      | 410                         |
|                       | KMG Rompetrol SRL                          | 12                      | 9                         | 2,600                  | 1                       | 3                           |
| Non-core              | Global Security System SA                  | 0                       | 0                         | 25,200                 | 140                     | 12                          |
|                       | Rompetrol Quality Control SRL              | 73                      | 73                        | 14,088                 | 43                      | 317                         |
| Group total           | year-to-date December 2022                 | 5,375                   | 4,977                     | 260,951                | 1,509                   | 5,023                       |

QHSE Safety audits = Any audit/ inspection performed by KMG International QHSE department, second party, third party, KMG International (top and middle management), etc.

#### **Reactive safety indicators**

| Reactive safety indicators |  |                    |                           | al<br>ies                           |           |               |                          |                        |
|----------------------------|--|--------------------|---------------------------|-------------------------------------|-----------|---------------|--------------------------|------------------------|
| Division                   | Entity                                     | Property<br>damage | Occupational<br>illnesses | Nonoccupation:<br>illnesses/fatalit | Near-miss | Spills number | Áuthority<br>inspections | Authority<br>penalties |
|                            | KMG Trading AG (frm. Vector Energy)        | 0                  | 0                         | 0                                   | 0         | 0             | 0                        | 0                      |
| Trading &                  | TRG Petrol Ticaret AŞ                      | 0                  | 0                         | 0                                   | 0         | 0             | 0                        | 0                      |
| Supply<br>Chain            | Midia Marine Terminal SRL                  | 0                  | 0                         | 5                                   | 0         | 1             | 5                        | 0                      |
|                            | Byron Shipping SRL                         | 0                  | 0                         | 0                                   | 0         | 0             | 0                        | 0                      |
|                            | Rompetrol Downstream SRL (Romania)         | 0                  | 0                         | 0                                   | 1         | 0             | 560                      | 33,841                 |
|                            | Rompetrol Bulgaria EAD                     | 4                  | 0                         | 0                                   | 5         | 0             | 27                       | 0                      |
| Retail &<br>Marketing      | Rompetrol Georgia LTD                      | 1                  | 0                         | 0                                   | 0         | 0             | 17                       | 1,639                  |
| j                          | Rompetrol Moldova SA                       | 3                  | 0                         | 1                                   | 0         | 0             | 0                        | 0                      |
|                            | Rompetrol Gas SRL (Romania)                | 0                  | 0                         | 0                                   | 0         | 0             | 22                       | 0                      |
| Droduction                 | Petromidia Refinery                        | 0                  | 0                         | 11                                  | 2         | 0             | 30                       | 3,558                  |
| Production                 | Vega Refinery                              | 0                  | 0                         | 3                                   | 0         | 0             | 13                       | 10,920                 |
| Unstroom                   | Rompetrol Well Services SA                 | 0                  | 0                         | 0                                   | 0         | 0             | 1                        | 0                      |
| Upstream                   | Oilfield Exploration Business Solutions SA | 0                  | 0                         | 0                                   | 0         | 0             | 0                        | 0                      |
| Industrial                 | Rominserv SRL                              | 0                  | 0                         | 0                                   | 2         | 0             | 0                        | 0                      |
| Services                   | Rompetrol Energy SA                        | 0                  | 0                         | 0                                   | 4         | 0             | 8                        | 0                      |
|                            | KMG Rompetrol SRL                          | 0                  | 0                         | 0                                   | 0         | 0             | 0                        | 0                      |
| Non-core                   | Global Security System SA                  | 0                  | 0                         | 0                                   | 0         | 0             | 0                        | 0                      |
|                            | Rompetrol Quality Control SRL              | 0                  | 0                         | 0                                   | 0         | 0             | 5                        | 0                      |
| Group total                | year-to-date December 2022                 | 8                  | 0                         | 20                                  | 14        | 1             | 688                      | 49,958                 |

Safety rates

| Division              | Entity                                     | Light | Serious | Major | Catastrophic | Total | Kilometers<br>driven | MVC rate<br>(MVCR) |
|-----------------------|--|-------|---------|-------|--------------|-------|----------------------|--------------------|
|                       | KMG Trading AG (frm. Vector Energy)        | 0     | 0       | 0     | 0            | 0     | 144                  | 0                  |
| Trading &             | TRG Petrol Ticaret AŞ                      | 0     | 0       | 0     | 0            | 0     | 144                  | 0                  |
| Supply<br>Chain       | Midia Marine Terminal SRL                  | 0     | 0       | 0     | 0            | 0     | 309,587              | 0                  |
|                       | Byron Shipping SRL                         | 0     | 0       | 0     | 0            | 0     | 137,258              | 0                  |
|                       | Rompetrol Downstream SRL (Romania)         | 5     | 0       | 0     | 0            | 5     | 3,818,414            | 0                  |
|                       | Rompetrol Bulgaria EAD                     | 0     | 0       | 0     | 0            | 0     | 636,508              | 0                  |
| Retail &<br>Marketing | Rompetrol Georgia LTD                      | 0     | 0       | 0     | 0            | 0     | 491,365              | 0                  |
|                       | Rompetrol Moldova SA                       | 1     | 0       | 0     | 0            | 1     | 1,385,939            | 0                  |
|                       | Rompetrol Gas SRL (Romania)                | 0     | 0       | 0     | 0            | 0     | 45,000               | 0                  |
| Des des ations        | Petromidia Refinery                        | 1     | 0       | 0     | 0            | 1     | 770,501              | 0                  |
| Production            | Vega Refinery                              | 0     | 0       | 0     | 0            | 0     | 79,472               | 0                  |
|                       | Rompetrol Well Services SA                 | 1     | 0       | 0     | 0            | 1     | 1,566,168            | 0                  |
| Upstream              | Oilfield Exploration Business Solutions SA | 0     | 0       | 0     | 0            | 0     | 58,700               | 0                  |
| Industrial            | Rominserv SRL                              | 0     | 0       | 0     | 0            | 0     | 1,246,579            | 0                  |
| Services              | Rompetrol Energy SA                        | 0     | 0       | 0     | 0            | 0     | 240,786              | 0                  |
|                       | KMG Rompetrol SRL                          | 2     | 0       | 0     | 0            | 2     | 2,385,000            | 0                  |
| Non-core              | Global Security System SA                  | 0     | 0       | 0     | 0            | 0     | 683,500              | 0                  |
|                       | Rompetrol Quality Control SRL              | 0     | 0       | 0     | 0            | 0     | 411,115              | 0                  |
| Group total           | year-to-date December 2022                 | 10    | 0       | 0     | 0            | 10    | 14,266,180           | 0.00               |

MCV Light = Any minor car accident not falling into another category MCV Serious = Any KMG International entities vehicle that cannot be driven from the scene by own resources (towing, platforms etc.) MCV Major = Any car accident involving injuries to any KMG International entities personnel MCV Catastrophic = Any car accident involving loss of life (fatality) of any KMG International entities personnel

*Note: Motor vehicle crashes resulting in third party injury are recorded and reported; however the severity classification above accounts only for own employees.* 

#### Motor vehicle crash (MVC)



| HSE Index & LTIR                           | tuals<br>ths                  | Safety incidents - Safety incidents - numbers rates |                      |   |     |           | <b>i</b> -       |      |      |      |           |
|--|-------------------------------|---|----------------------|---|-----|-----------|------------------|------|------|------|-----------|
| Block / Division / Entity                  | HSE Index Act<br>current mont | Worked<br>hours                                     | Kilometers<br>driven | Ē | TRI | MVC (M+C) | <b>MVC Total</b> | FIR  | TRIR | MVCR | LTIF/LTIR |
| Operational Block                          | 0.001                         | 7,420,313   | 7,674,332            | 0 | 3   | 0         | 7                | 0.00 | 0.40 | 0.00 | 0.40      |
| Trading and Supply Chain                   | 0.0                           | 480,176   | 447,133              | 0 | 0   | 0         | 0                | 0.00 | 0.00 | 0.00 | 0.00      |
| KMG Trading AG (frm. Vector Energy)        | 0.0                           | 43,207  | 144                  | 0 | 0   | 0         | 0                | 0.00 | 0.00 | 0.00 | 0.00      |
| Rompetrol Turkey                           | 0.0                           | 8,192   | 144                  | 0 | 0   | 0         | 0                | 0.00 | 0.00 | 0.00 | 0.00      |
| Midia Marine Terminal                      | 0.0                           | 410,405   | 309,587              | 0 | 0   | 0         | 0                | 0.00 | 0.00 | 0.00 | 0.00      |
| Byron Shipping                             | 0.0                           | 18,372  | 137,258              | 0 | 0   | 0         | 0                | 0.00 | 0.00 | 0.00 | 0.00      |
| Retail and Marketing                       | 0.001                         | 4,968,129   | 6,377,226            | 0 | 1   | 0         | 6                | 0.00 | 0.20 | 0.00 | 0.20      |
| Rompetrol Downstream SRL (Romania)         | 0.00                          | 780,812   | 3,818,414            | 0 | 1   | 0         | 5                | 0.00 | 1.28 | 0.00 | 1.28      |
| Rompetrol Bulgaria EAD                     | 0.0                           | 148,015   | 636,508              | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.00      |
| Rompetrol Georgia LTD                      | 0.0                           | 1,913,181   | 491,365              | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.00      |
| Rompetrol Moldova SA                       | 0.0                           | 1,949,019   | 1,385,939            | 0 | 0   | 0         | 1                | 0.0  | 0.0  | 0.0  | 0.00      |
| Rompetrol Gas SRL (Romania)                | 0.0                           | 177,102   | 45,000               | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.00      |
| Production                                 | 0.003                         | 1,972,008   | 849,973              | 0 | 2   | 0         | 1                | 0.0  | 1.0  | 0.0  | 1.0       |
| Petromidia Refinery                        | 0.004                         | 1,632,526   | 770,501              | 0 | 2   | 0         | 1                | 0.0  | 1.2  | 0.0  | 1.2       |
| Vega Refinery                              | 0.0                           | 339,482   | 79,472               | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.0       |
| Industrial Services Block                  | 0.0                           | 1,480,972   | 3,112,233            | 0 | 0   | 0         | 1                | 0.0  | 0.0  | 0.0  | 0.0       |
| Upstream                                   | 0.0                           | 244,640   | 1,624,868            | 0 | 0   | 0         | 1                | 0.0  | 0.0  | 0.0  | 0.0       |
| Rompetrol Well Services SA                 | 0.0                           | 238,047   | 1,566,168            | 0 | 0   | 0         | 1                | 0.0  | 0.0  | 0.0  | 0.0       |
| Oilfield Exploration Business Solutions SA | 0.0                           | 6,593   | 58,700               | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.0       |
| Industrial Services                        | 0.0                           | 1,236,332   | 1,487,365            | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.0       |
| Rominserv SRL                              | 0.0                           | 971,683   | 1,246,579            | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.0       |
| Rompetrol Energy SA                        | 0.0                           | 264,649   | 240,786              | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.0       |
| Corporate Support Block                    | 0.0                           | 2,566,379   | 3,479,615            | 0 | 1   | 0         | 2                | 0.0  | 0.4  | 0.0  | 0.0       |
| KMG Rompetrol SRL                          | 0.0                           | 741,132   | 2,385,000            | 0 | 0   | 0         | 2                | 0.0  | 0.0  | 0.0  | 0.0       |
| Global Security System SA                  | 0.0                           | 1,496,600   | 683,500              | 0 | 1   | 0         | 0                | 0.0  | 0.7  | 0.0  | 0.0       |
| Rompetrol Quality Control SRL              | 0.0                           | 328,647   | 411,115              | 0 | 0   | 0         | 0                | 0.0  | 0.0  | 0.0  | 0.0       |
| Group total year-to-date Dec. 2022         | 0.001                         | 11,527,772  | 14,266,180           | 0 | 4   | 0         | 10               | 0.00 | 0.35 | 0.00 | 0.26      |

**Comparative view of safety** indicators and rates





#### **SAFETY AUDITS** AND TRAININGS

To make sure all QHSE standards in place guarantee the health and safety of KMG International employees, suppliers and all other stakeholders involved in its operations, the Group constantly performs internal and external safety audits and inspections, both planned and impromptu, in order to identify both weak points and

HSE Index = 50%FIR+30%TRIR+20%MVCR

improvement opportunities. Audit frequency considers the entity risk ranking. Subsequently, specific statistics and reports are drawn with various frequencies (weekly/monthly/quarterly/half-yearly/annual/upon request), in order to meet internal requirements and compliance obligations.

Performance reviews are also conducted during the yearly management reviews with the active involve-

#### **QHSE training hours** 2022 2,307 Midia Marine Terminal SRL Rompetrol Downstream SRL (Romania) 21,702 390 Rompetrol Bulgaria EAD Rompetrol Georgia LTD 1,204 Rompetrol Moldova SA 20,140 Rompetrol Gas SRL (Romania) 316 **Rompetrol Rafinare SA** 157,919 **Rompetrol Well Services SA** 5,408 Rominserv SRL 6,576 **Rompetrol Energy SA** 3,012 **KMG Rompetrol SRL** 2,600 **Global Security System SA** 25,200 Rompetrol Quality Control SRL 14,088

ment of the management teams and within the KMGI Group established Safety Committee chaired by the Group CEO. To further support this process, KMGI Group introduced monthly QHSE Staff Meetings where topics like year-to-date active and reactive indicators, specific programs, action plans and projects are scrutinized.

Group total year-to-date December 2022 260,951

At the Group level, a consolidated number of more than 5,000 inspections and audits were performed in 2022. We continued to investigate incidents and health and safety concerns in line with our internal policies, seeking timely completion of non-fatal investigations.

Aside for the safety procedures and processes carried out by KMG International at all Group levels and in all its Business Units, the Group places high focus on health and safety training, with more than 1,500 fire drills and more than 250,000 hours of HSE training in 2022 alone, a significant increase from 2021 indicators (>1,300 fire drills & >30,000 QHSE training hours). 688 inspections were conducted by the authorities during the reporting period, and USD49,958 penalties were applied for certain non-conformities across Group operations.

In 2023, we will continue to focus on increasing the level of safety in the workplace, performing all required training programs to increase awareness on the importance of performing the activities in a safe working environment. Also, we will continue to monitor the safety performance across all Group affiliates.

#### EMPLOYEE **ABSENTEEISM**

Employee absenteeism rate in 2022 saw a slight overall decrease across the Group - reaching similar levels to the pre-pandemic period - unlike the previous reporting periods, when the indicator had been recording an upward trend. This reflected not only workforce ageing and the factors associated with the process, but also the impact of the COVID-19 pandemic.

| Absenteism rate - Romania                  | Female | Male  | Total |
|--|--------|-------|-------|
| Byron Shipping LTD                         | 1.73%  | 0.00% | 0.69% |
| KMG Rompetrol SRL                          | 2.75%  | 0.33% | 1.62% |
| KMG Rompetrol Services Center SRL          | 2.08%  | 0.97% | 1.83% |
| Midia Marine Terminal SRL                  | 7.37%  | 1.79% | 3.07% |
| Rominserv SRL                              | 4.20%  | 3.01% | 3.23% |
| Rompetrol Downstream SRL & Rom Oil SA      | 4.37%  | 1.64% | 2.52% |
| Rompetrol Gas SRL                          | 0.89%  | 3.89% | 3.52% |
| Rompetrol Logistics SRL                    | 0.00%  | 0.00% | 0.00% |
| Rompetrol Petrochemicals SRL               | 2.92%  | 0.00% | 2.92% |
| Rompetrol Quality Control SRL              | 4.12%  | 0.95% | 3.48% |
| Rompetrol Rafinare SA                      | 3.20%  | 2.40% | 2.59% |
| Oilfield Exploration Business Solutions SA | 0.00%  | 0.00% | 0.00% |
| Rompetrol Well Services SA                 | 3.05%  | 3.66% | 3.57% |
| Rompetrol Development SRL                  | 1.34%  | 0.00% | 0.77% |
| Rompetrol Energy SA                        | 1.46%  | 1.59% | 1.56% |
| Fondul de investiții în energie KZ-RO SA   | 0.00%  | 0.00% | 0.00% |

| Absenteism rate | 2022  | Evolution of absenteism rates |       |  |  |  |
|-----------------|-------|-------------------------------|-------|--|--|--|
| Romania         | 2.66% | 2014                          | 2.43% |  |  |  |
| Female          | 3.45% | 2015                          | 3.10% |  |  |  |
| Male            | 2.28% | 2016                          | 2.41% |  |  |  |
| Near abroad     | 2.47% | 2017                          | 2.54% |  |  |  |
| Female          | 3.46% | 2018                          | 1.97% |  |  |  |
| Male            | 2.18% | 2019                          | 2.38% |  |  |  |
| Group total     | 2.59% | 2020                          | 2.75% |  |  |  |
| Female          | 3.45% | 2021                          | 2.91% |  |  |  |
| Male            | 2.24% | 2022                          | 2.59% |  |  |  |

GRI GRI 403-1 thru 403-10 GRI 11.8.3 GRI 11.9.2 thru 11.9.11 GRI 11.15.4 SASB EM-RM-320a.1 EM-RM-320a.2 **IPIECA** SHS-3 C1 SOC-12 C1, C2, A1

#### APPROACH **TO SAFETY**

Referring to the refining operations, the Group's integrated health & safety management system covers the provisions of an exhaustive set of legal requirements, grouped into approximately 81 documents currently in force (Directives, Laws, Orders, Ordinances, GD, SR, STAS, PT) and bases its principles on detailed internal risk assessment procedures.

Rompetrol Rafinare has a detailed prevention and protection plan in place, which is reviewed annually, along with a dedicated OHS management program. Also, to ensure the prevention and mitigation of occupational health and safety impacts, the company carries out an internal inspection program for rented facilities and spaces, as well as a chemical and noxious chemical program.

All workers on both Petromidia and Vega platforms are covered by the Group's occupational health and safety management system. Furthermore, during the reporting period, 236 contractors in direct relation with Petromidia operations, respectively 160 direct Vega contractors were covered on a monthly basis by the same system.

In 2022, no grievances related to safety issues were filed by representatives of the local communities relevant for Rompetrol Rafinare.

#### HAZARD IDENTIFICATION AND RISK ASSESSMENT

Rompetrol Rafinare has an internal risk assessment procedure in place, which establishes the most appropriate and effective methodology for the management of risks affecting occupational safety and health, in line with relevant legislation and standards in force. The "Identification and assessment of occupational safety and health risk factors" procedure describes the risk assessment addressing the executor - workload - means of production - work environment touchpoints, in terms of work safety (human and financial). The procedure follows three steps:

- the identification of risk factors for accidents and occupational illnesses;
- ranking the risk factors in relation to the potential severity of the consequences on the executor;
- · identifying and prioritizing the prevention measures to be applied.

The assessment of the current level of risk considers both the specific manifestation of risk factors, as well as the maximum foreseeable consequences on the

#### **Rompetrol Rafinare SA**

integrity and health of the human body. According to the internal risk assessment procedures applicable to the refining operations, a detailed analysis of the workplace must be carried out by using the description of the technological processes and the work operations involved, job descriptions, free discussions with the job occupants, environmental factors analysis reports, norms, standards, and instructions / procedures for work safety.

The process of identifying and assessing the risks of accidents and occupational illnesses involves the following stages:

- determining the limits of the system, which includes the use for which it is intended as well as any foreseeable inappropriate use, to a reasonable extent:
- identifying any potential hazards and associated hazardous situations:
- estimating the risk for each identified hazard and hazardous situation:
- conducting risk assessment and subsequent decision making on the need to reduce risk;
- eliminating the danger or reducing the risk associated with the danger by establishing adequate protection measures.

The assessment of occupational safety and health risks (facility/section/sector/department), including for risk-sensitive groups, must be reviewed at least in the following situations:

- whenever there are changes or modifications in terms of technology, work equipment, substances or chemical preparations used or job role adjustments;
- after the occurrence of an event;
- when ascertaining the omission of certain risks or the appearance of new risks;
- for the execution of special works

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH AND SAFETY**

In accordance with law no. 319/2006, health & safety committees are active throughout the Group's operations and business units, being comprised of management representatives, labor administration and employees, as well as union reps, looking to ensure full compliance with the applicable legislation, as well as to incorporate everyone's opinions on how KMG International can continue to improve health and safety.

| Petromidia Refinery QHS Committee   | Vega Refinery QHS Committee  |
|---|--|
| General Director (Pr  | esident)   |
| HS Coordinator (Se  | cretary)   |
| Employee management representatives with responsibilities<br>for safety and health at work (Refinery Plant Director,<br>Petrochemical Plant Director, Utilities Plant Director, Plant<br>Inspection Director; QHSE Manager, HR Manager) | 2 employer representatives with<br>responsibilities for safety and health at work<br>(Emergency Manager, Production Manager) |
| 7 representatives of workers with specific responsibilities<br>in the field of security and health  | 3 representatives of workers with specific responsibilities in the field of security and health                              |
| Doctor of Medic   | cine   |

The Committees operate according to the internal order for the establishment of OHS committees and the "Organization and functioning of the occupational safety and health committee" internal procedure. They meet regularly and minutes from each meeting are recorded and kept for future reference. In 2022, refining OHS committees within Petromidia and Vega had 4 meetings (quarterly).

Quarterly and annual meetings, in which the OHS activity is presented and discussed, address issues like medical activity, medical report, proposals / problems raised by workers regarding OHS, decisions, status measures, established actions, approval of OHS documents on which the workers / workers' representatives were consulted, depending on the situation. The meeting reports after every committee meetings are also emailed to employees to inform them of the discussions and outcomes. Furthermore, all OHS committee-related documents are also sent to the local labor authorities for record.

As part of the OHS processes and procedures, both refineries have an operational internal prevention and protection department, structured as follows:

Petromidia - 1 OHS - Emergency Situations Coordinator, 4 OHS specialists, 2 emergency technical staff;

Vega - 1 OHS coordinator, 1 Emergency Situations Manager.

Aside from the physical safety of the personnel operating in the refining unit, access and personal data safety are also regulated according to internal procedures ("Access to the Petromidia/ Vega platform") and GDPR (dedicated people, personal data storage location secured in a dedicated folder on the KMGI server). GDPR applies both to Group employees, who must sign a personal data processing agreement, in line with GDPR provisions, as an addendum to their employment contract, as well as to contractors or subcontractors.

For example, to grant access on the Petromidia Platform to persons who do not have the quality of employees of RRC, MMT, Rominsery, RQC and RPET companies, including with cameras / video and / or with other equipment such as laptop, tablet, etc., they must fill in a personal information processing note agreeing to their personal data being processed by company operators.

Management is responsible for effectively communicating their commitment to OHS issues and encouraging employee participation in the OHS management system. It is the responsibility of all employees to communicate OHS concerns, unsafe acts, unsafe conditions, hazards, issues, and reward positive OHS behavior.

#### **PROMOTION OF** WORKER HEALTH

During the reporting period, 99.9% of the Petromidia workforce and 100% of Vega workers were subjected to the annual medical check-up, according to the Rompetrol Rafinare "Monitoring staff health" internal procedure. The Group's external collaborator for work-related medical services, Medlife, provides a wide range of services, which include:

- prevention and prophylaxis package: medical check-up at employment, periodic medical checkup (annually) and medical check-up at job change, resumption of work after accident, childcare timeoff including emergency assistance;
- recommendations for additional clinical and paraclinical investigations;
- participation in the professional risk factors assessment team;
- free consultations and tests for different specialties annually:
- discounts on various consultations and lab tests for employees and family members.

In 2022, Petromidia Refinery recorded 1,632,526 worked manhours and 770,501 kilometers driven. With a Lost Time Injury Rate of 1.2 - considerable improvement from the 2.8 during the previous reporting period, Petromidia Refinery also recorded 2 DAFWC cases (1 worker suffered thermal burns on one leg after stepping in hot condensate while performing preliminary technological works for the planned shutdown of the Coker unit & 1 AFPE Operator suffered a fracture as a result of a fall), 9 non- occupational illnesses, 2 Near Miss incidents and 1 MVC. Of 911 nonconformities issued (internal inspections and external controls), 709 were closed (78% closing rate). No fatalities were recorded at Petromidia during the reporting period.

Vega recorded 339,482 worked manhours and 79,472 kilometers driven in 2022. No fatalities, or days away from work cases were recorded among Vega staff, however, 3 non-occupational illnesses were recorded. The refinery had a closing rate of 97% (241 NC issued vs. 234 closed) in 2022, up by 1% from the previous reporting period.

There were 30 authority inspections performed on the Petromidia platform during the reporting period, with USD 3,558 penalties applied. At Vega Refinery, authorities performed 13 inspections and applied penalties amounting to USD 10,920. No process safety events occurred within the operations of either refinery.

#### OHS TRAINING

The internal OHS Training procedure establishes the types of trainings and their frequency, the function responsible for carrying out the trainings and the specific topics to be approached.

The annual training of all employees is done in the online application IKNOW with online testing. Platform access training for contractors / subcontractors, entity employees is 1.5-2 hours (physical and online), while on-the-job training of employees is 8 hours (access and allocation of IKNOW courses and online testing). There are dedicated training instructors, with "train the trainer" courses performed.

The employee training process is inclusive and comprehensive, encompassing a broad spectrum of individuals within our organization. This includes not only our permanent staff but also new employees or those returning from corporate induction courses. The training extends to delegates, individuals participating in

#### Н

| HSE Index & LTIR                   | uals<br>hs                    |                 |                      | Saf | ety ir<br>nun | ncideı<br>nbers | nts -            | S    | Safety incidents -<br>rates |      |           |  |  |
|------------------------------------|-------------------------------|-----------------|----------------------|-----|---------------|-----------------|------------------|------|-----------------------------|------|-----------|--|--|
| 2022                               | HSE Index Act<br>current mont | Worked<br>hours | Kilometers<br>driven | Ē   | TRI           | MVC (M+C)       | <b>MVC Total</b> | FIR  | TRIR                        | MVCR | LTIF/LTIR |  |  |
| Production                         | 0.003                         | 1,972,008       | 849,973              | 0   | 2             | 0               | 1                | 0.0  | 1.0                         | 0.0  | 1.0       |  |  |
| Petromidia Refinery                | 0.004                         | 1,632,526       | 770,501              | 0   | 2             | 0               | 1                | 0.0  | 1.2                         | 0.0  | 1.2       |  |  |
| Vega Refinery                      | 0.0                           | 339,482         | 79,472               | 0   | 0             | 0               | 0                | 0.0  | 0.0                         | 0.0  | 0.0       |  |  |
| Group total year-to-date Dec. 2022 | 0.001                         | 11,527,772      | 14,266,180           | 0   | 4             | 0               | 10               | 0.00 | 0.35                        | 0.00 | 0.26      |  |  |

| 2022                | Nonconformity<br>issued | Nonconformity<br>closed | QHSE training<br>hours | Fire/emergency<br>drill | QHSE audits/<br>inspections |
|---------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------------------|
| Petromidia Refinery | 911                     | 709                     | 133,095                | 61                      | 403                         |
| Vega Refinery       | 241                     | 234                     | 24,824                 | 25                      | 104                         |

internships, students, and pupils. We also ensure to train those involved in issuing and approving work permits, as well as contractor and subcontractor personnel. We have specialized trainings tailored specifically for personnel who issue and approve work permits, and for rescuers who operate across all platforms. These focused sessions equip them with the necessary knowledge and skills to carry out their duties effectively and safely. To prepare for potential emergency situations, we conduct scheduled drills. These exercises include practical simulations of scenarios such as fire outbreaks and other possible crises. This proactive approach ensures our preparedness to respond swiftly and efficiently to any emergency situation that might arise.

Training on access to the Platform is done on employment, periodically (according to internal procedures) or additionally (on a case-based need). Periodic training can be monthly / guarterly / once a semester, depending on the managerial position. It is recorded in the individual training file, according to the legislation, and must include the signature of the trained person and of the person performing the training (duration of 2 hours). The additional training is recorded in the individual training file according to the legislation and must also include the signature of the trained person and of the person performing the training (duration 8 hours).

In 2022, there were 133,095 hours of training recorded at Petromidia Refinery (contractors, subcontractors, rescuers, licensed issuers, annual retraining of own staff) and 24,824 training hours recorded at Vega Refinery, both showing an increasing trend from the previous reporting period. 403 QHSE audits and inspections were conducted at Petromidia and 104 at Vega refineries.

#### **Rompetrol Downstream SRL Rompetrol Gas SRL Rompetrol Moldova SA**

#### **APPROACH TO SAFETY**

Rompetrol Downstream and Rompetrol Gas, affiliated companies of Rompetrol Rafinare, and Rompetrol Moldova, comply with the ISO 45001: 2018 standard, which they migrated to in 2020. This standard focuses on the context of the organization determining the relevant stakeholders (business environment, community) for occupational OHS management.

In conformity with ISO 45001 and QHSE requirements, there are procedures and work instructions in place pertaining to relevant activities, risk assessments, HSE trainings. The OHS regulations primarily address workers and describe how certain activities must be performed safely. They refer to topics like:

- Consulting employees;
- Carrying out medical check-ups;
- Providing basic first aid; •
- Safety instructions for weight handling;
- Receipt and sale of fuels (gasoline, diesel, LPG);
- Safety instructions for working at heights;
- Operation of distribution pumps.

While the companies do not participate in national or international forums addressing health and safety practices, they closely follow any updates in legal requirements, and make sure their activities are in full compliance with the applicable international and local regulations, as well as Group policies and procedures.

The factors considered in the development and implementation of the health and safety management system governing the activity of all Rompetrol Downstream, Rompetrol Gas and Rompetrol Moldova work points reflect not only the level of compliance, but also the commitment of the companies in providing a secure working environment and safe operating conditions with positive impact on employees, customers, and the community:

#### **ORGANIZATIONAL FACTORS**

- 1. Safety culture of the organization promoted through awareness campaigns to make sure employees fully understand it;
- 2. Resources (human and financial);
- 3. Work patterns such as shift systems, night shifts or extended hours:
- 4. Communication -various communication methods to convey health and safety messages and relevant information to the workforce:
- 5. Level of supervision and responsibilities -In both Rompetrol Downstream and Rompetrol Gas, companies that undertake fuel storage and distribution, the presence of competent supervisors to oversee the work is critical to prevent both rule-breaking behavior and human error.

#### **JOB FACTORS**

- 1. Environment workplace conditions such as space, lighting, noise, temperature and humidity and the way that these parameters are controlled so as to minimize their impact on worker performance;
- 2. Displays and controls their design, and the way poorly designed displays and controls can contribute to the likelihood of human error:
- **3. Procedures** the existence and guality of work procedures. If there is a lack of written procedures, or if they are poorly written, out of date, overly complex or impractical, workers may not comply;
- 4. Health and safety training.

To improve safety, health, and security practices, we follow a full transparency policy, which involves informing clients of our ISO certifications, our OHS management system and QHSE Policy.

Furthermore, investment projects regarding the implementation of new technologies (electric charging, replacement of old work equipment), regular revision of OHS regulations, monthly regulatory information, QHSE global alerts and a comprehensive incident investigation report and measure plan add to the policies and procedure in place and contribute to the improvement of our OHS practices.

GRI GRI 403-1thru 403-10 GRI 11.8.3 GRI 11.9.2 thru 11.9.11 GRI 11.15.4

SASB EM-MD-540a.1 EM-MD-540a.2 EM-MD-540a.3 EM-MD-540a.4

**IPIECA** SHS-1 C1-C3, A1-A3 SHS-2 C1, C2, A1-A4 SHS-3 C1, C3, A1-A3 SHS-4 C1, C2, A1, A4, A5

SHS-5 C3 SOC-12 C1, C2, A1

#### **Initiatives to improve** safety performance

- Involvement of employees (employee representatives) in safety activity and risk assessment;
- Analysis of risks and opportunities for improvement;
- BBS (in application);
- HSE and Operational inspections;
- Wearing protective equipment;
- Supplier evaluation;
- Concluding Health and Safety Environmental agreements with dealers and suppliers;
- HQ staff training with "IKNOW" app;
- Investment projects regarding the implementation of new technologies (electric charging, replacement of old work equipment);
- Revision of HS regulations;
- Monthly ISU info;
- QHSE Global Alert;
- Incident report investigation and threat mitigation plan.

Regarding our contractor & supplier base, health and safety competences also weigh in the selection process. Our requirements include the provision of specific documentation such as: a copy of their health and safety policy, examples of risk assessments and method statements, the qualifications and training records of staff, membership in a professional organization or certified body, names of previous or current clients to use as references, accident history records etc. QHSE audits and inspections also address our supplier and contractor base to make sure all standards are met.

The transport of people, general goods and fuels is carried out by an external company. Agreements with this third party include specific health & safety provisions. Specific measures are taken to improve transport safety, including fire prevention exercises carried out by local fire brigades in warehouses and in some fuel distribution stations, discussions with authorities regarding the application of legal requirements, external audits on transportation safety issues or informing transport companies about potential safety transportation improvements.

To extend health initiatives to local communities and other stakeholders we send our QHSE policy to customers, together with regular information on the activity and management of hazardous substances, we have constant written communications with local authorities, and we inform the public about the initiatives we carry out in various localities.

#### HAZARD IDENTIFICATION & RISK ASSESSMENT

The risks of accidents and occupational diseases are identified and evaluated for all work points and the Prevention and Protection Plan is drawn up to detail the technical, organizational and first aid measures required. The investigation of work accidents is carried out in accordance with Law 319/2006 and GD 1425/2006. In addition, the KMG International Group QHSE procedure sets the standards and direction for conducting internal investigations of specific situations identified.

We have risk assessments for every position in the employee hierarchy and our risk assessment procedures also expand to our suppliers, who are assessed in terms of OHS, technical and financial requirements in the tender/selection procedure. Some of the OHS requirements have an eliminatory character. Subsequently, throughout the course of the contract, suppliers are evaluated at set time intervals established in the contract. Each service contract is attached to the OHS convention, which delimits the OHS and Emergency Response responsibilities between the supplier and the beneficiary.

To review our assessment and management of process safety risks, we consider the required resources, the type of risk analysis measures to be used, the stakeholders involved and the relevant laws, regulations, or standards that may apply, along with the organizational policies and procedures already in place.

Every year, local authorities carry out SEVESO inspections on the 6 depots operated by Rompetrol Downstream and the 3 depots operated by Rompetrol Gas. Following each inspection, findings are submitted to the SEVESO authorities and a specific plan for updates and improvements is implemented, setting clear responsibilities and deadlines. Other types of controls are also carried out regularly by Local Labor Inspectorates, while specific assessments of gas stations' activity are carried out by authorities like the State Inspection for the Control of Boilers, Pressure Vessels and Lifting Installations (ISCIR), Local Metrology Offices, Water and Environmental Agencies, the National Research & Development Institute for Mining Safety and Protection against Explosions (INSEMEX).

Regarding Rompetrol Moldova, every year local authorities perform inspections on process safety events based on authorities' checklists. Each finding is included in a risk mitigation program with clear responsibilities and deadlines for implementation. After implementation a follow-up report & dedicated communication is shared with the authorities.

In 2022, Rompetrol Downstream received 3 grievances from local communities regarding noises produced by fuel station or depot equipment (locations within or in the proximity of residential areas). All grievances were addressed according to internal rules and regulations. One grievance was already closed, while two are still undergoing analysis and pending resolution.

During the reporting period, there were no grievances filed by local communities with regards to the operations of Rompetrol Gas or Rompetrol Moldova. Moreover, all natural gas and hazardous liquids pipelines were inspected and there were no pipeline incidents nor any accident or non-accident releases from rail transportation within Rompetrol Downstream, Rompetrol Gas or Rompetrol Moldova. Every day, the Warehouse Manager performs a visual inspection of the pipelines and piping installations in line with the provisions of our internal Preventive Maintenance Program. Also, according to the Program, all equipment is checked regularly by an authorized supplier, whose control reports are then submitted for further verification to the responsible company staff.

Management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles have been implemented within Rompetrol Downstream, Rompetrol Gas and Rompetrol Moldova for both depots and gas stations, as follows:

- Depots automation of fire extinguishing systems in warehouses (meetings with designers, approval of projects by the Emergency Situations Inspectorate (ISU), verification of implementation status by ISU.
  - Rompetrol Downstream SRL 90%
  - Rompetrol Gas SRL 100%
  - Rompetrol Moldova SA 50%
- Gas stations automation of fire preventive • system and technical equipment for firefighting (extinguishers) in each Rompetrol gas station. All equipment and extinguishing systems are periodically inspected and duly replaced at the end of their life cycle.
  - Rompetrol Downstream SRL 100%
  - Rompetrol Moldova SA 95%

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH** AND SAFETY

The participation and consultation of workers is carried out through their elected representatives, in line with ISO 45000 requirements. Employee representatives participate in OHS Committee meetings, OHS inspections, internal and external audits, and they are consulted regarding the choice of PPE. They are engaged in OHS actions at entity level.

Workers are encouraged to report dangerous situations so that corrective and preventive action can be taken. All these aspects are included in the meeting reports of the regular OHS Committee meetings, which take place quarterly, according to the legal requirements imposed by the national legislation in force and the Group's internal OHS policies and procedures.

Also, there are Safety Management Meetings, Safety Committee (CSSM) and Operational Meetings with the GM and middle management, Operational Meetings between departments regarding the health and safety budget, projects, and requirements from local authorities.

Leading indicators that focus on prevention of safety incidents and lessons learned are communicated via incident analyses and reports, inspections, various communication processes within different relevant departments, QHSE Info Alert, email to staff and information to Top Management. Awareness campaigns are also used to consolidate safety culture and engage workers. For example, in all warehouse offices, Group safety indicators from the previous reporting period are displayed for all workers to see, alongside informative and motivational messages encouraging their participation in OHS activities.

| Rompetrol Downstream / Rompetrol Gas<br>QHS Committee                     |
|---|
| General Director (President)  |
| QHSE Coordinator (Secretary)  |
| 3 employees representing the workers<br>on safety and health matters      |
| 3 employees representing the organization<br>on safety and health matters |
| Doctor of Medicine  |

Work instructions, First Aid instructions, Risk register, Periodical medical check. Periodical QHSE Reports, Regular Inspections are provided by the QHSE Operational Force and local authorities.

In managing workforce participation in safety, health and out an annual medical check-up in medical units in the security, we apply the PDCA circle is applied following the country in accordance with the risks they are exposed to main steps below: in their daily activity.

- Involve everyone in health and safety knowledge Since the beginning of the COVID-19 pandemic (March based on periodical training sessions and OHS in-2020), Rompetrol Downstream, Rompetrol Gas and formation: Rompetrol Moldova have been keeping a daily record of • Identify hazards in the workplace; people infected with Sars-COV-2. Also, specific measures have been taken to mitigate the impact of the SARS- Assess risks; CoV-2 infection, from the development and implementa- Control risks; tion of specific prevention measures and work continuity Review controls; plans to daily health monitoring and individual testing Record and report safety issues; programs, constant information updates on epidemiological evolutions and applicable legislation. Measures • Support return to work; were adapted according to epidemiological evolution • Make workplace healthier; and relaxation of restrictions.

- Regular exercises for fire situations.

#### **PROMOTION OF** WORKER HEALTH

All retail entities seek to promote worker health through a variety of measures, including:

- ensuring the appropriate PPE in the workplace for all staff:
- adopting technologies that do not cause harm at work and do not expose workers to risks of injury and occupational disease;
- promoting OHS culture through meetings with medical staff on different topics, safety awareness (QHSE Info, Safety Posters, Pictograms, COVID-19 presentations), periodical information by email throughout QHSE Department and HR Department;
- online meetings regarding promotion of OHS;
- encouraging more physical exercise;
- focusing on general prevention (avoid long sitting intervals, regular breaks).

Rompetrol Downstream and Rompetrol Gas have a contract with private healthcare provider MedLife for occupational health services. All medical check-ups for new employees and periodical medical check-ups for all roles in activity are validated by the HR and QHSE Departments (process applied throughout 2019-2022).

During the reporting period, all Rompetrol Moldova employees were voluntarily insured in case of any occupational incidents. Also, all company employees carry

In 2022, there were no events that would qualify as a work accident and / or occupational illness recorded by Rompetrol Gas. No work-related injuries were recorded either, a trend which can be noticed in the previous years as well. Also, there were no work-related workforce (employee or contractor) fatalities caused by transport incidents and no MVCs during the reporting period or the previous years included in the comparative analysis represented graphically for the two companies. Moreover, Rompetrol Gas had a 100% NC closing rate.

Rompetrol Downstream, however, recorded one DAFWC incident (while trying to connect a hose to one of the wagons, one worker slipped on the grating mounted over the retention tank at the CF ramp and sprained an ankle) and 5 light MVC incidents, without any injuries. Throughout the reporting period, Rompetrol Downstream recorded 780,812 worked manhours and 3,818,414 kilometers driven. Of the 539 nonconformities issued during the reporting period, 499 were closed (92.6% closing rate).

Neither of the two companies recorded any fatalities or injuries related to any transport incidents during the reporting period.

In 2022, Rompetrol Moldova recorded no events that would gualify as a work accident and / or occupational disease. As a result, its HSE Index regarding safety incident report from 2022 is 0. However, there were 2 FAC and 1 MVC cases, as well as 3 property damage and 1 non-occupational illness recorded during the reporting period. None were classified as major incidents.

| HSE Index & LTIR                   | tuals<br>ths                  | Safety incidents -<br>numbers |                      |   |     | S         | Safety incidents -<br>rates |       |      |      |           |
|------------------------------------|-------------------------------|-------------------------------|----------------------|---|-----|-----------|-----------------------------|-------|------|------|-----------|
| 2022                               | HSE Index Act<br>current mont | Worked<br>hours               | Kilometers<br>driven | Ē | TRI | MVC (M+C) | <b>MVC Total</b>            | FIR   | TRIR | MVCR | LTIF/LTIR |
| Retail and Marketing               | 0.001                         | 4,968,129                     | 6,377,226            | 0 | 1   | 0         | 6                           | 0.00  | 0.20 | 0.00 | 0.20      |
| Rompetrol Downstream SRL (Romania) | 0.00                          | 780,812                       | 3,818,414            | 0 | 1   | 0         | 5                           | 0.00  | 1.28 | 0.00 | 1.28      |
| Rompetrol Bulgaria EAD             | 0.0                           | 148,015                       | 636,508              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Georgia LTD              | 0.0                           | 1,913,181                     | 491,365              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Moldova SA               | 0.0                           | 1,949,019                     | 1,385,939            | 0 | 0   | 0         | 1                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Gas SRL (Romania)        | 0.0                           | 177,102                       | 45,000               | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Group total year-to-date Dec. 2022 | 0.001                         | 11,527,772                    | 14,266,180           | 0 | 4   | 0         | 10                          | 0.00  | 0.35 | 0.00 | 0.26      |
| 2021                               |                               |                               |                      |   |     |           |                             |       |      |      |           |
| Retail and Marketing               | 0.00                          | 5,067,972                     | 7,726,235            | 0 | 1   | 0         | 0                           | 0.00  | 0.20 | 0.00 | 0.20      |
| Rompetrol Downstream SRL (Romania) | 0.00                          | 783,499                       | 5,040,355            | 0 | 1   | 0         | 0                           | 0.00  | 1.28 | 0.00 | 1.28      |
| Rompetrol Bulgaria EAD             | 0.0                           | 140,396                       | 626,207              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Georgia LTD              | 0.0                           | 1,964,159                     | 513,020              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Moldova SA               | 0.0                           | 2,008,279                     | 1,413,024            | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Gas SRL (Romania)        | 0.0                           | 171,639                       | 133,629              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Group total year-to-date Dec. 2022 | 0.14                          | 10,929,315                    | 13,294,732           | 3 | 5   | 0         | 2                           | 27.45 | 0.46 | 0.00 | 0.46      |
| 2020                               |                               |                               |                      |   |     |           |                             |       |      |      |           |
| Retail and Marketing               | 0.00                          | 4,924,258                     | 7,071,459            | 0 | 0   | 0         | 4                           | 0.00  | 0.00 | 0.00 | 0.00      |
| Rompetrol Downstream SRL (Romania) | 0.00                          | 779,489                       | 4,163,935            | 0 | 0   | 0         | 4                           | 0.00  | 0.00 | 0.00 | 0.00      |
| Rompetrol Bulgaria EAD             | 0.0                           | 143,010                       | 619,081              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Georgia LTD              | 0.0                           | 1,787,970                     | 641,193              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Moldova SA               | 0.0                           | 2,041,906                     | 1,516,051            | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Rompetrol Gas SRL (Romania)        | 0.0                           | 171,883                       | 131,199              | 0 | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.00      |
| Group total year-to-date Dec. 2022 | 0.091                         | 11,877,026                    | 13,359,620           | 0 | 3   | 1         | 15                          | 0.00  | 0.25 | 0.07 | 0.25      |
| 2019                               |                               |                               |                      |   |     |           |                             |       |      |      |           |
| Retail and Marketing               | 0.00                          | 4,541,470                     | 9,376,626            | 0 | 0   | 4         | -                           | 0.00  | 0.00 | 0.00 | •         |
| Rompetrol Downstream SRL (Romania) | 0.00                          | 749,132                       | 6,108,292            | 0 | 0   | 2         | -                           | 0.00  | 0.00 | 0.00 | -         |
| Rompetrol Bulgaria EAD             | 0.0                           | 134,260                       | 803,551              | 0 | 0   | 0         | -                           | 0.0   | 0.0  | 0.0  | -         |
| Rompetrol Georgia LTD              | 0.0                           | 1,480,065                     | 696,253              | 0 | 0   | 0         | -                           | 0.0   | 0.0  | 0.0  | -         |
| Rompetrol Moldova SA               | 0.0                           | 2,005,525                     | 1,581,803            | 0 | 0   | 2         | -                           | 0.0   | 0.0  | 0.0  | -         |
| Rompetrol Gas SRL (Romania)        | 0.0                           | 172,488                       | 186,727              | 0 | 0   | 0         | -                           | 0.0   | 0.0  | 0.0  |           |
| Group total year-to-date Dec. 2022 | 0.09                          | 11,545,469                    | 15,918,962           | 0 | 3   | 11        | -                           | 0.00  | 0.26 | 0.06 | -         |

To encourage the adoption of healthier lifestyles, including nutrition, fitness and awareness of health risk factors, several staff needs are duly accommodated:

- Space provision of adequate space to allow workers to perform the task safely;
- **Seating** provisions of appropriate seating where work tasks allow;
- **Ventilation** provision of a sufficient supply of fresh or purified air;
- Heating maintenance of a reasonable temperature in the workplace;
- **Lighting** provision of adequate lighting;
- Noise provision of controls to reduce noise;
- Drinking water access to clean drinking water. If non-drinking water is also available then supplies are clearly labelled to distinguish between the two;
- Toilet facilities access to a sufficient number of toilets for the number of workers:
- Changing rooms suitable changing facilities for workers to change into PPE's or uniforms;
- Group initiative and programs (online, offline), provided by the HR department.

#### **OHS TRAINING**

In compliance with GD 1425/2006 and Law 319/2006, Rompetrol Downstream and Rompetrol Gas, respectively Rompetrol Moldova, in compliance with Law 186/2008, provide regular OHS training and induction training.

- OHS training at employment and periodically, depending on the job, for a number of about 440 workers (Rompetrol Downstream), respectively 100 workers (Rompetrol Gas) and 1,040 workers (Rompetrol Moldova)
- additional training depending on the occurrence of new risks (e.g.: risk of infection with biological agents, SARS-CoV-2).

Trainings are carried out directly, face-to-face on site, and, for the staff working from home, through the IKNOW application. Training materials and all health & safety information are transmitted by email in all working points and monitoring is conducted via discussions with the staff during controls and via annual testing of Safety and Emergency knowledge.

Gas station /warehouse managers perform monthly OHS training with employees, covering specific potential risks and scenarios, including:

- - Massive fuel leaks at a CF tank;

and spare parts;

• Fire at the TGD switchboard;

• Location affected by earthquake;

Fire in the shunting locomotive;

laboratory;

station;

• Fire at the car ramp while loading a tanker car.

• Fire at the pump platform - operator's cab;

• Fire at the technical annex - storage of materials

• Fire at the administrative headquarters - analysis

• Fire in the dry vegetation inside and outside the

Regarding Rompetrol Downstream gas stations, the working staff is employed by the dealer and the OHS activity is coordinated by external prevention services. However, in accordance with the contractual requirements between the dealer and Rompetrol Downstream, the dealer is obliged to comply with the safety instructions issued by Rompetrol Downstream. Periodically, the Operations department and the QHSE department carry out checks and inspections in the fuel distribution stations. Also, there is a program in place to verify compliance with OHS requirements by Management, Operational and QHSE Departments. At the same time, there are regular controls and inspections carried out by local authorities with OHS competences.

Given the nature of the activity and the associated risks, there are regular practical exercises regarding firefighting prevention carried out in Rompetrol gas stations, which include:

- Fire ignition in client's car, fuel truck and discharge mouth;
- Fire in the bottle racks and LPG Skid;
- Fire at the TGD switchboard;
- Location affected by earthquake;
- Fire at the pump platform operator's cab;
- Fire at the technical annex storage of materials and spare parts.

Furthermore, to improve transport safety, fire prevention exercises are carried out by local fire brigades and external audits on transportation safety issues are performed regularly. Also, an open dialogue is maintained with local authorities regarding the application of legal requirements and transport companies are informed about transportation safety potential improvements based on experience and feedback.

Leading indicators that focus on prevention of transport safety incidents are communicated through inspections, incident & investigation reports, information to top management, process communications.

21,702 QHSE training hours and 75 fire drills were carried out by Rompetrol Downstream during the reporting period, while Rompetrol Gas recorded 316 QHSE training hours and 13 fire drills. More than 2,000 QHSE audits and inspections were performed within the DWS network and 5 within Rompetrol Gas operations. Rompetrol Moldova recorded 20,140 QHSE training hours and 1,004 fire drills.

| 2022                               | Nonconformity<br>issued | Nonconformity<br>closed | QHSE training<br>hours | Fire/emergency<br>drill | QHSE audits/<br>inspections |
|------------------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------------------|
| Rompetrol Downstream SRL (Romania) | 539                     | 499                     | 21,702                 | 75                      | 2,151                       |
| Rompetrol Bulgaria EAD             | 45                      | 42                      | 390                    | 27                      | 632                         |
| Rompetrol Georgia LTD              | 108                     | 58                      | 1,204                  | 9                       | 69                          |
| Rompetrol Moldova SA               | 432                     | 417                     | 20,140                 | 1,004                   | 152                         |
| Rompetrol Gas SRL (Romania)        | 36                      | 36                      | 316                    | 13                      | 5                           |



GRI GRI 403-1thru 403-10 GRI 11.8.3 GRI 11.9.2 thru 11.9.11 GRI 11.15.4 SASB EM-MD-540a.1 EM-MD-540a.2 EM-MD-540a.3 EM-MD-540a.4

**IPIECA** SHS-1 C1-C3, A1, A2 SHS-2 C1, C2, A1, A5 SHS-3 C1, C3, A1-A3 SHS-4 C1, C2, A1, A4, A5 SHS-6 C3 SOC-12 C1, C2, A1

#### APPROACH **TO SAFETY**

Rompetrol Bulgaria has an integrated Occupational Health and Safety Management system, implemented as per ISO 45001 and law 319/2016, to consolidate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles. The company was successfully recertified for the ISO 45001 standard in 2022, along with ISO 9001/2015 - Quality Management System and ISO 14001/2015 - Environmental Management System. Rompetrol Bulgaria's objective is zero accidents and zero occupational illnesses.

The OHS integrated system and corresponding internal policies apply to both own personnel and contractors, specific requirements for the latter being included in the local "Working with contractors" procedure.

Safety procedures are constantly reviewed, to ensure optimum operations. Also, annual internal inspections and safety audits are conducted. Moreover, the performance of our own equipment, personnel, contractors and subcontractors is analyzed on a regular basis. The conclusion of the data analyzed can result in actions like revision of the procedures / method statement / work instructions or risk registry, and results can be used for the improvement of available policies and procedures. Furthermore, an observation and nonconformity register is in place to follow specific KPIs regarding company and contractor performance.

Regarding our contractors' OHS performance, safety principles apply throughout the entire process, from procurement, to delivery of goods and services. An initial OHS assessment of contractors is performed in the procurement stage, when relevant documents are required - ISO management system availability certification and HSE Policy, information on work-related incidents in the previous year. Certain activities and indicators are monitored regularly, such as the number of worked manhours, driven kilometers, occupational accidents, incidents and near misses or training hours.

QHSE requirements are included in the contract, along To improve safety performance, specific initiatives are with safety agreements which state the obligations reimplemented: garding specific tasks needed to be performed. Also, if a contractor's work involves hot works, a work permit Constant monitoring of legal requirements peris issued on site and the local Fire Brigade is informed through reports on the performed hot works. Each developed online platform - "APIS"; contractor must conduct their own risk assessment re-

## **Rompetrol Bulgaria EAD**

garding the performed tasks and share with Rompetrol Bulgaria designated personnel.

#### HAZARD IDENTIFICATION & RISK ASSESSMENT

Rompetrol Bulgaria has updated its risk assessment of all processes, to ensure an optimized risk control, in alignment with legislative updates and amendments, including specific provisions during recent years addressing the management of infectious diseases, such as COVID-19.

Risks are identified and assessed for each activity, using Job Safety Analysis and risk assessment for hazardous activities performed in special conditions. The Group's "stop work" with no blame for employees QHSE responsibility policy is applied.

For process safety risks, root cause analyses are performed for any type of process failures and lesson learned are communicated to all relevant parties. The elements include in the analysis address the required resources, the type of measures to be applied, the stakeholders involved and the relevant laws, regulations, or standards that may apply in our jurisdiction, as well as the existing organizational policies and procedures.

Incident and accident investigation activities are conducted according to Group procedure, with an incident investigation report and a follow-up system. A Protection and Prevention plan is developed after each job risk assessment, in compliance with legal requirements. If accidents occur, they are reported to the Labor Inspectorate and the National Insurance Institute, and preventive and corrective measures are taken. For its every location of operations, Rompetrol Bulgaria has an Emergency & Disaster Plan in place, which includes occupational health and safety measures, as well as fir safety provisions, covering all preventive and corrective measure in case of fire from different causes. This is shared with local authorities, and they represent public interest information, which can be accessed by any interested party according to local legislation.

taining to occupational health & safety via specially

- Communication of all new or amended requirements to all relevant personnel within the organization;
- All site locations, including offices and Ruse Depot are equipped with the latest firefighting equipment available, fire alarms, emergency fire safety masks, fire extinguishers and record every incident according to the applicable legislation and internal policies and procedures;
- Both the truck and railway ramps in Ruse Depot have lifelines and safety harnesses installed;
- Cleaning of the Danube's south shore of vegetation and obstacles to ensure safe work between shore and the pontoon at Ruse Depot;
- Involvement of employees (employee representatives) in safety activities and risk assessment;
- Use of "Global Warning card" for incidents occurred inside and outside the organization;
- Monitoring of physical parameters in the workplace;
- Incident reports & investigations;
- Internal Audit Work instructions, Procedures, Site inspection check list for safety and environmental topics;
- HOC Hazard Observation Card developed in Microsoft Forms;
- BBS Work & BBS Drive Behavior Based Surveys on KMG platform;
- HSE internal communication through safety Committee statements, information and decisions, disseminated via Microsoft Outlook application.

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH** AND SAFETY

Rompetrol Bulgaria has a Safety Committee where employee representatives discuss current safety risks or issues, as well as future concerns or measures to be implemented. The Safety Committee convenes on a monthly basis as per KMG International policy. It also holds guarterly meetings according to Bulgarian legal requirements.

Occupational health and safety cooperation issues concerning a broad category of employees and the workplace, in general, are handled within the Safety Committee or in a similar cooperative body. The main tasks of the occupational safety committee include monitoring the implementation of the occupational health, safety and well-being policy and proposing solutions for health & safety improvements. It is also the Safety Committee's responsibility to make proposals concerning the organization of occupational health and safety trainings and work guidance and orientation sessions, and to participate in actions promoting the employees' working capacity.

Within its integrated management system, Rompetrol Bulgaria has developed specific work tools to encourage employee engagement in occupational health and safety activities and decisions:

- Internal audits and monthly site inspections;
- BBS Work & BBS Drive Behavior Based Surveys on KMG platform:
- HOC Hazard Observation Card developed in Microsoft Forms;
- Lessons learned and Global Warning Reports.

#### PROMOTION OF WORKER HEALTH

Rompetrol Bulgaria monitors all physical work parameters in compliance with the applicable legal requirements. Aside from the most frequent OHS parameters, the company also regularly monitors the microclimate on work premises, the resistance of the electrical insulation of the current-carrying parts in relation to the accessible current-carrying parts of the electrical equipment, including the receivers of electrical energy, protection against zero-sequence currents, impedance Zs of the loop "Phase-protective" conductor, noise levels at the workplace and in the surrounding environment.

Preventive medical services are provided by an external party, registered in compliance with the local regulatory requirements. The occupational medicine service provider conducts preliminary medical checks of new employees for health status identification and monitoring, periodical medical checks and annual health status analysis for each Rompetrol Bulgaria employee. The Analysis Report includes recommendations for additional medical checks in case any medical condition or complication is detected.

Rompetrol Bulgaria ensures access to drinking water for all its employees. Sanitary-hygienic equipment is provided monthly, such as hand and surface disinfectants, surgery gloves, surface disinfectants and detergents, etc. All employees have access to adequate bathroom facilities, changing rooms and lockers, and PPEs.

During the reporting period, 3,316 external employees were covered by the provisions of Rompetrol Bulgaria's integrated occupational health and safety management system and no work-related injuries were recorded. There were 120 non-occupational illnesses (COVID-19) recorded during the reporting period, compared to 80 in 2021.

4 Property Damage and 5 Near Miss cases were record ed in 2022 for which all corrective and preventive measures were taken, as follows:

#### Truck fire in Nova Zagora 2 gas station

- Incident report;
- Gas station to be equipped with additional fire extinguishers, over the legally imposed threshold;
- Specialized training focused on extinguishing vehicle fires planned for the gas station personnel.

#### **Defective access to fire hydrant at Dupnitsa** gas station impeding the Fire Brigade's fire truck refill

- Incident report;
- Check and exchange fire hydrant valve to restore use;
- Install new fire hydrant if restoration is not possible.

#### **Vehicle fire**

- Incident report;
- Additional fire extinguishers were already supplied after a similar prior incident at the gas station.

#### Truck crash into gas station

Incident report.

#### **Client slip & fall**

- Incident report;
- Extraordinary instruction on the incident with focus on the small spills cleaning;
- Replacement of metal shaft with new type and model with increased anti-slippery properties;
- Reimbursement of client's medical costs.

In terms of transport safety, Rompetrol Bulgaria has a "Defensive driving policy" in place, and also implements the "Incident investigation" Group procedure. The training matrix of company car drivers includes the fit for work certificate and training with the "Allocation and use of company cars" procedure. In 2022, Rompetrol Bulgaria recorded no fatalities or injuries caused by transport incidents, having a zero MCV rate.

No process safety incidents were recorded and no grievances from the local communities identified during the reporting period. Of 45 NC issues in 2022, 42 were closed (93.3% closing rate).

#### OHS TRAINING

The company's OHS management system also comprises a dedicated training procedure, which includes a set of mandatory trainings listed below.

Rompetrol Bulgaria developed a training procedure integrated in management system that states the following necessary trainings:

- initial and Periodical induction training for all employees;
- initial training for contractors / subcontractors;
- initial, periodical and daily induction for gas station personnel, in compliance with legal requirements;
- training plan for Rompetrol Bulgaria Head office employees and Depo Ruse staff (including QHSE, emergency situations, natural disaster response, COVID-19 response, SEVESO);
- specific training on electrical matters, provided by an external consultant, in compliance with legal requirements.

There is a safety agreement in place between Rompetrol Bulgaria and its contractors and subcontractors, which addresses existing workplace safety risks. In 2022, 390 training hours were performed across company locations, along with 27 fire/emergency drills.

#### **Rompetrol Georgia LTD**

Rompetrol Georgia was recertified in 2022 for the ISO 14001, ISO 18001 and ISO 45001 standards. Its integrated QHSE management system covers 694 employees (all employees are hired staff members, except for subcontractors). Subcontractors are issued work permits following preliminary OHS training.

A thorough risk assessment is performed regarding several types of activities, followed by a Prevention and Protection Plan aimed at providing a safe work environment for company staff. These are updated on a regular basis and in full compliance with the local legislation.

Potential risks are analyzed in relation to activities like:

- Fuel discharging operations at the fuel stations/oil depot;
- Fuel selling operations within the fuel distribution stations:
- Fuel transportation (by subcontractor);
- Maintenance or renovation works; •
- Cleaning work of outside infrastructure (work at • height).

In 2022, Rompetrol Georgia recorded 1,913,181 worked manhours and 491,365 kilometers driven, and

no work-related injuries. There was 1 property damage, caused by a serious motor crash occurred in a gas station between two third party vehicles. There were no injuries among the employees, only minor material damage. Two third party drivers suffered minor injuries.

During the reporting period, there were 1,204 training hours and instructions on OHS issues (fire safety, PPE usage, hazardous waste, etc.) provided to Rompetrol Georgia personnel and 0 fire/emergency drills.

No negative impacts or grievances from the local communities were identified, however, in December 2022, Rompetrol Georgia received a financial fine from the local Fire Safety Inspection due to failure to meet fire safety requirements on the premises of a few fuel distribution stations (1500 gel – approximately USD 580). Of the 108 nonconformities issued during the reporting period, 58 were closed (53.7% closing rate).

To improve its safety performance, Rompetrol Georgia plans to implement new safety procedures, monitor staff safety and hazardous activities, implement safety performance KPIs, conduct thorough risk assessments and perform extensive safety trainings.



GRI 403-2 GRI 403-5 GRI 403-8 GRI 413-2 GRI 416-2 **IPIECA** SHS-1 C2, A2, A3 SHS-2 C1, A4

SOC-12 C1, C2, A1

GRI

GRI 403-1

SHS-3 C3

GRI GRI 403-1 thru 403-10 GRI 11.8.3 GRI 11.9.2 thru 11.9.11 GRI 11.15.4 **IPIECA** 

SHS-1 C1-C3, A1, A2 SHS-2 C1-C3, A3 SHS-3 C1, C2, C4, A1, A2, A4 SHS-4 C1-C3, A1 SHS-6 A4 SOC-12 C1, C2, A1

#### APPROACH **TO SAFETY**

Both Rominserv and Rompetrol Energy develop OHS operations according to an occupational health and safety management system developed in compliance with ISO 45001 and law 319/2016.

During the reporting period, Rominserv, "turnkey" industrial solution provider of KMG International was certified and recertified for several QHSE standards includina:

- ISO 9001 / 2015 Quality Management System
- ISO 14001 / 2015 Environmental Management System
- ISO 45001 / 2018 Occupational Health and Safety Management
- ISO 50001/2018 Energy Management System
- SCC\*\* / 201 Contractors Management System.

Rompetrol Energy, a rather new company on the market, established to carry out the development of the cogeneration plant on Petromidia platform, obtained certification on the following ISO standards:

- ISO 9001 / 2015 Quality Management System
- ISO 14001 / 2015 Environmental Management System
- ISO 45001 / 2015 Occupational Health and Safety Management.

Their integrated occupational health and safety management system is constantly improved by continuous assessment via internal audits and follow-ups. Moreover, the companies have specific contracts in place with external prevention and protection services for the implementation of HSE requirements, like SEVESO III and firefighting system assessment. As additional control measure, there is also a program in place to verify compliance with HSE requirements by Management, Operational Departments and QHSE.

OHS performance indicators are monitored weekly, to analyze the performance of own equipment, employees and contractors / subcontractors. The conclusion of the data analyzed can result in actions like revision of the procedures / method statement / work instructions or risk registry update, notification of the 3rd parties as per HSE Convention.

#### **Rominserv SRL Rompetrol Energy SA**

Both companies incorporate cultural and human factors into process safety, including leadership, risk awareness and employee development through dedicated actions like:

- Internal communication on 1 Life / 1 Viata program
- QHSE Inspections
- Local authorities' inspections
- Incident monitoring
- Audits & reports
- Mitigation/ Prevention & Protection plans.

During the reporting period, the OHS management system covered 1,200 Rominserv external employees and 2,953 Rompetrol Energy external employees.

#### HAZARD IDENTIFICATION & RISK ASSESSMENT

The companies regularly update their risk assessment register for their operational processes to ensure compliance with applicable regulations and best practices:

- for own staff, the competency of employees is ensured during the recruiting process in accordance with the job description. The process is continuous, with trainings held on a yearly basis;
- for contractors, the competency process is established from the contract signing stage, with the HSE Convention and records of the certification of the contractor/ subcontractor's employees prior to any activities carried out on site.

Contractors are assessed by the formula:

#### P QHSE= Input data / LEA

**Input data:** accidents/incidents/NC vs. positive actions **LEA** – number of working hours performed by contractor for evaluated month per number of working hours from evaluated month.

Contractors' management is stated in the "Operational Control" procedure. The management of contractors is done under the Plan Do Check Act philosophy, which starts with audits at the bidding stage, continues with HSE Conventions attached to the general services agreement, and constant monitoring during the activities performed on site.

The companies use a Permit-to-Work (PTW) system where the risk is identified and assessed for each activity performed by using Job Safety Analysis and Risk assessment for hazardous activities performed in special conditions. They apply the Group QHSE responsibility policy, that is a best practice policy for "stop work" with no blame for employees. Incident and accident investigation activities follow Group procedure with an incident investigation report and a follow-up system.

Internal inspections and safety audit programs are conducted annually. Also, an observation and nonconformity register is in place to follow KPIs for both company and contractor performance. A Protection and Prevention Plan is developed according to legal requirements, after each job risk assessment.

The biological factors risks are assessed in the risk assessment plan per internal job place, done by a specific committee including a medical specialist and brought to the attention of employees.

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH AND SAFETY**

The integrated management system includes 4 tools for workforce engagement and participation in safety, health and security:

- Safety Audit workplace behavior audit, developed in an intranet app
- HOC Hazard Observation Card developed in Microsoft Forms
- **BBS Work** Behavior Base Survey for workplace on KMG platform
- **BBS Drive** Behavior Base Survey for driving on KMG platform.

Occupational health and safety cooperation issues concerning a broad category of employees and the workplace in general are handled in the occupational safety committee or in a similar cooperative body. The Safety Committee is organized on a monthly basis as per KMGI policy. However OHS Committee meetings are also held guarterly as per Romanian law requirements, in the presence of employee representatives and an OHS doctor.

The main tasks of the occupational safety committee include making OHS development and improvement proposals to the employer, monitoring the implementation of the occupational safety and health policy and internal procedures, along with OHS training and employee engagement.

#### **PROMOTION OF** WORKER HEALTH

Employees' health is assessed on regular basis, with full GDPR compliance. 100% of the staff benefits from reqular medical check-ups in accordance with the applicable legislation. Medical services provided by Medlife, the Group's 3rd party occupational health services provider, include emergency situations services, occupational health services and private insurance for additional medical check-ups. According to the contract, health services are performed by competent persons certified by the Ministry of Health and Ministry of Education.

Medical facilities on the premises are available for staff / contractors / subcontractors for medical emergencies. When it comes to own staff, employees also benefit from private insurance/subscription in the Medlife healthcare system.

Contractors and subcontractors must have health certificates approved by a certified doctor. No register of official documents are drawn in the process of auditing contractors, only nonconformities resulted in the presence of company representatives. All records are submitted to CONCAWE European Center.

Worker health management is promoted as part of internal communication programs, via internal decisions and announcements to the entire workforce. Safety indicators are reported guarterly by both staff and contractors/subcontractors.

In 2022, there were no process safety incidents or grievances from the local community recorded by either Rominserv or Rompetrol Energy.

Due to adhering to the "Defensive driving policy", Group procedure and the BBS for company cars implemented, there were no fatalities or MCV cases caused by transport incidents in 2022. Moreover, neither of the two companies recorded any work-related injuries during the reporting period.

| HSE INDEX & LII | ĸ |
|-----------------|---|

| HSE Index & LTIR                   | tuals<br>ths                 |                 |                      | Safety incidents -<br>numbers |     |           |                  |      | Safety incidents -<br>rates |      |           |  |
|------------------------------------|------------------------------|-----------------|----------------------|-------------------------------|-----|-----------|------------------|------|-----------------------------|------|-----------|--|
| 2022                               | HSE Index Ac<br>current mont | Worked<br>hours | Kilometers<br>driven | Ē                             | TRI | MVC (M+C) | <b>MVC</b> Total | FIR  | TRIR                        | MVCR | LTIF/LTIR |  |
| Industrial Services                | 0.0                          | 1,236,332       | 1,487,365            | 0                             | 0   | 0         | 0                | 0.0  | 0.0                         | 0.0  | 0.0       |  |
| Rominserv SRL                      | 0.0                          | 971,683         | 1,246,579            | 0                             | 0   | 0         | 0                | 0.0  | 0.0                         | 0.0  | 0.0       |  |
| Rompetrol Energy SA                | 0.0                          | 264,649         | 240,786              | 0                             | 0   | 0         | 0                | 0.0  | 0.0                         | 0.0  | 0.0       |  |
| Group total year-to-date Dec. 2022 | 0.001                        | 11,527,772      | 14,266,180           | 0                             | 4   | 0         | 10               | 0.00 | 0.35                        | 0.00 | 0.26      |  |
|                                    |                              |                 |                      |                               |     |           |                  |      |                             |      |           |  |

#### **ROMINSERV SRL**

We have 7 safety indicators that we monitor most common causes of work-related incident

- People's reaction 3%
- Personal Protective Equipment 7%
- Position of employees during work 2%
- Ergonomic aspects 2%
- Tools and equipment 2%
- Comply with safety procedures / rules 80
- Housekeeping of the workplace 4%.

Due to the fact that "comply with safety procee the highest risk for safety incidents, we have d various internal safety campaigns to address like "stop work", "safety audit" training, line ment statement.

With 971,683 worked manhours and 1,246, meters driven. Rominserv recorded 2 Near M and 80 non-occupational illnesses (COVID-19), 79 were Rominserv employees and 1 was a co Rominserv had a 95.45% NC closing rate in 20 nonconformities closed out of 792 issued).

#### ROMPETROL ENERGY SA

We have 7 safety indicators that we monitor most common causes of work-related incident

- 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
- Housekeeping of the workplace 24%.

Due to the fact that "compliance with safety prohas the highest percentage for safety incidents developed internal safety campaigns like "st and "safety audit" training to address these ca

|                                      | Over the reporting period, Rompetrol Energy had 40 non-occupational illnesses (COVID-19), of which 27  |  |  |  |  |  |  |  |  |  |
|--------------------------------------|--|--|--|--|--|--|--|--|--|--|
| or for the<br>ts:                    | were Rompetrol Energy employees and 13 were con-<br>tractors. There were also 8 authority inspections per-<br>formed during the reporting period   |  |  |  |  |  |  |  |  |  |
|                                      | The most significant incidents during the reporting pe   |  |  |  |  |  |  |  |  |  |
|                                      | riod were 4 Near Miss cases, for which corrective and<br>preventive measures were taken:   |  |  |  |  |  |  |  |  |  |
| )%                                   | • Lifting operation performed on construction site.<br>During the loading of the frame-work panels, due  |  |  |  |  |  |  |  |  |  |
| dure" has                            | slipped and fell on the ground:  |  |  |  |  |  |  |  |  |  |
| eveloped                             | Incident investigation report;   |  |  |  |  |  |  |  |  |  |
| manage-                              | <ul> <li>Training of working team according to "Issue<br/>General Permit to Work" Procedure;</li> </ul>  |  |  |  |  |  |  |  |  |  |
| 579 kilo-                            | <ul> <li>Training of working team on lifting and rigging<br/>procedure</li> </ul>  |  |  |  |  |  |  |  |  |  |
| liss cases                           | procedure.   |  |  |  |  |  |  |  |  |  |
| , of which<br>ontractor.<br>022 (756 | <ul> <li>While walking on the access way from the canteen<br/>area, one worker stepped on a chemical anchor<br/>used for parking plates from the parking lot area:</li> </ul>  |  |  |  |  |  |  |  |  |  |
| ٨                                    | • Inform all the relevant parties about the hazard from the parking lot area;  |  |  |  |  |  |  |  |  |  |
| <b>n</b><br>or for the               | <ul> <li>Identify all hazards in the parking lot area and<br/>contain potential risk for workers;</li> </ul>   |  |  |  |  |  |  |  |  |  |
| ts:                                  | <ul> <li>Training of working team with PTW issued for<br/>the maintenance works.</li> </ul>  |  |  |  |  |  |  |  |  |  |
|                                      | • During the tests for the commissioning of the pho-<br>tovoltaic power plant of the UTM company, when<br>the 6kv cells of the circuit breaker were energized,<br>after about 2.4 minutes an arc flack blact was board |  |  |  |  |  |  |  |  |  |
| 5-44%                                | inside the cell:   |  |  |  |  |  |  |  |  |  |
| ocedures"                            | <ul> <li>Perform voltage primary injection by an autho-<br/>rized PRAM laboratory;</li> </ul>  |  |  |  |  |  |  |  |  |  |
| op work"<br>uses.                    | • Install a primary circuit braker before perform-<br>ing any commissioning test.  |  |  |  |  |  |  |  |  |  |
|                                      |  |  |  |  |  |  |  |  |  |  |

- During excavation works at gas pipeline foundations, a 6 kV buried electricity cable was stricken by an excavator grab and later on with a shovel. This unsafe act caused damage to the electrical cable:
  - Train the working team on safe excavation and safe manual digging practices and PTW procedure;
  - Detection tools provided for area scanning purposes;
  - Detection tools provided on site;
  - Recall the permit to sign for the work team coordinator, in PTW issued for Cogen activities.

#### **OHS TRAINING**

Training needs are assessed by training matrix for own staff and contractors. The matrix provides guidance for supervisors to identify common employee training requirements. The matrix does not include every training topic needed. Any time the duties, equipment and/or processes change, employees receive updated training. Training is documented and records are kept for a minimum of three years.

The training plan for each department includes topics like Health and Safety, Emergency Situations, Environment, SEVESO III. The training matrix of company car drivers includes the fit-for-work certificate and training according to the "Allocation and use of company cars" Group procedure.

The training procedure integrated in the OHS management system states the following necessary trainings:

- Induction training for all employees (own staff & contractors / subcontractors);
- Training plan for each department (employees);
- Training matrix (own staff and contractors / subcontractors);
- Specific training inhouse for different categories like electricians and riggers.

In 2022, both Rominserv and Rompetrol Energy a significant number of training hours for contractors, subcontractors, rescuers, licensed issuers, annual training and/or retraining of own staff:

- **Rominserv** 6,576 training hours
- **Rompetrol Energy** 3,012 training hours •



GRI GRI 403-1 thru 403-10 GRI 11.8.3 GRI 11.9.2 thru 11.9.11 GRI 11.15.4 SASB

EM-MD-540a.1 **IPIECA** SHS-1 C1-C3, A1 SHS-2 A4 SHS-3 C1, C3, A1, A3, A4 SHS-4 C1, A4, A5, A7 SHS-6 C3 SOC-12 C1, C2, A1

#### APPROACH **TO SAFETY**

The Rompetrol Well Services OHS management system covers the provisions of an exhaustive set of legal requirements, grouped into approximately 27 documents (laws, decrees, ordinances) currently in force and bases its principles on detailed internal risk assessment procedures. All Rompetrol Well Services employees are covered by the OHS management system in place.

To improve the company's health and safety performance, specific measures were applied during the reporting period:

- HSE mailbox and weekly HSE reporting, HSE management meeting;
- Safety audits, BBS;
- Internal audits plan 2022;
- Incident investigation according to Romanian law;
- JSA and Risk assessment for all operations;
- Mandatory trainings, professional trainings

As part of its OHS management system, the company has in place road safety awareness campaigns, fleet GPS monitoring and defensive driving programs to ensure transport safety (indicators are reported in weekly management meetings).

| HSE Index & LTIR                   | ials<br>S                       |                 |                      | Saf | ety ir<br>num | icidei<br>ibers | nts -            | Safety incidents -<br>rates |      |      |           |
|------------------------------------|---------------------------------|-----------------|----------------------|-----|---------------|-----------------|------------------|-----------------------------|------|------|-----------|
| 2022                               | HSE Index Actu<br>current month | Worked<br>hours | Kilometers<br>driven | Ш   | TRI           | MVC (M+C)       | <b>MVC Total</b> | FIR                         | TRIR | MVCR | LTIF/LTIR |
| Rompetrol Well Services SA         | 0.0                             | 238,047         | 1,566,168            | 0   | 0             | 0               | 1                | 0.0                         | 0.0  | 0.0  | 0.0       |
| Group total year-to-date Dec. 2022 | 0.001                           | 11,527,772      | 14,266,180           | 0   | 4             | 0               | 10               | 0.00                        | 0.35 | 0.00 | 0.26      |
| 2021                               |                                 |                 |                      |     |               |                 |                  |                             |      |      |           |
| Rompetrol Well Services SA         | 0.0                             | 255,964         | 1,435,494            | 0   | 0             | 0               | 1                | 0.0                         | 0.0  | 0.0  | 0.0       |
| Group total year-to-date Dec. 2022 | 0.14                            | 10,929,315      | 13,294,732           | 3   | 5             | 0               | 2                | 27.45                       | 0.46 | 0.00 | 0.46      |
| 2020                               |                                 |                 |                      |     |               |                 |                  |                             |      |      |           |
| Rompetrol Well Services SA         | 1.25                            | 256,333         | 2,510,010            | 0   | 1             | 1               | 1                | 0.0                         | 3.90 | 0.40 | 3.90      |
| Group total year-to-date Dec. 2022 | 0.091                           | 11,877,026      | 13,359,620           | 0   | 4             | 0               | 15               | 0.00                        | 0.25 | 0.07 | 0.25      |

## **Rompetrol Well Services SA**

HAZARD IDENTIFICATION & RISK ASSESSMENT

Risk assessments are done according to Romanian law and submitted to periodical review and update when there is a change in the process or new risks are identified. The risk register is updated on a quarterly basis.

Workers are encouraged to report such risks through regular trainings. They can do that themselves or denounce it anonymously through the QHSE mailbox in each unit. Prized are often awarded to workers who are proactive in reporting risks and other QHSE topics.

In case of incidents, the company applies the Group QHSE responsibility policy, that is a best practice policy for "stop work" with no blame for employees.

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH AND SAFETY**

Employees participate in risk assessments and incident investigations. OHS issues are addressed in the safety committee. Moreover, Health and Safety performance is discussed in periodical meetings with contractors.

#### PROMOTING WORKER HEALTH

The company has mandatory medical checks in place for all employees, according to the applicable legislation, and additional medical check for professional drivers. They are all confidential and all interested parties have signed GDPR agreements. The QHSE department receives only the conclusion of the medical checks for employees, which is used in establishing the general health status of the employee and if they are fit for work. The medical checks are performed by a contracted doctor and are done in a private cabinet located near all RWS locations. All expenses are covered by RWS.

There were no pipeline incidents reported in 2022, and no Tier 1 and Tier 2 process safety events or grievances from local communities. Also, there were no events that would qualify as a work accident and / or occupational disease during the reporting period. However, there was 1 minor MVC incident, with no associated injuries.

#### OHS TRAINING

Occupational health and safety trainings are provided on a regular basis, in compliance with the applicable legislation:

- Legal requirements training (monthly);
- Professional training matrix;
- Other professional trainings for job development (forklift drivers, professional drivers, IWCF, Bosiet etc.);
- Annual training plan;
- Road safety trainings.

All training expenses are covered by the company. Trainings and audits are also extended to contractors. along with communications on diverse HSE topics.

| 2022                                       | Nonconformity<br>issued | Nonconformity<br>closed | QHSE training<br>hours | Fire/emergency<br>drill | QHSE audits/<br>inspections |
|--|-------------------------|-------------------------|------------------------|-------------------------|-----------------------------|
| Rompetrol Well Services SRL                | 1,523                   | 1,523                   | 5,408                  | 18                      | 114                         |
| Oilfield Exploration Business Solutions SA | 0                       | 0                       | 48                     | 0                       | 0                           |



GRI GRI 403-1 thru 403-10 GRI 11.8.3 GRI 11.9.2 thru 11.9.11 GRI 11.15.4 **IPIECA** SHS-1 C1-C3 SHS-2 C1, C2, A3, A4 SHS-3 C1-C3, A1, A2

SHS-4 C1, C2, A1, A3, A7

SOC-12 C1, C2, A1

SHS-6 C3

#### APPROACH **TO SAFETY**

Rompetrol Quality Control has implemented and maintains ISO 45001:2018 standard and respects the legal requirements regarding occupational health and safety. The company is also ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certified.

All workers are covered by the integrated OHS management system. Its provisions also apply to contractors, who are contractually mandated to adhere to the Group's QHSE policy and provide regular updates based on constant monitoring and assessment of Group-established health and safety parameters.

Aside from the OHS integrated system, various safety internal policies and procedures are in place at company level, including a Contingency and continuity plan, a dedicated Prevention and Protection plan which is reviewed annually, an internal Health and safety inspection program or a Program of testing environmental factors, physical and chemical hazards.

The transport of employees is carried out by an external company. We apply a defensive driving policy, an incident investigation Group procedure and allocation and use of company cars.

The transport of the samples to the laboratory is done by ensuring the separation of the types of sample containers. The samples are placed in the special support set up in the means of transport. During the reporting period there were no significant incidents identified regarding transport safety.

#### HAZARD IDENTIFICATION & RISK ASSESSMENT

The organization has gualified staff with superior training in the field of occupational health and safety who identify and evaluate the risks of occupational injury and illness, establish the methods for identifying and evaluating hazards, minimize non-conformities regarding health, work safety and the environment.

Risk assessments are performed for each type of job and each individual work point. The assessment of occupational injury and disease risks at the workplace is regulated by Law 319/2006. A risk assessment is mandatory in the following cases:

## **Rompetrol Quality Control SRL**

- whenever there are changes or modifications regarding work equipment, substances or chemical preparations used;
- after the occurrence of a risk event;
- upon ascertaining the omission of some risks or the appearance of new risks;
- when using the workplace by a worker belonging to groups sensitive to specific risks (pregnant women, young people, persons with disabilities);



when performing special works.

The Prevention and Protection plan is required by Law no. 319/2006. It includes technical, sanitary, organizational and other measures, being based on the outcomes of the risk assessment performed by the organization. It is revised whenever there are changes in the working conditions when new risks appear and following the occurrence of an event.

The investigation of OHS incidents is carried out in accordance with the law 319/2006 and GO 1425/2006. with subsequent amendments and changes.

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH AND SAFETY**

The involvement of workers in improving safety at work is encouraged, by signaling all the dangers that occur at the workplace; workers being regularly trained on accidents/incidents from other workplaces to raise awareness of the dangers and prevent their occurrence.

According to Law 319/2006 the employer must include workers and their representatives with specific responsibilities in the field of safety and health at work in consultations on OHS issues. At RQC level, workers have elected 3 representatives. Through these representatives, workers express their point of view regarding OSH aspects, the purchase and use of work equipment, collective and individual protection equipment, make proposals to improve the level of protection at the workplace during the meetings of the Occupational Health and Safety Committee. Worker consultations represent one of the best sources of information regarding deficiencies and aspects that can be improved regarding working conditions.

Monthly QHSE meetings are held where various OHS

issues are discussed. The OHS Committee meets at least quarterly. Its componence includes workers' representatives and an occupational medicine doctor.

RQC informs its workforce of the OSH risks identified at the level of the organization, communicating the risk assessment for each work station and the protection measures established in the prevention and protection plan, as well as the measures taken for providing first aid, extinguishing fires, evacuating workers and persons designated with these attributions.

#### PROMOTING WORKER HEALTH

Monitoring the health status of employees is carried out in accordance with the provisions of GO no. 355/2007, supplemented by GO no. 37/2008.

The organization has a contract for the provision of prevention and prophylaxis medical services with Medlife medical service provider, which consists in the provision of occupational medicine services, specialized medical services and paraclinical investigations for the purpose of prevention and prophylaxis. The provision of medical services takes place both in Medlife offices and in the offices of collaborators.

Health monitoring is done in accordance with the applicable legal requirements. Medical checkups are carried out based on the specified risk factors by the occupational medicine doctor. All employees are subject to medical and psychological examinations, their frequency being established by the legislation in force. In the case of non-occupational medical incidents, before resuming professional activity, the employee is exposed to medical re-evaluation, after which a new fitness certificate is issued. Periodically, the health status of the workers is monitored and evaluated.

Worker health and safety is promoted throughout company operations through various activities, including:

- Equipping workers with protective equipment and training them on the necessity of wearing it
- Implementation and verification of the proper functioning of a ventilation and air conditioning system in the halls that maintains the microclimate within the parameters required by the legislation in force
- Training workers to avoid as much as possible extra-professional exposure to noxious substances such as smoking, alcohol and drug consumption, whose toxic effect potentiates that of occupational noxious agents
- Providing private medical insurance, life insurance, health insurance and medical subscription.

Also, in order to prevent the risk of contamination with microorganisms from the samples taken, the staff of the Environmental Laboratory who take samples and carry out tests are vaccinated against hepatitis B. Moreover, at Group level, free vaccination campaigns are organized, the participation of workers being voluntary (e.g. Covid-19 vaccination campaigns, flu vaccine).

| HSE Index & LTIR                   | s                               |                 |                      | Saf | ety in<br>num | icider<br>ibers | its -            | S    | Safety incidents -<br>rates |      |           |  |
|------------------------------------|---------------------------------|-----------------|----------------------|-----|---------------|-----------------|------------------|------|-----------------------------|------|-----------|--|
| 2022                               | HSE Index Actu<br>current month | Worked<br>hours | Kilometers<br>driven | Ē   | TRI           | MVC (M+C)       | <b>MVC Total</b> | FIR  | TRIR                        | MVCR | LTIF/LTIR |  |
| Rompetrol Quality Control SRL      | 0.0                             | 328,647         | 411,115              | 0   | 0             | 0               | 1                | 0.0  | 0.0                         | 0.0  | 0.0       |  |
| Group total year-to-date Dec. 2022 | 0.001                           | 11,527,772      | 14,266,180           | 0   | 4             | 0               | 10               | 0.00 | 0.35                        | 0.00 | 0.26      |  |
| 2021                               |                                 |                 |                      |     |               |                 |                  |      |                             |      |           |  |

| Rompetrol Quality Control SRL      | 0.0  | 327,714    | 376,814    | 0 | 0 | 0 | 0 | 0.0   | 0.0  | 0.0  | 0.0  |
|------------------------------------|------|------------|------------|---|---|---|---|-------|------|------|------|
| Group total year-to-date Dec. 2022 | 0.14 | 10,929,315 | 13,294,732 | 3 | 5 | 0 | 2 | 27.45 | 0.46 | 0.00 | 0.46 |

#### 2020 Rompetrol Quality Control SRL 316,341 331,146 0.00 0.00 0.00 0.00 0.0 0 0 0 0 Group total year-to-date Dec. 2022 0.091 11.877.026 13.359.620 0 4 0 15 0.00 0.25 0.07 0.25

#### **OHS TRAINING**

The training of workers in the field of occupational health and safety is carried out during working hours and is considered working time. This training process includes all the information related to OHS, which, through assimilation and compliance, leads to the formation of normal, optimal behavior at work, develops the correct orientation towards risks and stimulates the ability to mobilize in relation to them. Various training techniques are used for staff training, such as exposure, film viewings, computer-assisted training.

The training of workers includes 4 phases, namely:

- **1.** Induction general training is carried out by the worker assigned with OHS attributions, the person authorized by company's management, with a duration of at least 8 hours. Induction training is performed for new employees, employees with employment contracts regardless of their form, employees transferred from one department to another; to those who came to the company as delegates; temporary workers; workers whose individual training record has been damaged/lost. It can be performed either by using the online training program or through organized individual study and active, demonstrative instruction (plans, models, schemes, films, power point presentations). This type of training ends with the verification and assessment of knowledge acquisition, based on a test.
- 2. On-the-job training presents OHS risks, as well as prevention and protection measures and activities at the level of each workplace, work station and/or each function, and is closely linked to professional

| 2022                          | Nonconformity<br>issued | Nonconformity<br>closed | QHSE training<br>hours | Fire/emergency<br>drill | QHSE audits/<br>inspections |
|-------------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------------------|
| KMG Rompetrol SRL             | 12                      | 9                       | 2,600                  | 1                       | 3                           |
| Global Security System SA     | 0                       | 0                       | 25,200                 | 140                     | 12                          |
| Rompetrol Quality Control SRL | 73                      | 73                      | 14,088                 | 43                      | 317                         |

training. The duration of the on-the-job training is 8 hours. Service providers who are contracted to carry out works on company premises are also trained at the workplace according to the requirements of the QHSE conventions attached to their labor agreements. The duration of this training is a maximum of 30 minutes and is mandatory.

- **3. Periodical training** is provided to all company employees to regularly refresh and update their OHS knowledge. This type of training is carried out with all categories of employees and has a duration of at least 2 hours.
- 4. Training at the start of the work schedule - addressed the working personnel in the laboratories. The content of the training includes a brief indication of the risks/dangers of the activities performed by each worker and the preventive measures taken to ensure the health and safety of the staff and the environment. The duration of the training does not exceed 10 minutes.

Annually, OHS retraining and testing is carried out for all the company's staff, through the online training program created on the IKNOW platform.

The training of apprentices, students at vocational schools and industrial high schools and students assigned for professional practice at RQC, is performed using with the same content and with the same periodicity as for the working staff.

Instruction takes place in Romanian, except for foreign visitors, who are instructed in English.

In 2022, 14,088 training hours were performed, along with 43 fire and emergency drills.

## Midia Marine Terminal SRL

#### **APPROACH TO SAFETY**

The operations of Midia Marine Terminal, part of KMG International's Trading Division, are carried out according to an occupational health and safety management system developed in compliance with ISO 45001 and law 319/2016.

All MMT workers are covered by the OHS system Moreover, safety procedures also apply to contractors, whose contracts must include specific health & safety provisions and whose safety performance is monitored and assessed periodically against safety indicators established at Group level.

Various safety internal policies and procedures are in place at company level, including a dedicated Prevention and Protection plan which is reviewed annually, an internal inspection program or a chemical safety program. Furthermore, the company also operates in line with the provision of Group safety policy and procedures.

#### HAZARD IDENTIFICATION AND RISK MANAGEMENT

Midia Marine Terminal conducts risk assessments for every position in the employee hierarchy, based on strict monitoring and regular assessment of safety indicators and performance. After identifying the risks of accidents and occupational illnesses, the Prevention and Protection Plan is drawn up, establishing technical, organizational and first aid measures.

Any investigation of a workplace accident is carried out in accordance with law no. 319/2006 and GO 1425/2006. Following the Group QHSE procedure, any workplace incident is also internally investigated. During the reporting period, MMT had a 0 HSE Index.

#### WORKER ENGAGEMENT & COMMUNICATION ON **OCCUPATIONAL HEALTH** AND SAFETY

Within its integrated OHS management system, the organization developed four tools for workforce to participation in safety, health and security:

- Safety Audit workplace behavior audit, developed within an intranet app
- HOC Hazard Observation Card developed in Microsoft Forms

- BBS Work Behavior Base Survey for the workplace on KMG platform
- BBS Drive Behavior Base Survey for driving on KMG platform

The company applies clear steps in its worker engagement process, based on periodical training sessions on QHSE info, to ensure full involvement of its workforce:

- Identify hazards in the workplace;
- Assess risks:
- Control risks:
- Review controls;
- Record and report safety issues;
- Support return to work;
- Make workplace healthier;
- Regular exercises for fire situations.

The company also has an OHS Committee in place, set up in accordance with legal requirements, whose goal is to ensure the involvement of employees in the elaboration of the QHSE framework and decision-making in terms of OHS.

The Committee has guarterly and annual meetings, to present and discuss various OHS topics, including proposals / problems raised by workers regarding health and safety, decisions, status measures, established actions, approvals of OHS documents after workers / workers' representatives were consulted, depending on the situation. Workers are encouraged to report dangerous situations so that corrective and preventive action can be taken accordingly. Meeting minutes of each Committee meeting are sent out to all employees, as well as to local labor authorities.

#### PROMOTING WORKER HEALTH

Employees' health is assessed on regular basis, with full GDPR compliance, in accordance with the applicable legislation. Medical services are provided by Medlife, the Group's 3rd party occupational health services provider. These include emergency situations services, occupational health services and private insurance for additional medical check-ups.

Medical facilities on the premises are available for staff / contractors / subcontractors for medical emergencies. Worker health management is promoted as part of internal communication programs, via internal decisions

| GRI 403-1 thru 403-10<br>GRI 11.8.3<br>GRI 11.9.2 thru 11.9.11<br>GRI 11 15 4     |
|---|
|   |
| IPIECA  |
| SHS-1 C2, A2, A3<br>SHS-2 C1, C2<br>SHS-3 C1, C3, A1, A3, A4<br>SHS-4 C1 A4 A5 A7 |
| SHS-6 C3<br>SOC-12 C1, C2, A1   |

GRI

| HSE Index & LTIR                   | ttuals<br>ths               |                 |                      | Safety incidents -<br>numbers |     |           | Safety incidents -<br>rates |       |      |      |           |
|------------------------------------|-----------------------------|-----------------|----------------------|-------------------------------|-----|-----------|-----------------------------|-------|------|------|-----------|
| 2022                               | HSE Index Ac<br>current mon | Worked<br>hours | Kilometers<br>driven | Ш                             | TRI | MVC (M+C) | <b>MVC Total</b>            | FIR   | TRIR | MVCR | LTIF/LTIR |
| Midia Marine Terminal SRL          | 0.0                         | 410,405         | 309,587              | 0                             | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.0       |
| Group total year-to-date Dec. 2022 | 0.001                       | 11,527,772      | 14,266,180           | 0                             | 4   | 0         | 10                          | 0.00  | 0.35 | 0.00 | 0.26      |
| 2021                               |                             |                 |                      |                               |     |           |                             |       |      |      |           |
| Midia Marine Terminal SRL          | 0.0                         | 414,426         | 308,849              | 0                             | 0   | 0         | 0                           | 0.0   | 0.0  | 0.0  | 0.0       |
| Group total year-to-date Dec. 2022 | 0.14                        | 10,929,315      | 13,294,732           | 3                             | 5   | 0         | 2                           | 27.45 | 0.46 | 0.00 | 0.46      |
| 2020                               |                             |                 |                      |                               |     |           |                             |       |      |      |           |
| Midia Marine Terminal SRL          | 0.0                         | 410,402         | 287,155              | 0                             | 0   | 0         | 0                           | 0.00  | 0.00 | 0.00 | 0.00      |
| Group total year-to-date Dec. 2022 | 0.091                       | 11,877,026      | 13,359,620           | 0                             | 4   | 0         | 15                          | 0.00  | 0.25 | 0.07 | 0.25      |

and announcements to the entire workforce indicators are reported guarterly by both staff tractors/subcontractors.

During the reporting period, no process safety in were recorded and no grievances from the lo munities were identified. 5 non-occupational were reported, along with 1 minor spill (about of diesel fuel leaked from the guay into the wate the antipollution barrage installed around the

#### OHS TRAINING

Midia Marine Terminal developed a training p integrated in its OHS management system the includes the following necessary trainings:

- Induction training for all employees (MM) tractors / subcontractors);
- Training plan for each dept. (MMT employe

The training plan for each department includ like Health and Safety, Emergency Situations R SEVESO, etc.

The annual training of all employees is done in line application IKNOW with online testing. Platform and 37 fire/emergency drills were conducted.

| 2022                                   | Nonconformity<br>issued | Nonconformity<br>closed | QHSE training<br>hours | Fire/emergency<br>drill | QHSE audits/<br>inspections |
|--|-------------------------|-------------------------|------------------------|-------------------------|-----------------------------|
| KMG Trading AG (fmr. Vector Energy AG) | 0                       | 0                       | 0                      | 0                       | 0                           |
| TRG Petrol Ticaret AŞ (Turkey)         | 0                       | 0                       | 0                      | 0                       | 0                           |
| Midia Marine Terminal SRL              | 113                     | 112                     | 2,307                  | 37                      | 161                         |
| Byron Shipping SRL                     | 0                       | 0                       | 41                     | 1                       | C                           |

| e. Safety<br>and con-  | access training for contractors / subcontractors, entity<br>employees is 1.5-2 hours (physical and online), while<br>on-the-job training of employees is 8 hours (access and  |  |  |  |  |  |
|--|---|--|--|--|--|--|
| ncidents<br>cal com-<br>illnesses<br>t 5 liters<br>er inside<br>ship). | allocation of IKNOW courses and online testing). There are dedicated training instructors, with "train the train-   |  |  |  |  |  |
|  | Training on access to the Platform is done on employ-   |  |  |  |  |  |
|  | additionally (on a case-based need). Periodic training  |  |  |  |  |  |
|  | can be monthly / quarterly / once a semester, depending   |  |  |  |  |  |
| rocedure<br>at states<br>T & con-                                      | ual training file, according to the legislation, and must<br>include the signature of the trained person and of the<br>person performing the training (duration of 2 hours). The<br>additional training is recorded in the individual training<br>file according to the legislation and must also include the<br>signature of the trained person and of the person per- |  |  |  |  |  |
| es).   | forming the training (duration 8 hours).  |  |  |  |  |  |
| es topics<br>esponse,  | Additional training can also be provided depending on<br>the occurrence of new risks, e.g., risk of infection with<br>biological agents, COVID-19, etc.   |  |  |  |  |  |
| n the on-  | In 2022, 2,307 QHSE training hours were performed,  |  |  |  |  |  |





## **BUILDING A NEW FRAME OF REFERENCE** COMMUNITY

#### Introduction

Despite the waning effects of the COVID-19 pandemic, which were suggesting a milder 2022, the tides turned fast with the war in Ukraine, which swiftly changed the way of things and significantly impacted the world economy. To come to the aid of the deeply affected Ukrainian community, KMG International, through its subsidiaries - Rompetrol Downstream and Rompetrol Moldova has redirected and supplemented its fuel supply to gas stations and depots serving these areas. At the same time, the Group offered support to the Ukrainian people in transit through our fuel distribution stations.

Rompetrol also joined the "Humanity Has No Borders" campaign initiated by the Romanian National Red Cross Society and donated fuel to support volunteers and personnel providing specialized care during emergencies, while also providing free accommodation with optimal and safe living conditions to mothers with children in its own sites in Moinesti (Bacău) and Medias (Sibiu). Individual colleagues collected sleeping bags and other goods for Ukrainian refugees, which were directed to non-governmental organizations involved in humanitarian actions, and the national blood drive supported by Rompetrol donated blood & plasma to patients in need of medical care, both nationals and refugees.

In 2021-2022, Rompetrol contributed with more than USD 2.5 million to our communities through financial contributions, fuel, and fundraising events. More than half of the investment was allocated to the communities of Constanta and Prahova, the locations of the Group's main operations in Romania.



#### GRI **GRI 3-3** GRI 203-1 GRI 203-2 GRI 413-1 GRI 11.4.4 GRI 11.15.1 GRI 11.15.2 SASB RT-CH-210a1 **IPIECA** SHS-2 A1 SHS-2 A2 SOC-9 C1-C3 SOC-13 C1-C2 SOC-13 A1-A2

SOC-13 A5

We meet our local stakeholders on a regular basis, from local authorities, to NGOs, in order to understand their needs, expectations and challenges. By listening to our partners and engaging with stakeholders, we make sure that our endeavors meet the needs of each community and help them go further. Our efforts address various community support & development pillars that align with our strategy and our values:



We invest and get involved in impactful projects that serve the purpose of providing education and opportunity to all people, especially underserved communities. For 15 years we have been supporting the education of children and young people in all its forms, in rural and urban environments, from equipping schools with teaching and learning resources, to providing skill development opportunities, encouraging excellence in education, providing growth opportunities through specific programs customized to the needs of the community. In 2022, Rompetrol marked the 21st anniversary of its flagship internship program, "Ready for your Career", while also launching the first edition of its vocational education program.



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.

#### **Community investment pillars**





#### **ENVIRONMENTAL STEWARDSHIP**

We promote clean air and water, biodiversity, and nature-based climate solutions throughout overall actions developed within our sustainability strategy. One way we do that is by supporting afforestation in our areas of operations, as well as across the country, in areas severely affected by deforestation. Tree planting contributes to the capture of carbon dioxide, forests being among the most important sources of CO2 storage. It is estimated that each planted tree at maturity captures an average of 5.5 kg of carbon dioxide per year.



#### **HEALTH & MEDICAL RELIEF**

**SPORTS & CULTURE** 

We have a long tradition in contributing to causes that promote the health, safety, and wellbeing of our communities. Throughout the years, we have met community needs by making significant contributions and donations to several causes and projects either directly or through relevant NGOs active in the field.



We believe society and individuals need all their needs addressed to be able to develop harmoniously and sustainably. That also includes encouraging participation in sports and access and exposure to arts and culture.

#### **Key projects**

#### **HEALTH & MEDICAL RELIEF**

#### TRAINING FOR EMERGENCY **PROFESSIONALS THROUGH VR TECHNOLOGY**

Rompetrol continued to support the development of the emergency response system in 2022, by purchasing a SimX virtual reality learning technology, which allows the continuous training of professionals in this field - doctors & nurses, EMTs, firemen. The value of the project exceeded \$200,000. The Group has been supporting SMURD through a consistent partnership ever since 2009, which included fuel for medical helicopters, the purchase and donation of fully equipped van-type mobile training centers, medical equipment, protective equipment for emergency personnel. During the pandemic, Rompetrol provided SMURD with a mobile intensive care unit with 12 beds.

The SimX virtual reality system offers unlimited training possibilities by creating different comprehensive scenarios. The system can be widely used in the training of doctors, nurses and paramedics, both individually and as a team. The training schedule at national level is established by the National Center for Training in Emergency Medical Assistance, in partnership with the Department for Emergency Situations.

GRI 11.15.1 "Only through the adequate and GRI 11.15.2 continuous training of doctors, nurses, **IPIECA** paramedics and firemen we can create SHS-2 A1 the prerequisites for prompt and effective SHS-2 A2 SOC-13 A1 interventions, as well as the proper SOC-13 A5 coordinated intervention skills specific to this field. Traditionally, this was done through extensive and expensive field exercises. However, the training that can be carried out with the virtual reality systems currently available to us with the support of Rompetrol allow implementing complex realistic scenarios both for the basic training of professionals and for practical interventions - integration, collaboration and coordination of the participating teams in continuous training exercises, with a higher net cost-time-benefit ratio than mobilizing all resources out in the field."

#### Dr. Raed Arafat

Head of Department for Emergency Situations (DSU), President of SMURD Foundation



The XVR system was also updated with the support of Rompetrol, allowing the simulation of virtual scenarios such as: fires, large-scale road, railway and aviation accidents, situations involving dangerous chemical substances, events that may occur as a result of unfavorable weather conditions. These virtual reality simulations, conducted with the actual participation of emergency personnel, are used to practice the cooperation and management of major emergencies at the level of command and coordination centers. The XVR system became part of the National Emergency Medical Training Center in Târgu Mureş in 2013.

The SimX and XVR systems were demonstratively used for the first time in 2022, within EUMODEX 2022, in a simulation of a chemical accident in which, following the activation of the European Civil Protection Mechanism, mobile hospital crews from Romania, Italy and Germany took part, alongside participants from from Austria, Turkey, Israel, Belgium, Bosnia and Herzegovina, Spain, England, Ireland, Luxembourg and the Czech Republic. Overall, more than 600 people were involved in this large-scale exercise.

Both projects - the acquisition of SimX and the update of the XVR system were carried out by Rompetrol in partnership with the SMURD Foundation. During 2020-2022 the company invested more than 1 million USD in projects for the development of the emergency system at national level.

#### OPHTHALMOLOGICAL EQUIPMENT FOR CORBU MEDICAL CENTER

In partnership with the Dăruiește Aripi Association, Rompetrol purchased and donated ophthalmology equipment for the health center in Corbu commune, Constanta. The medical unit is now fully equipped with high-quality ophthalmological equipment and will serve the 6,500 inhabitants of the villages of Luminita. Vadu and Corbu.



GRI GRI 413-1 GRI 203-1 GRI 203-2 GRI 11.4.4



"We have 2,000 colleagues who work on the platform, of which 135 live in Corbu. Through this project we want to address their needs, as well as the needs of all those who require medical attention locally"

Felix Crudu General Manager of Rompetrol Rafinare SA

The medical center in Corbu was fully rehabilitated in 2021 by the City Hall and equipped, through a Rompetrol investment, with beds, portable ultrasound, vital functions monitor, defibrillator, oxygen concentrator, EKG, sterilizer.

#### INVESTMENT IN THE MODERNIZATION **OF CONSTANTA COUNTY HOSPITAL**

Rompetrol, in partnership with Dăruieşte Aripi Association, carried out two projects to modernize the obstetrics-gynecology post-surgery unit and, respectively, the emergency reception unit of the Constanta County Emergency Clinical Hospital, which serves a population of about one million inhabitants in the Dobrogea area.

The post-surgery unit in the obstetrics section has 9 electrically adjustable beds and was equipped with

monitors and medical furniture, as well as 4 UVC light disinfection devices. It will also have an electrocardiograph, a defibrillator, a syringe and a secretion aspirator. More than 5,000 patients are hospitalized in the section annually, with various pathologies, while more than 700 require surgical interventions.

Rompetrol also supported the rehabilitation works on an area of over 600 square meters in the emergency reception unit, and the installation of a heavy traffic antibacterial PVC carpet, in compliance with the current standards in the field, which will provide optimal sanitary conditions.

"We have so far supported 24 sections of the Constanta County Hospital with investments of over 4 million euros. We have also been involved in the modernization of the Obstetrics-Gynecology Clinic. For the first time in the history of the hospital, this clinic benefits from a modern post-op ward. Thus, women from Constanta and neighboring counties can receive the best care available."

#### Alina Pătrăhău

Founder & President of the Dăruiește Aripi Association





#### **MEDICAL EQUIPMENT FOR THE** NĂVODARI HEALTH CENTER

#### **High-performance radiology equipment**

Rompetrol financed the acquisition of state-of-the-art radiology equipment, a total investment of \$223,000. This will help the health center treat a much wider spectrum of medical emergencies in Năvodari, being absolutely necessary for medical personnel. Further investments in the local medical facilities target a medical analysis laboratory within the Năvodari Multifunctional Health Center.

#### **Obstetrics-gynecology office**

The project is worth over \$80,000 and consists of establishing and fully equipping an obstetrics-gynecology office within the local health center in Năvodari. This includes ultrasound, optical colposcope, autoclave sterilizer with osmosis, fetal monitor cardiograph and all the specific medical instruments and furniture.

#### THERAPY FACILITY FOR **CHILDREN WITH AUTISM**

Rompetrol supported the community involvement project proposed by interns from 2021 edition of the Group's "Ready for Your Career" internship program, which entailed setting up an artificial saline for the therapy of children with autism. The 35 sgm saline was equipped with a state-of-the-art halogenerator of dry saline aerosols with proven benefits in the therapy of children with disorders on the autistic spectrum, but also for the relief of symptoms for patients with pulmonary, dermatological and psychiatric conditions.

The direct beneficiaries of the project are primarily 120 children suffering from various serious ailments enrolled in the programs of the "Human by Profession" Association – an NGO whose mission is to ensure the best living conditions, health and education for children with various physical and mental developmental disorders, to support disadvantaged families, and to counsel victims of domestic violence. Nevertheless, the saline can also receive adults and children from all over the country who can benefit from the therapy.

#### TRANSPORT FACILITATION FOR MEDICAL CASES

#### **Circuit of Trust and Hope - Home Care for Children with Cancer**

For a third consecutive year, Rompetrol supported the activity of the Dăruiește Aripi Association by donating fuel for the transportation of medical teams to provide home care services to children with oncological and

rare diseases in Constanța County. In 2022, children with cancer and other severe diseases saved 763 medical visits and thousands of kilometers thanks to the "Circuit of Trust and Hope - Home Care for Children with Cancer" project. Children enrolled in the program benefited from home visits where they were monitored, tested, or provided out-of-hospital treatment by mixed medical teams, which include doctors and nurses from Constanta County Hospital.

lalomita Ilfov Prahova Dâmbovita Teleorman Tulcea

Bucharest

Călărasi

Giurgiu

Constanta

#### **Soul Driver**

More than 300 volunteers have traveled 2 million km in support of the Soul Driver project, launched in 2020 in response to the COVID-19 pandemic restrictions.

Throughout 2020-2022, the project managed to mobilize a large swath of volunteers who used their cars to provide safe transportation for children to and from the hospital. More than 9,500 children with cancer and other severe diseases from Romania, Moldova and Ukraine, along with parents and caregivers received free rides for their medical treatment.

Since then, Rompetrol has been providing the fuel needed to transport children to their cancer treatment, helping families who already bear the burden of the high treatment costs. One year in, the project had some impressive outcomes to show for.



#### NATIONAL BLOOD DRIVE

63,750 donors and over 25,000 liters of blood donated. These were the results of the national blood drive carried out by Rompetrol Downstream, between March 15 - May 15, in partnership with the National Institute of Hematology and Transfusion, the Department for Emergency Situations and the SMURD Foundation. The value of the vouchers offered by the company to blood donors to support the campaign exceeded RON 1 million.

A single unit of donated blood can save up to 3 lives. However, in Romania, statistically, there are 1.8% donors, while at European level 37% people donate blood, according to a report of the European Parliament. The campaign took place in all 41 transfusion centers in Romania, and donors were awarded vouchers for a fresh juice and a snack in Rompetrol fuel distribution stations.

Rompetrol implemented a similar project in 2020, during the pandemic, with more than 20,000 liters of blood collected during the 2-month summer campaign, and over 44,000 blood donors.

"Together with Rompetrol we have completed many projects, and this campaign is one of them, one with extraordinary results for that matter, gathering 63,750 donors in just 2 months. It is one of the most successful blood drives carried out in Romania in recent years. The altruism of tens of thousands of people will give an extra chance to every hospitalized critically ill patient and will encourage others to help save lives by regularly donating blood. We thank our partners at Rompetrol for the initiative and the Bucharest Transfusion Center and all blood centers across the country for their involvement and contribution."

#### Dr. Raed Arafat

Head of Department for Emergency Situations (DSU), President of SMURD Foundation

"We have been traditionally involved in several nationwide health projects, for over 15 years. It is an area where we invest significantly in partnership with various stakeholders, to cover the needs of a wide population. Through this project and other similar corporate endeavors, we are committed to offering a state of wellbeing and good health both to our employees and communities at large."

Costinela Drăgan Sustainability & CSR Director of KMG International NV

## Donează sânge, salvează o viată! #rompetrol #donezsange

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#### EDUCATION AND SKILL DEVELOPMENT

#### "Ready for Your Career" internship program

2022 marked the 21st edition of our internship program. For 21 years we have been training future industry professionals and more than 1,500 people graduated from the program, many of them being currently successful members of our Rompetrol community of energy professionals.

For two months, 80 students and new graduates had the opportunity to prepare for a career in the energy sector while mentored by 40 Rompetrol staff members with extensive experience in refining, petrochemicals, logistics, or the utilities areas. Interns were assigned to 6 of the KMG International (Rompetrol) Group companies – Rompetrol Rafinare, Rominserv, Midia Marine Terminal, Rompetrol Quality Control, Rompetrol Energy and Rompetrol Well Services.

During this period, interns covered practical and theoretical aspects of the job in online workshops, aimed at developing their soft skills, and on-site activities alongside Group specialists. They also went through the "Leaders Explore" program and participated in the "Community Challenge" program, having the opportunity to choose a theme of social interest through which they could bring change in the community.

At the end of the two-month program, interns received two certifications: as graduate of the Rompetrol "Ready for Your Career" program and as graduate of the personal development program, carried out together with the partners from the Leaders Foundation.

"Our Internship Program has grown and evolved to become a real answer to the business needs of the Group. Over the years, we have discovered high school graduates and students with great potential, who have become our colleagues and are now great performers in their area of expertise. Together with the mentors, we managed to develop a new learning structure, which helps interns deepen their knowledge and learn new skills, and this constantly helps us continue the transfer of knowledge and develop the specialists that the industry needs.

Gina Cruceru Group HR Director of KMG International NV Future of Energy - supporting vocational education in the energy sector

Rominserv, a Rompetrol Group company, along with the Lazăr Edeleanu High School in Ploiești, founded a vocational education class specializing in the electromechanical field - an internationally recognized professional gualification.

This project was established to provide high school students with 3 years of formal training in electromechanics. Upon completing their studies, students are able to join the company. In turn, they are provided permanent support throughout their formation and benefit from:

- monthly scholarship based on their results;
- mentoring by Rompetrol staff during practice;
- meal service during practice;
- medical care during practice;
- personal development workshops;
- technical visits to the Vega Ploiesti and Petromidia Năvodari refineries.

#### **Vocational orientation** for high school students

In 2022, Rompetrol launched the "Career Class" program, in partnership with the technological "Lazăr Edeleanu" High School in Ploiesti and the Leaders Foundation, aimed at providing students with vocational orientation sessions, in order to contribute to the development of future professionals. At the same time, by attending the "Living Library" workshop, students have the opportunity to discover chemical engineering with the help of Rompetrol employees.

#### **Together We Grow People - practical** training for high schools and universities

For 3 months, Petromidia Năvodari and Vega Ploiești refineries welcomed 200 high school students and 70 university students from 3 high schools and two universities in Ploiești, Năvodari and Constanta, for their annual practical training. We are constantly contributing to our mission to create employment opportunities for young people, to be by their side at the beginning of their careers and to have a major impact on the community by contributing to the growth of tomorrow's professionals.

#### **Providing school transportation** for students in rural areas

In 2022, to contribute to the improvement of access to education and equal opportunities, our company provided financial support for school buses and student transport to school for 6 villages in Prahova County.

#### DRIVING EXCELLENCE IN EDUCATION

#### NATIONAL PROGRAM "CHESS IN SCHOOL"

Rompetrol supports the "Chess in School" project, which started in 2021 with the aim of promoting the mind sport in school, educating children through chess, improving self-confidence and developing civic spirit. Since its debut, Rompetrol contributed to the printing and distribution of over 20.000 chess manuals for children nationally. Over 100 professionals are involved in the project and more than 15,000 hours of chess were taught in partnership with schools from rural and urban areas and school inspectorates. So far, 2,000 teachers and more than 5,000 participants were engaged in the program.

In 2022, Rompetrol launched the third volume of the chess manual and also supported various chess competitions across Romania, as well as the World Youth Chess Championship, which took place in Constanța, on September 5th – 17th, with the participation of over 650 competitors from 72 countries, including the best 80 Romanian junior chess players, under the patronage of the FIDE International Chess Federation.

"There are multiple benefits of this sport for children. Chess contributes to their personal development, to the improvement of their logical and strategical thinking, as well as their ability to memorize, self-control and focus."

Vlad Ungureanu President of the National Chess in School Project

#### PARTNER OF AUTOVORTEX. THE ROMANIAN ROBOTICS TEAM

For the past 2 years, Rompetrol has been supporting AutoVortex, the Romanian robotics team, and its participation to the international championships in America, Libya and at the Dubai Expo 2020.

The team won 1st place at the International Robotics Championship in the United States of America, which took place on July 29-30 in Provo, Utah. The students had the mission of assembling a robot which, by means of predetermined commands, had to carry out a series of actions, such as: picking up cubes and balls, placing them at different heights, and last but not least, moving the robot for a period of 30 seconds. To program it, the

students used artificial intelligence. In 2021, AutoVortex Romania won the 1st place in Chicago.

Since 2021, Rompetrol has been supporting AutoVortex, the Romanian the USA, Libya and at the Dubai Expo 2020. The team is made up of high school students who are passionate about designing and building robots, as well as exploring the latest innovations in robotics.

In 2022, the young champions won first place in the International Robotics Championship in the United States of America, first place in the International Robotics Championship in Libya, which took place in Tripoli, and again 1st place at the International Robotics Championship in Jamaica.. In 2021, AutoVortex Romania won the 1st place in the International Robotics Championship in Chicago, which marked the first time since 1989 that a team from outside the United States won 1st place in the championship.

#### PARTNERSHIP WITH THE ASSOCIATION FOR VALUES IN EDUCATION (AVE ROMANIA)

AVE Romania has undertaken a bold mission to bring education in Romania to the top 10 in Europe by 2035. As firm believers in their mission and the critical importance of investing in education, KMG International has been supporting their Leadership Academy and School Management programs since 2021, along with other initiatives, such as:

- The 2021 Principals Awards Gala;
- AVE Ambassadors for Education in Romania:
- Mentors in AVE Training, developed free of charge • for candidates of the national competition for school principals, held in 2021-2022.

#### PARTNERSHIP WITH UNIVERSITIES AND ASSOCIATIONS PROMOTING EDUCATIONAL EXCELLENCE

Our partnerships with universities in Constanta and Prahova represent a valuable resource in attracting & molding future generations of highly performing professionals. Alongside universities, we have also developed solid long-term partnerships with valuable organizations driving educational performance, like the Association for Values in Education – AVE Romania and Teach for Romania, which aim to also contribute to the professional development of professors and school directors.

#### SUPPORT FOR THE NATIONAL FESTIVAL OF DRAMATIC ART

Rompetrol supported the first edition of the National Dramatic Art Festival, which took place in Năvodari in June of 2022, under the auspices of Năvodari City Hall. More than 170 children and adolescents from Galați, Bârlad, Râmnicu Vâlcea, Mangalia, Năvodari, Constanța and Bucharest had the opportunity to prove their talent three competition sections - monologue, theater and musical performance.

## SOCIAL & COMMUNITY DEVELOPMENT SUPPORT

#### **COMMUNITY DEVELOPMENT IN PLOIESTI**

In 2022, Rompetrol completed the construction of 4 new playgrounds in Ploiești city, offering the community a play area of 1,269 sqm with numerous top-end facilities. The new playgrounds comply with the guality and safety standards in force, and all the equipment is certified according to HG 435/2010. Benches, slides, swings, and other colorful play sets are installed on surfaces paved with elastic rubber tiles for increased user safety.

The total investment in this project, of RON 788,000, was made by Rominserv, Rompetrol's turnkey industrial services provider, in partnership with the Ploiești City Hall and the Dăruiește Aripi Association.

Another social development initiative carried out by Rompetrol in Ploiești in 2022 was the provision of a nursery space to accommodate more than 70 children. The Group offered one of its own buildings, with an area of 730 sqm, to the Ploiești City Hall to serve this purpose.

#### PLAYGROUNDS FOR THE BLEJOI COMMUNITY

Rompetrol, in partnership with the local authorities, opened **3** playgrounds in Blejoi in the second half of 2022. The 700 children enrolled in school and preschool education can enjoy a playground area of 400 square meters at the highest standards applicable and equipped with benches, slides, swings and other outdoor playtime equipment.



"Rompetrol is to Ploiesti a reliable partner, responsive to the needs of the local community, oriented towards important projects aimed at modernizing our city. Through the investments previously carried out, we have managed to develop the green dimension of the city and thus improve the degree of urban comfort. We continue to count on the development of this partnership and on the availability of Rompetrol to support major initiatives of community interest."

Andrei Liviu Volosevici Mayor of Ploiesti

"Children are the beneficiaries of many of our projects, whether we are talking about health, education or social initiatives. We have partnerships with high schools and the University of Ploiești for internship programs, dual education or laboratory equipment, for all those who want a career in the energy sector, but through this latest project we are also addressing younger children, offering them modern playgrounds with high quality and safety standards."

Costinela Drăgan Sustainability & CSR Director of KMG International NV

#### **ROMPETROL RUN AND CARE**

Rompetrol Run and Care 2022 in figures looks like this: 460 runners, 3,938 km, 3,938 liters of fuel! Over 400 people participated in the 9th edition of the Rompetrol Run and Care event that took place on May 21, 2022. After 2 years of the pandemic, we managed to get together with colleagues, family and partners, and together we ran for a noble cause.

The 3,938 kilometers run by contestants were converted into liters of fuel that Rompetrol donated to the Magic Association's Soul Driver project. Moreover, for every runner enrolled in the competition Rompetrol also committed to planting a tree.

In 2022, Rompetrol Run and Care was awarded "Best CSR Campaign in Social Media" at the Romanian CSR Awards Gala, an event organized by CSRmedia.

#### **CIVIL SOCIETY GALA**

For 20 years, Rompetrol has been a partner of the Civil Society Gala, the annual event that awards the best community initiatives and projects run by non-governmental organizations, initiative groups and individuals. The 2022 edition included over 146 civic initiatives of which 110 projects, 15 programs and 21 communication campaigns on social topics. The projects were judged by 55 specialists in project implementation and evaluation, researchers, sociologists, journalists, leaders and opinion leaders of civil society and the non-profit sector.

Rompetrol offered a fuel voucher of USD 1,000 for each first place winner in each of the categories of the competition, to support the projects and the work of the people behind them. Total value of the awards exceeded RON 72,000 (over EUR 14,000).

#### ENVIRONMENTAL STEWARDSHIP

## BEACH CLEANING EFFORT ON WORLD ENVIRONMENT DAY

Rompetrol employees from Năvodari and Bucharest celebrated the 50th World Environment Day through a voluntary action of selective collection and recycling of waste abandoned on the beaches of Corbu, alongside representatives of local authorities and schools. In Romania, the rate of municipal selective collection and recycling of waste is 11%, far from the 50% target that should have been achieved by 2020, as requested by the European Union in an effort to reduce the generated waste and promote a circular economy.



"The Dobrogea region is a natural museum of biodiversity with over 70 sanctuaries and protected natural areas, and we are aware of our role in contributing to the maintenance of these rich ecosystems of the Black Sea, Siutghiol Lake and the Danube Delta biosphere. Aside from the consistent investments in state-of-the-art technology to minimize the impact of our operations on, we expand our care for the environment through social responsibility and volunteering projects, implemented in partnership with local partners."

Felix Crudu General Manager of Rompetrol Rafinare SA



#### **TREE PLANTING ACTIVITIES**

In partnership with the EcoAssist Association, Rompetrol continued its tree planting activities throughout the current reporting period. Early 2022, through the "Planting Good Deeds" program, Rompetrol employees planted more than 7,500 trees on the former landfill in Ploiești city, to mark the International Day of Forests. The trees were selected according to the properties of the soil (nettle tree, field maple, common dogwood, rosehip, hawthorn), and at maturity will absorb about 50 tons of CO2 per year.

Also, in November 2022, more than 30 employees planted over 6,000 acacia saplings on 1,2 hectares of land in the Lapos locality in Prahova County. The acacia is tolerant of many soil types and, compared to other forest species, is fast-growing and can reach a height of 2-3 meters in 2 years. Through this action, we also fulfilled the commitment we undertook in the 2022 Rompetrol Run and Care edition, that of planting a tree for each participant in the charity cross-country race. The main goal of the "Planting Good Deeds" project carried out by EcoAssist Association in Romania is to plant, care for and grow forests on unproductive public lands, to give them back to local communities and increase awareness of environmental

stewardship and our responsibility towards it. Planting activities are carried out in accordance with the national forestry legislation and include soil analysis, technical afforestation projects, tree planting, forest additions and care until the young forest reaches maturity.

In partnership with Rompetrol, the EcoAssist Association planted a total of 2.9 ha of land and 13,675 thousand forest saplings in Prahova and Ilfov counties. In 2021, within the same project, 4.46 ha and 13,000 white poplar forest saplings and shrub species were planted in Prahova and Constanta counties.

"We have a long-term commitment to increase the forest areas, as part of the Group's strategy to mitigate the effects of climate change, through various types of investments. This is the first volunteering activity after two pandemic years and we are happy we have planted over 7,500 trees, thus creating a green oasis near the heavy traffic of the national road."

*Costinela Drăgan Sustainability & CSR Director of KMG International NV* 





#### SUPPORT FOR SPORTS, ARTS & CULTURE

## "GEORGE ENESCU" INTERNATIONAL FESTIVAL & COMPETITION

Rompetrol is delighted to have been supporting for 13 years this prestigious event, the place where emotions are expressed through music and exceptional compositions. In 2022, KMG International, under the Rompetrol brand, carried on its long-term partnership with the "George Enescu" International Festival and Competition, sponsoring the musical magic of the International Competition, which marked 64 years since the first edition of the event.

"Music of hope" was the theme of the edition, as it aimed to remind us of the power of music and the ability to be reborn through hope.

In 2022, more than 100 musicians from 32 countries entered the International Competition. The cello, violin, piano and composition competition represents a launch platform for future musical virtuosos, promoting Enescu's compositions to artists and audiences worldwide. and we are eager to meet them. Winning 1st place at the 2022 "George Enescu" International Competition ensures the access ticket to the stage of the 2023 "George Enescu" International Festival, where the laureates will perform alongside great orchestras of the world.

#### **SPORTS ACADEMY**

Sports Academy is an event with a rich history and significance for the entire Rompetrol community. It is where hobbies are encouraged and supported, and the team spirit and the desire to win make this event one of the most beautiful experiences for teams from various companies across all Group geographies. In the 11th edition of the competition, Rompetrol employees competed in the following sports: football, volleyball, basketball, weightlifting, athletics and chess. 400 colleagues registered in the competition, and 200 of them qualified for the grand finale.



## BUILDING A NEW FRAME OF REFERENCE MARKETPLACE

# rompetrol

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# Introduction

At KMG International, we ensure that our supply chain operations are carried out in a highly proficient, transparent, and principled manner, adhering to our corporate policies and guidelines while fully complying with all relevant laws.

We maintain a complex framework of regulations and protocols that extends to our network of suppliers, contractors, and subcontractors. As a result, we exclusively collaborate with third-party entities that share our values, implement industry-leading methodologies, and meet the necessary regulatory criteria concerning work health and safety, environmental preservation, ethics and anti-corruption, corporate social responsibility, human rights, and labor standards.

The market environment for oil and natural gas was highly volatile in 2022, leading to significant increases in quotations for crude oil, feedstock, and petroleum products resulting from processing. Refining margins experienced a substantial increase due to the continued recovery of demand for refined products and decreased imports of crude oil and Russian products. The Dated Brent crude oil price rose from 79 to 92.5 USD/bbl. in January, reaching the highest since 2014. The OPEC+ ratified the 400,000-bpd production increase in March, and in Q2, the European Union implemented a partial ban on imports of crude from the Russian Federation, while China eased anti-virus curbs, aiding demand.

The supply-side constraints caused the increase in crude oil prices as OPEC+ failed to increase output in Q2. In Q3, the Dated Brent crude oil had a downward trend due to concerns over global recession hurting energy demand more than persistent supply-side issues. In Q4, China's COVID Zero policy kept oil demand in check, and bearish sentiment filtered through the commodities market due to inflation looming in the US and the recession risk.

The EU economic sanctions prohibited trading and/ or buying Russian crude oil from the market, which increased the Brent-Urals Differential. The European refining margin fluctuated within normal ranges until February 2022, and then the margins increased to a record level of 252 USD/t. The refining margins in Europe were very strong in 2022 due to the ongoing recovery of refined product demand, combined with lower imports of Russian crude and lower inventories in Europe. In Q4, the diesel cracks reached the historical high level of 746 USD/MT due to tight supplies heading into winter, while jet cracks also reached the historical record value of 814 USD/MT.

Throughout 2022, the upstream market remained unstable, with clients showing low levels of investment and work. In addition, the region faced a significant amount of uncertainty, which led to a considerable rise in acquisition prices for goods and services required for our current activities, as well as fluctuations in delivery times. Furthermore, the company had to make divestment decisions and adjust operators' investment budgets due to these market conditions. Raw material supply chain issues, which are typical for the upstream industry, also contributed to the challenge. The overall impact of these factors resulted in delays in commencing or resuming drilling operations.



In total, 5,258,229 tons of crude oil and other raw materials were processed in 2022, which was 7% lower than budgeted. This was due to issues encountered on the crude oil supply chain between February and March 2022, as a result of Russia's invasion of Ukraine, which led to a reduction by 405,918 tons compared to the budgeted amount. The cost of production registered an increase of about 76% compared to the previous reporting period due to the increase in oil&gas guotations.

The cost of goods sold during the reporting period was 72% higher than the budgeted level. This was primarily due to the volatility of the international oil and natural gas market environment, which generated significantly increased quotations during 2022 compared to the budgeted ones, which constitute the basis for calculating the selling prices both on the domestic and on the foreign market.

In 2022, the share of international sales in total sales represented approximately 35% (116% more than the previous year). Although the volumes sold on the foreign market have increased, as a result of an increased quantity of raw materials processed in 2022 compared to the previous year, the Group has focused more on maximizing sales on the domestic market, in order to ensure the country's energy supply, and implicitly the consumption on the domestic market.

Rompetrol Rafinare, the Group's refining division, which includes both Petromidia and Vega refineries, along with the petrochemical unit, continued to make a significant contribution to Romania's fiscal budget, with over USD 1.56 billion in 2022. This amount mainly consisted of excise duties, VAT, payroll taxes, local taxes, and others. As per the legislation governing local budgets, a large portion of the taxes paid by the Company to the state budget is directed at the local authorities in the region where the company operates.

In terms of industrial services, Rompetrol Well Services recorded an 18% higher turnover compared to the previous reporting period, generated by a marginal increase recorded in the area of cementing services, as well as by an alignment of tariffs with current market conditions. The company has maintained its position

# **Market performance overview**

on the domestic market, while its primary markets are located in Central and Eastern Europe. In 2022, the Company also provided services in Serbia and Bulgaria, based on specific contracts.

In spite of the ever-changing market dynamics, Rompetrol Well Services has managed to maintain its leading position in the particular market segment and the market share for most of the services provided in Romania, while at the same time increasing their complexity. The company has a market share varying between 15% and 70% of the specific services market.

Given the present market situation, the Company is evaluating the potential for growth in the Middle East service market. As part of this endeavor, the Company has been engaged in ongoing negotiations with potential local partners, while also exploring the prospect of establishing an operational base in the region.

In 2023, the Group will focus on enhancing its operational performance and continuing various initiatives that were started several years ago. These efforts include refining planning and production optimization, improving energy efficiency and organizational effectiveness, developing the retail gas stations network, increasing non-fuel profitability, and boosting trading profitability.

Specifically, the Group aims to achieve a Petromidia 2023 Feedstock Target performance of 5.68 million tons, which corresponds to 16 ktons/day of operation. This represents a 0.42 million ton increase over the achieved level of 5.26 million tons in 2022 (which had 340 days of operation compared to the 355 scheduled for 2023). Additionally, the Group has set a White Products 2023 yield target of 85.1%, which is 0.5% lower than the 2022 level.

For the Romanian retail network, the Group has set a sales target of 2.35 million tons, representing an 18% growth target compared to 2022. The Group also aims to achieve a Non-Fuel Margin performance of USD 43.1 million in 2023, which would be a 25% increase compared to 2022.

# Sustainable suppliers \_

As part of our commitment to sustainability, we recognize the critical role that our suppliers play in ensuring that we operate in an environmentally responsible and socially sustainable manner. Working with sustainable suppliers not only helps us mitigate risks, but also contributes to the long-term sustainability of our business. We are committed to working collaboratively with our suppliers to drive positive change and create a more sustainable future for all.

We believe that our supply chain should adhere to the same high standards of environmental stewardship and social responsibility that we set for ourselves. To that end, we have established a set of principles that we expect all of our suppliers to uphold. These principles cover a range of issues, including human rights, safe working conditions, environmental protection, and ethical conduct. Our Supplier Code of Conduct outlines these principles in detail and is mandatory for any supplier agreement with the Group and its subsidiaries.

One of our key principles is that we expect our suppliers to operate in full compliance with all applicable national and international laws and regulations. We also require that they demonstrate a commitment to promoting fair employment conditions and responsible management of environmental issues.

We strictly screen suppliers and subcontractors and routinely monitor business relationships to ensure compliance with our standards. We assess 100% of prequalified suppliers using rigorous environmental and labor practices criteria to obtain accurate and up-to-date information on their financial, reputational, and technical capabilities. In 2022, there were 627 suppliers screened, compared to 324 suppliers during the previous reporting period. The Procurement Function checks all vendors for any acquisition over USD 10,000.

Our prequalification process involves filling out a comprehensive questionnaire and undergoing assessments to ensure suppliers adhere to our ethical principles and commit to meeting our environmental, labor, social, and human rights standards. We subject suppliers to follow-up, assessment, and monitoring activities regularly as part of our risk mitigation efforts.

Potential suppliers and contractors undergo a complex screening and selection process, and local procurement may perform audits of strategic suppliers. Failure to meet our requirements may result in contract termination. We continually review and measure our performance and that of our suppliers to improve the quality, efficiency, and effectiveness of our services. Our Supplier Code of Conduct is regularly updated to align with local and international regulations and best practices. Our commitment to sustainability is reflected in our procurement practices. We follow international standards in our Procurement Procedure, Supplier Code of Conduct, and Ariba system. Our Procurement Function has been certified by the CIPS Awarding Body with the Excellence Advanced Standard-Silver Award, which attests to our internal procedures, processes, strategy, and systems being reviewed and improved. Furthermore, our local Procurement Function conducts audits for strategic suppliers.

At Rompetrol, we recognize the importance of fostering partnerships with our suppliers. We organize regular meetings and presentations with our strategic local suppliers to discuss changes in the market and our company's strategy and systems. In 2022, we have carried out local capacity assessments in Romania, Bulgaria, Moldova, and Georgia.

Our Category Procurement Strategy emphasizes working with small firms, ethnic minority businesses, social enterprise, and voluntary and community sector suppliers to contribute to the supply chain and potentially deliver community benefits. The Procurement Function is committed to exploring and executing appropriate opportunities to collaborate with partners. When inviting bids or negotiating partnerships, we request that bidders include optional priced proposals for delivering specified community benefits. We then carefully review these proposals and implement them as appropriate.

The proportion of spending on local suppliers during the reporting period was around 75% (including local multinationals, excluding acquisitions under USD 5,000 without contract).

In the context of the CoGen project's implementation, several business development and supplier contracting were created. Thus, Rompetrol Energy, the company responsible for the construction of the cogeneration plant on Petromidia platform hired specialists for its own project team from outside the Group (6 people for a period of 2 years). Moreover, the project's contractor and its subcontractors resorted to both local work (25 people hired in Romania) and employment of external companies:

- Demolition works 100% assigned to local companies (worth approx. USD 0.5 million);
- Design works contracted with local companies 100% (worth approx. EUR 2 million)
- Various equipment contracted from local companies in Romania;
- catering services for the entire year (for approx. 100 people) provided by local companies.

GRI 407-1 GRI 408-1 GRI 409-1 GRI 414-1 GRI 414-2 GRI 11.10.8 GRI 11.10.9 GRI 11.12.2 GRI 11.13.2 GRI 11.14.6 **IPIECA** SOC-2 C1, C2 SOC-3 C3, A4

SOC-14 C1, A2,

A3, A4, A5, A7, A8

GRI

GRI 204-1

GRI 308-1

No operations and suppliers in which the right to freedom of association and collective bargaining may be at risk were identified during the reporting period. Moreover, no suppliers at significant risk for incidents of child labor or forced labor were identified.

Furthermore, no significant actual and potential negative social impacts were identified in the supply chain or in the operations of any of the suppliers assessed.

In 2022, anti-corruption trainings were held for the entire procurement team, and several action points were established (related to the anti-corruption fight) by the Procurement and Internal Control departments to be implemented for suppliers.

In the context of the war in Ukraine, the crude oil that was exported from Kazakhstan in the second half of 2022 was labeled as Kazakhstan Export Blend Crude Oil (KEBCO) to distinguish it from oil originating in Russia. As a result, Rompetrol Rafinare modified the Platts quotation used to determine the prices of heavy crude oil purchases for KEBCO from KMG NC. The quotation changed from Urals to CPC in July 2022 in response to market reactions to the events in the region.

GRI

GRI 2-6

GRI 2-27

GRI 301-1

In 2023, Rompetrol Rafinare will provide the domestic market with only Euro 5 fuels with a maximum sulfur content of 10 mg/kg and a biofuel content of at least 8% by volume for gasoline and 6.5% by volume for diesel, in compliance with Law no. 311/2018. The company does not plan to expand its auto fuel portfolio in 2023.

# **Procurement and supply chain operations**

The Group's procurement and supply chain operations are a crucial aspect of our commitment to sustainable business practices. These operations oversee contract and material management, commercial strategies, procurement systems, logistics, and indirect procurement. Our short and mid-term plans for supply chain operations are based on production scenarios, forecasts, annual delivery plans, and daily schedules, covering feedstock purchasing, planning & production optimization, and volumes allocations & overall logistics for all the Group subsidiaries.

We source the technical material supply needed for our activities from both internal and import sources. Our Refining Business Unit, which includes the Petromidia and Vega refineries and the Petrochemical plant, has supply sources that enable us to conduct our operations effectively. Raw material and materials inventories are appropriately dimensioned to ensure that all three entities can operate continuously.

The procurement of raw materials is influenced by international market trends and quotations, with the reference quotation calculation typically based on Brent and Ural. The fluctuations in the market and international context, influenced by geopolitical or economic factors, ultimately impact the level of purchase prices of raw materials.

To ensure stability and safety, the main raw material used by Rompetrol Rafinare, crude oil, comes exclusively from import based on firm contracts signed annually (contract signed for five years in 2021). Kazakhstan is the main source of crude oil, which arrives in Romania through the Midia Marine Terminal.

KazMunayGaz Trading A.G, the trader of KMG International Group, is responsible for contracting the quantity of crude oil required for processing in the Refinery. It is also responsible for importing other raw materials and exporting petroleum products for sale on foreign markets.

Other raw materials come from both external and internal sources. Biocomponents (bioethanol and biodiesel) are purchased to produce automotive fuels, in line with legal regulations requiring suppliers to sell gasoline and diesel with a minimum content of biofuels to end consumers. Ethylene, a raw material for polyethylene (LDPE), is purchased from the foreign market at prices that follow the trend of quotations. Chemicals are purchased for the two refineries, including catalysts, additives, chemical services for water treatment, inhibitors, process chemicals, reagents, and oils.

We use the modern Midia Marine Terminal for discharging crude oil from Kazakhstan, and contracts were signed with service providers such as Conpet S.A., Oil Terminal S.A., Midia Marine Terminal S.R.L., and Decirom S.A. (for solid products) for loading and unloading raw materials and petroleum products in the ports of Constanta and Midia. Our procurement and supply chain operations are committed to sustainability and ethical business practices at every step of the process.

# SUPPLY AND PRODUCTION

To ensure the smooth development of its activities, Rompetrol Rafinare, the Group's refining division, procures the necessary materials and products from both internal and imported sources. The company has established reliable supply sources to support its operations, and the inventories of raw materials are appropriately sized to ensure the uninterrupted operation of its two refineries in Năvodari and Ploiești, as well as the activity of its Petrochemical Plant.

In 2022, Rompetrol Rafinare continued to produce improved winter-grade fuels "Diesel 55" and "Efix S Diesel 55", distributed under the brand name "Xtreme Winter Efix S". These fuels are resistant to temperatures as low as -35 degrees Celsius.

In 2022, the Petrochemical sector produced special grades that made up 21.5% of total production, up from 17.4% in 2021. These grades generated an additional revenue of around USD 920,000 (difference between the selling price of special grades and that of general-purpose grades). The development activity was focused on optimizing existing grades and improving their properties using new additives such as RTF3 thermoforming grade and RCF9 film grade.

In the difficult economic climate, measures were taken to improve the efficiency of the units, including testing and using a new type of initiator in the LDPE unit, which broadened the range of potential suppliers. Additionally, Vega Refinery began using a solvent produced internally, reducing dependence on external sources and their volatile prices. During the reporting period, Vega Refinery focused on producing solvents (SE 30/60, n-Hexane, White spirit), naphtha gasoline, light and heavy liquid fuels for heating, normal and polymer-modified road bitumen. No new products are planned to be introduced in the Vega Refinery portfolio in 2023.

# PETROMIDIA REFINERY

The planned 2022 turnaround for Petromidia was successfully completed on April 4th, 2022, achieving a total throughput of 5.26 million tons, which was a 14.67% increase from the previous year. This was optimized with a high refinery margin, and the refining capacity utilization was at 87% for the operational days of 2022.

| Throughput       | Budget (t) | Achieved (t) |  |  |
|------------------|------------|--------------|--|--|
| Other feedstocks | 630,454    | 460,597      |  |  |
| Crude oil        | 5,033,693  | 4,797,633    |  |  |
| Total            | 5,664,147  | 5,258,229    |  |  |

The production plan for 2022 was designed to process a total of 5,664,147 tons. This included 5,033,693 tons of crude oil and 630,454 tons of other raw materials. This plan was used as the basis for creating the income and expense budget for 2022. However, only 5,258,229 tons were processed, of which 4,797,633 tons of crude oil and 460,597 tons of other raw materials. This figure fell short of the budgeted level by 405,918 tons. Thus, the level of processing for 2022 was 92.83% of the production plan established in the budget.

Some of the key technological and operational parameters recorded by Petromidia refinery in 2022 included a white finished products yield of 85.55%wt, a record level of 6.5% jet yield (3.1% higher than 2021), a technological loss of 0.80% wt (the lowest level in history after the implementation of "2010 Package" and 0.02% lower than the previous year), and an Energy Intensity Index of 96.2% - very close to the previous record of 96.1.

In terms of operations, the refinery functioned with a capacity of 15,409 tons of raw materials per day. However, this capacity was affected by the planned technological shutdown, which took place from March 11 to April 4, 2022. During this time, the company's specialists, together with contracted personnel, completed the necessary works at both the Petromidia and Vega refineries. This included rehabilitation work on the Diesel Hydrotreater Unit (DHT), which had been affected by a technical incident on July 2, 2021. The DHT unit was put back into operation on April 13, 2022, and all refinery units were restarted with a high degree of safety. Petromidia achieved a mechanical availability of 95.53%.

Throughout the year, the refinery operated its units to the highest performance standards while ensuring compliance with environmental protection commitments.

In 2022, the diesel yields were recorded at 44.65%, while the yields for fuels (gasoline, diesel, Jet, LPG) reached 74.77%. The Jet yield reached a new record of 6.5%, corresponding to approximately 340 thousand tons, which was higher than the previous year's yield of 3.4%, corresponding to approximately 156 thousand tons. This improvement was due to the optimization of crude oil and diesel recipes.

| Structure of production | Budget (t) | (%)   | Achieved (t) | (%)   |
|-------------------------|------------|-------|--------------|-------|
| Finished products       | 5,519,143  | 97.44 | 5,140,991    | 97.77 |
| Gasoline                | 1,408,989  | 24.88 | 1,386,941    | 26.38 |
| Diesel                  | 2,692,207  | 47.53 | 2,347,836    | 44.65 |
| Jet                     | 261,668    | 4.62  | 339,706      | 6.46  |
| Fuel oil                | 199,911    | 3.53  | 149,720      | 2.85  |
| Propylene               | 145,641    | 2.57  | 125,548      | 2.39  |
| LPG                     | 272,941    | 4.82  | 238,699      | 4.54  |
| Petroleum coke          | 241,638    | 4.27  | 248,123      | 4.72  |
| Petroleum sulfur        | 49,125     | 0.87  | 52,324       | 1.00  |
| Other                   | 247,024    | 4.36  | 252,094      | 4.79  |
| Total loss              | 145,004    | 2.56  | 129,897      | 2.47  |
| White products yield    | -          | 85.54 | -            | 85.55 |

In 2022, RRC's crude oil purchases reached 4,764,543 tons, which was higher than the previous year's volume of 3,481,771 tons. The company exclusively imported crude oil through its trading company, KazMunay-Gas Trading A.G. Additionally, the volume of all raw materials purchased from external sources in 2022 (5,054,271 tons) was higher than in the previous year (4,426,276 tons).

In 2022, the average price of crude oil purchased was significantly higher, at 669 USD/ton, compared to 498 USD/ton in the previous year. This was due to the outbreak of the war initiated by Russia against Ukraine, which led to a significant increase in international guotations. Additionally, the average price of Brent in 2022 was 101 USD/bbl (767 USD/mt), compared to 71 USD/ bbl (535 USD/mt) in 2021.

The company acquired 91,047 tons of raw materials from domestic sources, which was slightly higher than the previous year's volume of 89,338 tons. Furthermore, it acquired approximately 28,365 tons of raw materials from Vega, compared to the 24,651 tons acquired in 2021.

| Feedstock | Budget (t) | Purchases (t) |
|-----------|------------|---------------|
| Feedstock | 5,664,147  | 5,145,318     |

The quantity of feedstock purchased in 2022 was lower than budget throughput level (which also includes other feedstock than purchased).

# VEGA REFINERY

Vega Refinery, the only domestic producer of bitumen and hexane, had a total throughput of 372,920 tons in 2022, which was 16.16% higher than the previous year. The refining capacity utilization was higher by 15.72% than the previous year, and a new product (n-heptane) was developed for polymers production in the petrochemicals division. Some of the key operational results for Vega refinery in 2022 included a technological loss of 0.62%, energy consumption of 2.34 GJ/t, and a Mechanical Availability of 98.69%.

During the reporting period, Vega Refinery had a production program designed for processing 452,847 tons of raw materials, with 452,829 tons from the group and 18 tons from external sources. This program served as the basis for creating the 2022 income and expenditure budget. However, the refinery processed only 372,920 tons in 2022, which was below the budgeted level due to several factors like the lower volumes of raffinate processed, railway blockages, and sales demand. Out of the total processed, 372,909 tons were from the group, and 11 tons were from non-group sources. This represented approximately 82.35% of the program established for the 2022 budget, taking into account the raw materials available from the Petromidia Refinery and market demand.

Despite being lower than the budgeted amount, the processing level of 372,920 tons was still higher than the previous year's level by approximately 52 ktons. In 2022, 17.6% less was processed than budgeted, the monthly average being 31,077 tons compared to the budgeted 37,737 tons.

| Budget (t) | Achieved (t)  |
|------------|---|
| 18         | 11  |
| 452,829    | 372,909   |
| 452,847    | 372,920   |
|            | Budget (t)           18           452,829           452,847 |

#### Structure of production Budget (t) Achieved (t)

| Finished products        | 449,766 | 370.145 |
|--------------------------|---------|---------|
| Gasoline & Solvents      | 172,096 | 145,239 |
| n-Hexane                 | 90,640  | 79,321  |
| White spirit & Petroleum | 6,117   | 5,400   |
| Calor Extra I            | 4,114   | 5,355   |
| Light liquid fuel        | 4,797   | 11,660  |
| Fuel oil                 | 31,757  | 22,685  |
| Bitumen                  | 140,245 | 100,485 |
|                          |         |         |

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# PETROCHEMICAL UNIT

The Petrochemicals unit had a production plan for 2022 that focused on the Polypropylene plant (PP) and Low Density Polyethylene plant (LDPE), aiming to produce 161,350 tons of polymers. This production included 87,100 tons of PP and 74,250 tons of LDPE. Additionally, the production plan aimed for 26,937 tons of polymerizable propylene. This plan served as the foundation for the 2022 income and expenditure budget.

However, the actual polymer production achieved in 2022 was 128,958 tons, consisting of 86,404 tons of PP and 42,554 tons of LDPE. The production of polymerizable propylene was 11,878 tons.

When comparing the budgeted production to the actual production, it can be observed that the Polypropylene plant (PP) achieved production levels of approximately 99% compared to the budget. On the other hand, the Low Density Polyethylene plant (LDPE) achieved production levels of approximately 57% compared to the budget. This is due to the fact that the LDPE plant operated intermittently, being affected by the fluctuations of the ethylene/polyethylene market, as well as the plant's operational availability.

The LDPE plant operates 100% with imported ethylene, and the PP plant works with raw material produced and delivered internally by the Petromidia Refinery. The petrochemical unit is the only producer of polypropylene and polyethylene in Romania, with a constantly increasing secondary products market share.

| Structure of production  | Budget (t) Ac | hieved (t) |
|--------------------------|---------------|------------|
| Polypropylene            | 87,100        | 86,404     |
| Low-density polyethylene | 74,250        | 42,554     |
| Propylene polymer grade  | 26,937        | 11,878     |

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# SALES

In 2022, sales on the domestic market accounted for 65% of the total sales, which was slightly lower than in 2021. Among the oil products sold, automotive fuels (gasoline and diesel) made up 79% of the total volume, and 73% of the total amount of gasoline and diesel fuel was sold on the domestic market. The sales of gasoline and diesel fuel for consumption through gas stations covered all regions of Romania, with diesel fuel accounting for the largest share (approximately 84%) of car fuels sold nationally.

External sales had two main destinations: within the community and outside the community. Intra-community deliveries made up about 15% of the total volume of finished products sold on the foreign market, which was slightly lower than the previous year's figure of 18%.

The main countries to which sales were made were:

- Gasoline: Albania, Gibraltar, Georgia, Tunisia, Turkey, Moldova, Ukraine;
- **Diesel:** Bulgaria, Georgia, Moldova, Greece, Serbia, Turkey, Ukraine;
- Petrol: Moldova, Albania, Georgia;
- Petroleum coke: Moldova, Turkey;
- Petroleum sulfur: Egypt, Morocco.

In terms of distribution, oil products sold on the domestic market were mainly transported by road and rail, but barges were also used. For external sales, the largest share of distribution was achieved by sea through the Midia and Constanța ports, but road and rail were also used.

Polymers sales on the foreign market were aimed at both EU and non-EU countries. Intra-community deliveries accounted for about 89% of the total finished products sold on the foreign market, with the remaining representing export sales on non-EU markets. The main markets for polymers (PP, LDPE, PET, and PVC) are Romania (56%), Bulgaria (15%), Serbia (6%), and Italy (6%).

In terms of distribution, Rompetrol Rafinare sold oil products domestically by road and rail. For foreign sales, distribution was done by both road and sea transport through Agigea and Constanța ports.

| Rompetrol Rafinare SA<br>(million RON)   | 2020  | 2021   | 2022   |
|--|-------|--------|--------|
| Gasoline and diesel fuels                | 6,360 | 9,334  | 18,017 |
| Other petroleum products                 | 1,260 | 1,746  | 3,993  |
| Petrochemical products                   | 619   | 770    | 939    |
| Goods                                    | 11    | 271    | 44     |
| Utilities                                | 9     | 12     | 17     |
| Services                                 | 15    | 17     | 17     |
| Net turnover                             | 8,275 | 12,150 | 23,027 |
| Rompetrol Rafinare SA<br>(% of turnover) | 2020  | 2021   | 2022   |
| Gasoline and diesel fuels                | 76.9% | 76.8%  | 78.2%  |
| Other petroleum products                 | 15.2% | 14.4%  | 17.3%  |

7.5%

0.1%

0.1%

0.2%

100%

# PETROMIDIA REFINERY

Petrochemical products

Goods

Utilities

Services

Net turnover

In 2022, sales volume was slightly below the budgeted amount but increased by 44.36% compared to the previous year's deliveries of 3,091,583 tons. Overall, total sales volume grew by approximately 13% compared to 2021, which was the second year impacted by the pandemic crisis. On the external market, traded volumes were higher than in 2021. The majority of the quantities were sold on regional markets where our competitive logistics advantage is strongest, including Bulgaria, Moldova, Hungary, and Serbia.

| Finished preducts | 4 509 442  | 1 142 000  |
|-------------------|------------|------------|
| Sales volume      | Budget (t) | Actual (t) |

In 2022, fuel sales were higher, gasoline sales seeing an increase of 21% from the previous year.

4.1%

0.2%

0.1%

0.1%

100%

6.4%

2.2%

0.1%

0.1%

100%

|                                   | Sa |
|-----------------------------------|----|
| White products sales (naphtha     | _  |
| gasoline, eco-solvents, n-hexane, | D  |
| white spirit) accounted about     | E. |
| 62 % of total sales in 2022.      | L  |

| Sales cha | nnels        | 2021   | 2022       | Fuel sa  | les          | 2021      | 2022      |
|-----------|--------------|--------|------------|----------|--------------|-----------|-----------|
| Domestic  |              | 70%    | 65%        | Gasolin  | e            | 975,716   | 1,181,261 |
| Export    |              | 30%    | 35%        | Diesel f | uel          | 2,337,027 | 2,330,567 |
| es        | Domestic (t) | (%)    | Export (t) | (%)      | Transfer (t) | (%)       | Total (t) |
|           | 344,865      | 29.19  | 836,395    | 70.81    | 0            | 0.00      | 1,181,261 |
| se        | 0            | 0.00   | 32,030     | 15.92    | 169,198      | 84.08     | 201,228   |
|           | 290,255      | 87.70  | 29,640     | 8.96     | 11,083       | 3.35      | 330,978   |
|           | 1,787,138    | 76.46  | 543,446    | 23.25    | 6,792        | 0.29      | 2,337,376 |
|           | 25,083       | 16.59  | 0          | 0.00     | 126,138      | 83.41     | 151,221   |
|           | 0            | 0.00   | 0          | 0.00     | 125,548      | 100.00    | 125,548   |
|           | 241,611      | 100.00 | 0          | 0.00     | 0            | 0.00      | 241,611   |
|           | 183,835      | 72.95  | 68,158     | 27.05    | 0            | 0.00      | 251,993   |
|           | 39           | 0.07   | 51,954     | 99.93    | 0            | 0.00      | 51,992    |
|           | 29,008       | 33.20  | 0          | 0.00     | 58,366       | 66.80     | 87,374    |
|           | 2,901,834    | 58.50  | 1,561,624  | 31.48    | 497,124      | 10.02     | 4,960,583 |

|  | Sales cha | nnels        | 20     | 2022       | Fuel s | ales         | 202      | 21 2022      |
|--|-----------|--------------|--------|------------|--------|--------------|----------|--------------|
| e products sales (naphtha<br>e, eco-solvents, n-hexane,  | Domestic  |              | 7      | 70% 65%    | Gasoli | ne           | 975,7    | 16 1,181,261 |
| e spirit) accounted about<br>? % of total sales in 2022. | Export    |              | 3      | 30% 35%    | Diese  | fuel         | 2,337,02 | 27 2,330,567 |
| Structure of deliver                                     | ies       | Domestic (t) | (%)    | Export (t) | (%)    | Transfer (t) | (%)      | Total (t)    |
| Gasoline   |           | 344,865      | 29.19  | 836,395    | 70.81  | 0            | 0.00     | 1,181,261    |
| Gasoline for chemical                                    | use       | 0            | 0.00   | 32,030     | 15.92  | 169,198      | 84.08    | 201,228      |
| Petroleum  |           | 290,255      | 87.70  | 29,640     | 8.96   | 11,083       | 3.35     | 330,978      |
| Auto Diesel fuel   |           | 1,787,138    | 76.46  | 543,446    | 23.25  | 6,792        | 0.29     | 2,337,376    |
| Fuel oil   |           | 25,083       | 16.59  | 0          | 0.00   | 126,138      | 83.41    | 151,221      |
| Propylene propane  |           | 0            | 0.00   | 0          | 0.00   | 125,548      | 100.00   | 125,548      |
| LPG  |           | 241,611      | 100.00 | 0          | 0.00   | 0            | 0.00     | 241,611      |
| Petroleum coke   |           | 183,835      | 72.95  | 68,158     | 27.05  | 0            | 0.00     | 251,993      |
| Petroleum sulphur  |           | 39           | 0.07   | 51,954     | 99.93  | 0            | 0.00     | 51,992       |
| Other  |           | 29,008       | 33.20  | 0          | 0.00   | 58,366       | 66.80    | 87,374       |
| Total  |           | 2,901,834    | 58.50  | 1,561,624  | 31.48  | 497,124      | 10.02    | 4,960,583    |

\* Domestic deliveries include oil products sold on the domestic market. Deliveries to Vega and Petrochemicals are listed under "Transfer".

# **VEGA REFINERY**

In 2022, the total amount of deliveries reached 364,142 tons, marking a 14% increase compared to the previous year's deliveries of 318,797 tons. Of the total amount, 169,167 tons were delivered through the internal distribution channel, which is higher than the 151,702 tons delivered in 2021. On the other hand, 194,974 tons were sold on the external distribution channel, and it was higher than the sales on the domestic market.

| Structure of deliveries    | Domestic (t) | (%)   | Export (t) | (%)   | Total (t) | (%)    |
|----------------------------|--------------|-------|------------|-------|-----------|--------|
| Naphtha gasoline           | 23,000       | 6.32  | 77,827     | 21.37 | 100,827   | 27.69  |
| Bitumen                    | 100,495      | 27.60 | -          | -     | 100,495   | 27.60  |
| Heating fuels              | 15,761       | 4.33  | -          | -     | 15,761    | 4.33   |
| Hexane                     | 4,377        | 1.20  | 73,216     | 20.11 | 77,593    | 21.31  |
| Heavy fuel oil             | 22,441       | 6.16  | -          | -     | 22,441    | 6.16   |
| Petroleum and White spirit | 2,310        | 0.63  | 2,659      | 0.73  | 4,969     | 1.36   |
| Ecologic solvents          | 784          | 0.22  | 41,272     | 11.33 | 42,056    | 11.55  |
| Total                      | 169,167      | 46.46 | 194,974    | 53.54 | 364,142   | 100.00 |

The primary markets for the external distribution channel were as follows:

- Naphtha: Hungary, Poland, Bulgaria, Moldova, Slovakia;
- Hexane: India, Turkey, Ukraine, Bulgaria;
- Ecological solvents: Germany, Hungary, Italy, Ukraine, Moldova;
- White spirit: Bulgaria, Moldova, Turkey.

# PETROCHEMICAL UNIT

The Petrochemical unit is the only producer of polypropylene (PP) and polyethylene (LDPE) in Romania. The company also engages in marketing various petrochemical products that are currently not in its production portfolio but have high demand in the Romanian market, such as high-density polyethylene (HDPE pipe grades), linear low-density polyethylene (LLDPE), PVC, PET, and PP.

In 2022, the Petrochemical Complex sold a total of 138,281 tons of products, representing a 24% increase from the previous year (111,322 tons in 2021). The sales consisted of 89,249 tons PP (64%), 41,277 tons PE (LDPE and HDPE, 30%), and 7,754 propylene (6%).

To break it down, 58% of total polymer sales were for the domestic market, while the remaining 42% were for exports. The main markets for polymer products (PP, LDPE, PET, and PVC) were Romania (56%), Bulgaria (15%), Serbia (6%), and Italy (6%).

Sales of polymers on the foreign market were intended for both EU and non-EU countries. Intra-community deliveries made up about 89% of the total finished products sold on the foreign market, while the rest represented export sales to non-EU markets.

Rompetrol Rafinare distributed petrochemical products through road and rail transport for domestic sales, and for foreign sales, they used both road and sea transport through the ports of Agigea and Constanța.

| Sales channels       | 2021 | 2022 |
|----------------------|------|------|
| Domestic             | 61%  | 58%  |
| Export               | 39%  | 42%  |
| Sales by destination |      | 2022 |
| Romania              |      | 58%  |
| Bulgaria             |      | 15%  |
| Serbia               |      | 6%   |
| Italy                |      | 6%   |
| Hungary              |      | 2%   |
| Austria              |      | 2%   |
| Turkey               |      | 2%   |
| Lithuania            |      | 2%   |
| North Macedonia      |      | 2%   |
| Slovakia             |      | 2%   |
| Other                |      | 5%   |

| Structure of deliveries         | Domestic (t) | (%) | Export (t) | (%) | Total (t) |
|---------------------------------|--------------|-----|------------|-----|-----------|
| Polypropylene (PP)              | 49,958       | 56% | 39,292     | 44% | 89,249    |
| Low-density polyethylene (LDPE) | 22,973       | 56% | 18,295     | 44% | 41,267    |
| Total                           | 72,931       |     | 57,587     |     | 130,516   |



# **Product sustainability**

We follow industry-standard specifications and product standards to ensure that our products meet the highest guality and safety standards. For both new and existing products, we conduct thorough assessments to identify any potential environmental or health impacts. If we identify any findings, we take appropriate measures to address them, including product reformulation, process improvements, or discontinuation of the product.

Our commitment to product assessments and continuous improvement enables us to provide sustainable, high-quality products to our customers while minimizing our environmental impact.

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. Bitumen is designed according to SR EN 1259:2009 (paving grade bitumen) and SR EN 14023:2010 (polymer modified bitumen) and certified by Romanian Auto Registry according to GD no. 622:2004. According to Regulation (EC) 1272/2008, fuels are labeled based on the information contained in their safety data sheets, which communicate the potential hazards of chemicals.

We comply with GO nr. 80/2018 by having an internal monitoring program for fuel quality, and an automated monitoring program for each food category we produce. Additionally, we manage analysis reports and safety data sheets for both our fuel and food products.

All MSDS (Safety Data Sheets) contain information on first aid measures, firefighting measures, handling and storage, and protection measures. These include collective and individual (PPE) measures, technical measures such as detectors, rescue showers, security signaling, etc., and organizational measures such as intervention plans and evacuation procedures. The MSDS are usually displayed on chemical or product containers.

We regularly review and update our safety data sheets to ensure that they accurately reflect the potential hazards and appropriate handling procedures for each product. In addition, we provide posters for pumps and minimum instructions for transporting and using fuels, including car LPG and cylinders, to promote safe handling practices.

GRI

GRI 416-1

GRI 416-2

GRI 417-1

GRI 417-2

EM-RM-410a.1

SHS-5 C1, C3, A1, A3

SASB

**IPIECA** 

Furthermore, a procedure has been established to ensure the safe management of chemicals (substances and preparations) in compliance with legal and regulatory requirements, and to minimize their impact on the environment and personnel health and safety. This procedure applies to both internal and external stakeholders, including own staff, service providers, customers, and others.

The activities associated with chemicals on site include manufacture, placement on the internal and external market, acquisition from the internal and external market (import), use, temporary storage, transport, handling, and recovery/disposal of generated waste. Throughout the life cycle of chemicals, compliance with regulatory requirements for classification, labelling, packaging, storage, and safety marking is mandatory.

Regular training on applicable legal and regulatory requirements and the risks associated with hazardous chemicals is necessary for personnel handling or using them. For petrochemical products (polymers), there is a specific procedure for storing them during internal processing and delivery, including identification/labeling, handling, contamination control, packaging, storage, transportation, and product protection. Safety data sheets for all refinery and petrochemical products are documented in accordance with regulatory requirements.

Rompetrol Downstream has signed contracts and agreements with all service providers, including the dealers who operate the stations. These agreements outline the requirements for quality assurance. Contractors and subcontractors are required to adhere to relevant national legislation and regulations for occupational safety and health. Additionally, they undergo periodic evaluations and checks.

During the reporting period, there were no reports recorded on incidents of non-compliance concerning the health and safety impacts of products and services or incidents of non-compliance concerning product and service information and labeling.

In 2022, there were 1,742 active products available. Among them, there were 227 local products, making up 13.03% of the total portfolio The number of producers contributing to these products was 144, with 30 of them being local producers. This means that local producers made up 20.83% of the total number of producers.

GRI 418-1 **IPIECA** SHS-5 C1, C2

GRI

KMG International upholds international standards ISO 9001:2008, ISO 14001:2004 and ISO 50001:YEAR for the refining segment, and ISO 9001:2008 and ISO 14001:2004 on OHSAS 18001:2008 for the retail seqment to rate customer satisfaction and claims across our business units. Each year, we conduct extensive consumer surveys across our operations to identify areas of strength and improvement in terms of customer satisfaction. Our strategy aims to increase loyalty, strengthen customer confidence, gain new customers, and build stronger business relations.

Through market research studies, KMG International obtains market knowledge to support business growth and generate ideas and consumer insights for product and service improvements. We also offer support to marketing teams based on consumer behavior analysis and monitor market performance following implementation of research results.

Based on these surveys, we continuously implement projects and actions to improve delivery logistics and expand our product portfolio. Dedicated customer satisfaction surveys are regularly carried out within our retail operations on an annual basis to measure satisfaction and identify areas for improvement.

| Market knowledge        | Romania | Bulgaria | Georgia | N |
|-------------------------|---------|----------|---------|---|
| Market shares           | yes     | yes      | yes     |   |
| Consumer behavior       | yes     | yes      | yes     |   |
| Customer satisfaction   | yes     | n/a      | yes     |   |
| Market segmentation     | yes     | n/a      | yes     |   |
| Mystery motorist audit  | yes     | n/a      | yes     |   |
| Shop & gastro knowledge | yes     | n/a      | yes     |   |
| Market opportunities    | yes     | yes      | yes     |   |

Since Romania is the main asset of the Group, Customer Satisfaction is measured more in-depth and includes data on residential consumers (85%), retail business consumers (85%) and wholesale to consumers (83%). However, Customer Satisfaction is equally important for the Rompetrol retail brands Efix and hei.

Efix, as fuel brand, is very known and appreciated in Romania. According to customer satisfaction surveys, the fuel supplied by Rompetrol is

- the main reason for choosing Rompetrol DWS as supplier;
- the most important aspect for a good collaboration;
- top satisfaction trigger.

# **Customer satisfaction and privacy**

#### Moldova

| yes |
|-----|
| yes |
|     |

The Group is constantly investing in its Customer Service Strategy showing Rompetrol's commitment to providing high guality products and services and meeting or even exceeding its customers' needs and expectations.

In 2022, the Rompetrol Go loyalty B2C program reached >748.000 members, adding 187.000 new members only during the reporting period. Our customers expressed interest and appreciated the various features of our mobile application, with 253.000 accounts created in the application by the end of 2022.

Even though Rompetrol Go loyalty program and Mobile App were impacted by the cyber-attack in March, being suspended for almost 2 months, all the contingency measures and compensatory promotions planned, aimed to compensate the impact sensed by our loyalty members

In 2022, KMG International Group identified eight cases of breaches of customer privacy, which were analyzed by assigned Data Protection Officers as per GDPR requirements. These cases were either reported by outside parties or identified by the organization and were adequately substantiated and documented. Four of the incidents involved unauthorized access and transmission of personal data for a small number of data subjects. Of the remaining cases, 1 involved theft of customers' personal data through multiple actions, 1 a cybersecurity attack that made data unavailable at Group level (without loss of personal data), 1 involved a DDoS attack that made one of the Group's websites unavailable for a short period of time (without loss of personal data), and one case involved loss of correspondence containing an internal magazine.

For each of these cases, KMGI Group investigated the causes and performed a detailed risk analysis. Incidents that met GDPR reporting requirements were reported to the Data Protection Authority (ANSPDCP) and all subsequent requests from the authority were addressed and implemented. In addition, KMGI Group implemented specific measures to reduce the impact on data subjects and prevent future incidents, such as taking legal actions depending on the situation (e.g. filling in criminal complaints and provide relevant info/docs, reports to National Directorate for Cybersecurity etc.), providing GDPR training sessions for employees, recovering data from backups, conducting internal audits, analyzing relationships with suppliers and business partners when incidents were their fault, and promoting a culture of awareness regarding the importance of keeping personal data safe and secure.

# Legal actions

# Investigation regarding alleged violation of competition rules in the Republic of Moldova

In January 2021, the Competition Council of Moldova (CCM) conducted a search at the premises of six major oil and gas companies, including Rompetrol Moldova, based on allegations that they had colluded to establish retail prices for petroleum products. Rompetrol Moldova denied the allegations, asserting that its pricing decisions were made independently. In April 2021, the CCM's investigation team issued a report recommending that the companies be penalized for price-fixing. Rompetrol Moldova had 30 days to respond with a statement of defense and would have a hearing before the CCM. The decision of the CCM could be appealed to the court. The company requested a 30-day extension to file objections, which was granted. On July 9, 2021, the company submitted its challenges to the report.

On May 14, 2021, Rompetrol Moldova requested to be part of the commitment procedure, which would entail adjusting its commercial approach to address any concerns of the CCM without admitting to any violation of competition law. However, on July 5, the CCM rejected the application for all oil companies.

The company and its legal representatives believe that there are sufficient grounds to dismiss the allegations made by the competition investigation team. On October 13, 2021, Rompetrol Moldova requested that the procedure be closed due to the unauthorized disclosure of the Competition Report to the public. On November 4, the CCM rejected the request. The company challenged the rejection in court on December 3, but the court rejected the claim.

According to administrative law, further procedures are being carried out, following the last rejection of the company's complaint at the CCM, the first hearing being set for April 4, 2022.

#### Seizure of refining assets by Romanian state authorities

On September 10, 2010, the National Agency of Fiscal Administration (ANAF) imposed a precautionary seizure on all holdings held by Rompetrol Rafinare in its affiliated companies, as well as on its movable and immovable property, except for the stocks. This measure is still in effect, but it does not have a direct impact on the company's ongoing operations. **GRI** GRI 206-1

As of the time of preparing this report, the Romanian State has waived the judgment of appeals in all disputes related to the application of the provisions of Government Emergency Ordinance no. 118/2003, approved with amendments by Law no. 89/2005.

To settle Rompetrol Rafinare's debts to the Romanian State, which were generated by the application of GEO no. 118/2003, the company challenged the precautionary seizure in court and requested ANAF to remove it from the mobile and real estate registers, as it no longer served a purpose. On the substance, the court ruled in favor of the company. ANAF appealed the decision, and the appeal is scheduled to be heard at the High Court of Cassation and Justice on May 25, 2023.





# BUILDING A NEW FRAME OF REFERENCE

# **Country profiles**

The Group's Retail Division covers the gas station networks in Romania and the Black Sea region, under the Rompetrol brand, leading the charge as the first Romanian energy company to expand its reach beyond national borders. It embarked on its regional journey in 2002, entering the Bulgarian and Moldovan markets. Initially focused on wholesale distribution, the company swiftly expanded into retail distribution by supplying fuels sourced from the Petromidia refinery. Then, in 2005, it began its development plans in Georgia, opening up new horizons for growth and opportunity.

Over the years, the Rompetrol brand has experienced remarkable growth through a combination of product diversification and a steadfast commitment to reimagining the concept of fuel stations. These groundbreaking innovations, rigorously tested and implemented in an intensely competitive market, have successfully been introduced in the countries where the Group operates subsidiaries. As a result, our regional market share continues to strengthen and consolidate.

Overall, Rompetrol's presence in the Black Sea region has been instrumental in strengthening the energy infrastructure, promoting economic growth, and supporting the energy needs of these countries. Through its investments and commitment to excellence, Rompetrol has established itself as a reliable partner in the region's energy landscape.

# **ROMPETROL MOLDOVA**

Rompetrol Moldova operates a network of 95 stations, including 85 affiliated shops. The company also operates two fuel depots, in Chisinău and Giurgiulești, making it the largest supplier of petroleum products in the country. All the fuels sold are exclusively imported from Petromidia Refinery. In addition to the distribution stations and fuel depots, the company also owns four dedicated LPG stations in the northern region of Moldova.

## **O CHISINĂU**

# Chişinău trol Moldova SA **Sofia** etrol Bulgaria EAD Mediterranean Sea **PAGE** 302

#### Key achievements in 2022

New fuel distribution station inaugurated in Ch

Increased import supply (374 kt, +50% vs 202 and +18% vs. Reforecast for 2022)

#### Record sales of 387K tons

Signed contract for storage and handling of pet products in GIFP (Giurgiulești International Free which will allow continuous deliveries of petrol products from Petromidia refinery by barges in

Signed rent contract for Târnova LPG depot, to improve operations

Recertified for ISO 14001/45001/9001

Participated in the Million Trees Moldova affore project, planting 2,022 trees (in Mărdăreuca, Bo commune, Criuleni district)

Over the years, the company focused on expanding its fuel distribution network and wholesale activities, supplying fuel to various industries such as agriculture, transportation, and construction.

Ever since its establishment in 2002, Rompetrol Moldova has been an influential presence in the local market, as the leading provider of petroleum products and one of the major players in the retail segment. Rompetrol Moldova has over 1,000 employees and has contributed over \$733 million to the state budget of the Republic of Moldova in its 20 years of operation.

As one of the largest fuel importers in the country, Rompetrol Moldova holds a significant market share in the local fuel market - approximately 40% in wholesale and over 29% in retail.

Rompetrol is the first petroleum company in the Republic of Moldova to implement the Integrated Management System with international ISO standards, having been certified since 2012 for compliance with international standards such as ISO 9001:2008 (quality management), ISO 14001:2009 (environmental management), and OHSAS 18001:2007 (health management and operational security).

#### Plans & objectives for 2023

| nișinău<br>1       | Develop 2023-2025 strategy and key projects and objectives, mainly focused on service improvement |  |  |  |  |
|--------------------|---|--|--|--|--|
| I                  | Implement CAPEX projects to modern <mark>ize utilities at Chișinău depot</mark>                   |  |  |  |  |
| troleum            | Open 4 new fuel distribution stations by year's end   |  |  |  |  |
| e Port)            | Continue optimization of logistics operations and costs   |  |  |  |  |
| leum<br>2023       | Launch "hei" brand in Rompetrol Moldova fuel stations   |  |  |  |  |
|                    | Implement new retail concept in Rompetrol Moldova station stores                                  |  |  |  |  |
|                    | Continue afforestation efforts  |  |  |  |  |
| estation<br>oșcana |   |  |  |  |  |

# **ROMPETROL BULGARIA**

Rompetrol Bulgaria EAD is specialized in the distribution of fuels and petroleum products through a current network of 60 fuel stations. The company also has wholesale operations from 3 depots around the country: Own depot in Ruse (along the Danube river) plus rented storage capacities in 2 other depots in North-East and Southern regions of Bulgaria. The owned depot in Ruse has 5'800 m3 total storage capacity for diesel and gasoline and employees the latest technologies in the field of oil product management and environmental protection, including a biodiesel blending unit and EFIX additivation installation for diesel and gasoline.

2022 was challenging for Rompetrol Bulgaria, largely influenced by market instability resulting from the conflict in Ukraine. The wholesale division faced a decline in sales volume compared to the previous year. Despite this, the retail sector demonstrated remarkable progress in all aspects, marking consecutive years of record-breaking results. Notably, both fuel and non-fuel sales experienced substantial growth, reaching unprecedented levels and reflecting the company's outstanding performance since its establishment.

Looking forward, we focus on dynamic growth, which includes expanding our network and continuously enhancing the quality of our services.

Despite facing unprecedented cost increases throughout 2022 in various components contributing to the transport tariff, such as a 40% rise in diesel fuel costs, a 20% increase in labor expenses, a 15% inflation rate, and a staggering 92% surge in electricity costs for rail transportation, we effectively ensured uninterrupted supply to our stations and clients. By carefully managing these cost increases, we were able to maintain competitive tariffs in the market.

○ SOFIA

#### Key achievements in 2022

#### Plans & objectives for 2023

Successfully executed the budgeted capital expenditure (Capex) projects within the allocated resources and within the specified timelines. The major project undertaken involved the reconstruction and repair of the truck scale at the Ruse depot

RPB achieved commendably low levels of losses in both primary logistics (0.09%) and secondary logistics (0.11%), surpassing the required benchmarks

Record level of Gas Stations channel sales: 76 kt (Gasoline & Diesel) +8% compared to 2021, 85 kt (including LPG)

**Record level** of average daily CODO sales: 5.35 m<sup>3</sup>/day/station, +4% compared to 2021

**Record level** of CODO stations sales: 65 kt (Gasoline & Diesel) +10% compared to 2021, 73 kt (including LPG)

Record level of NFR (non-fuel retail) contribution: USD 1.8 M, +10% compared to 2021, +7% above budget

Implement budgeted capital expenditure (CAPEX) projects including the construction of a ship charging facility. This project involves installing a pipeline, pump, flowmeter, and additive tank

Consider options for expanding its operations through a depot in South-West Bulgaria, preferably near the capital Sofia. This will optimize secondary logistics costs and create new opportunities to increase sales in the most developed industrially active region of Bulgaria.

Ensure uninterrupted supply to Rompetrol Bulgaria depots and stations, either by sourcing from the Rompetrol refinery or the local market

Expand the current CODO network by adding six more rented stations

Further develop the gastro concept in transit stations

Enhance fleet sales by collaborating with international card providers

Increase pump channel sales by 16% to 88 kt

Increase total retail sales by 40% to 209 kt

Increase NFR contribution by 9% to USD 1.96 M

# **ROMPETROL GEORGIA**

Rompetrol Georgia is widely recognized in the market as a reputable fuel distributor and one of the leading companies in the industry. It specializes in providing high-quality Euro 5 products sourced from the Petromidia Refinery. The company operates a network of 71 filling stations and 2 fuel depots, strategically coordinating their operations.

The success of Rompetrol Georgia's network can be attributed to the introduction of superior fuels and services to the local market ever since 2013. Efix S was launched as a premium Euro5 fuel, and the Fill & Go system revolutionized the local market with its innovative approach.

# Key achievements in 2022

Increased Tbilisi depot supply flexibility by reloc some volumes from railway to trucks

#### Historical record total sales

Number of active B2B clients increased up to 5, (2% higher than in 2021 and 2% higher than 2

8 new DOCO stations were opened

Pilot program for profit sharing implemented a fuel station in Kobuleti

Upgraded Customer Service Standard for gas st personnel & conducted intensive trainings

ISO recertification for health, safety, and environ protection

In addition to the extensive fuel network, the company engages in wholesale activities through two key depots. One is located in Batumi port, boasting a storage capacity of 28,500 cubic meters. The other depot in Tbilisi has undergone comprehensive modernization, increasing its storage capacity from 9 kt to 10 kt.

Rompetrol Georgia has consistently maintained certifications for ISO 9001, ISO 14001, and OHSAS 18001 standards, demonstrating their commitment to quality, environmental responsibility, and OHS.

Other development projects targeted by Rompetrol Georgia in the upcoming years are aimed at ensuring compliance with regulatory requirements regarding fuel stations, oil depots, and fuel tankers. Thus, existing fuel stations must be equipped with a vapor recovery system by 2029 to prevent the evaporation of fuel vapor from underground reservoirs during the filling process. For new fuel stations, the installation of vapor recovery systems should be done after 2025. Existing oil depots should have vapor recovery systems in place before 2029 to prevent the evaporation of fuel vapor from fuel trucks during filling operations, and new oil depots should be equipped with vapor recovery systems before 2029. Lastly, all current fuel trucks need to be replaced with new ones that are equipped with bottom loading systems by 2029.

### **O TBILISI**

#### Plans & objectives for 2023

| cating  | Ensure the timely and cost-effective implementation of budgeted CAPEX projects   |
|---------|--|
| .314    | Continuously enhance the efficiency of primary logistics operations to minimize losses   |
| 020)    | Development Strategy project to improve the company's operational and commercial activities  |
| it new  | Automate timesheet administration system for HQ & gas station employees  |
| tation  | Develop and adopt new NFR concept, as well as value-<br>proposition for B2B customers (offering various useful<br>3rd party services to corporate clients) |
| nmental | Develop and implement CRM  |

# Financial brief (IFRS) \_\_\_\_\_

# **CONSOLIDATED FINANCIAL POSITION**

| Indicator   | 2022 (USD)    | 2021 (USD)    | 2020 (USD)    |
|---|---------------|---------------|---------------|
| Total non-current assets                            | 1,387,465,039 | 1,336,467,614 | 1,375,131,743 |
| Total current assets                                | 1,135,305,160 | 1,144,427,300 | 971,328,986   |
| Total assets  | 2,522,770,199 | 2,480,894,914 | 2,346,460,729 |
| Equity attributable to equity holders of the parent | 984,805,815   | 945,144,610   | 952,106,544   |
| Non-controlling interest                            | (358,197,315) | (406,869,820) | (362,768,299) |
| Total equity  | 454,950,786   | 538,274,790   | 589,338,245   |
| Total non-current liabilities                       | 1,441,210,915 | 468,640,043   | 471,662,990   |
| Total current liabilities                           | 1,896,161,701 | 1,473,980,081 | 1,285,459,494 |
| Total liabilities                                   | 1,942,620,124 | 1,942,620,124 | 1,757,122,484 |

# CONSOLIDATED INCOME STATEMENT

| Indicator                  | 2022 (USD)      | 2021 (USD)      | 2020 (USD)      |
|----------------------------|-----------------|-----------------|-----------------|
| Revenue                    | 9,801,928,027   | 7,927,357,734   | 4,895,047,811   |
| Cost of sales              | (9,147,717,102) | (7,628,681,427) | (4,695,317,950) |
| Gross profit               | 654,210,925     | 298,676,307     | 199,729,861     |
| Operating profit           | 289,780,666     | (22,689,437)    | (121,327,832)   |
| Profit (Loss) before tax   | 265,214,551     | (64,171,735)    | (163,061,229)   |
| Income tax                 | (150,379,497)   | (27,640,977)    | (48,286,794)    |
| Profit (Loss) for the year | 114,835,054     | (91,812,712)    | (211,348,021)   |

# **2022 FINANCIAL RESULTS**

| Indicator    | Refining (USD) | Retail (USD)  | Trading (USD) | Non-core (USD) | Adjustments (USD) | Consolidated (USD) |
|--------------|----------------|---------------|---------------|----------------|-------------------|--------------------|
| Net revenues | 5,111,368,596  | 3,816,194,660 | 8,749,544,690 | 256,847,065    | (8,132,026,980)   | 9,801,928,028      |
| Gross profit | 334,237,832    | 249,488,357   | 40,014,251    | 69,102,819     | (38,632,329)      | 654,210,929        |
| CAPEX        | 55,520,500     | 52,690,716    | 1,248,444     | 72,961,568     | (10,358,952)      | 172,062,276        |
| Net result   | 76,850,470     | 29,825,992    | 17,842,429    | 16,218,538     | (25,902,370)      | 114,835,059        |
| EBITDA       | 383,622,986    | 81,667,512    | 23,973,208    | 11,725,299     | (14,554,946)      | 486,434,059        |







# Independent assurance report

#### Scope

We have been engaged by KMG International N.V. (KMG International or the "Company") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on KMG International's Selected information for the year ended 31 December 2022 and for the period from 1 January 2022 to 31 December 2022 (the "Subject Matter"), contained in the KMG International 2022 Sustainability Report (the "Report").

#### Selected information

- GRI 302-3 Energy intensity
- GRI 303-3 Water withdrawal
- GRI 303-4 Water discharge
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions •
- GRI 305-7 Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions
- GRI 306-3 (2016) Significant spills
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 308-1 New suppliers that were screened using environmental criteria
- GRI 403-5 Worker training on occupational health and safety
- GRI 403-9 Work-related injuries
- GRI 405-1 Diversity of governance bodies and employees
- GRI 414-1 New suppliers that were screened using social criteria

Other than as described in the preceding paragraph which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, such as forward-looking information (e.g. targets, commitments, ambitions etc.), and accordingly, we do not express a conclusion on this information.

#### **Criteria applied by KMG International**

In preparing the Subject Matter, KMG International applied the 2021 Global Reporting Initiative Standards (the "Criteria").

#### **KMG International's responsibilities**

KMG International's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

#### **EY's responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and the terms of reference for this engagement as agreed with KMG International on 15 March 2023. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

#### **Our Independence and Quality Control**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

#### Our main procedures included:

- · Conducted interviews with personnel to understand the business and reporting process;
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data;
- Identified and tested assumptions supporting calculations;
- Tested, on a sample basis, underlying source information to check the accuracy of the data;
- Site visit at the Vega Refinery to obtain evidence of performance indicators.

We also performed such other procedures as we considered necessary in the circumstances.

#### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2022, in order for it to be in accordance with the Criteria.

Ernst & Young Assurance Services S.R.L. Partner: Gelu Gherghescu 23 June 2023 Bucharest, Romania

Ê **Building a better** working world

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# Standards annex .

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# **GRI CONTENT INDEX**

| GRI standard/<br>other source      | Disclosure   | Location<br>in the report  | Requirements<br>omitted  | Reason for<br>omission                          | Explanation<br>for omission   |
|------------------------------------|--|--|--|---|---|
| GENERAL DI                         | SCLOSURES  |  |  |   |   |
| GRI 2: General<br>Disclosures 2021 | 2-1 Organizational details   | Profile<br>Governance  | A yellow cell indicates that reasons f<br>or that a GRI Sector Standard referen  | for omission are not p<br>nce number is not ava | permitted for the disclailable.   |
|                                    | 2-2 Entities included in the organization's sustainability reporting | Governance<br>Appendices<br>Financial brief (IFRS)   |  |   |   |
|                                    | 2-3 Reporting period, frequency and contact point                    | Introduction<br>About this report<br>Appendices<br>Contacts  |  |   |   |
|                                    | 2-4 Restatements of information                                      | People<br>Training and skill development   |  |   |   |
|                                    | 2-5 External assurance   | Introduction<br>About this report<br>Appendices<br>Independent assurance report  |  |   |   |
|                                    | 2-6 Activities, value chain and other business relationships         | Profile<br>Operations overview<br>Brands<br>Memberships and affiliations<br>Governance<br>KMG International N.V.<br>Marketplace<br>Sustainable suppliers<br>Supply chain operations  |  |   |   |
|                                    | 2-7 Employees  | People<br>Workforce structure<br>Marketplace<br>Sustainable suppliers  |  |   |   |
|                                    | 2-8 Workers who are not employees                                    | <b>People</b><br>Workforce structure<br><b>Marketplace</b><br>Sustainable suppliers  | <ul> <li>2-8a. Report the total number of workers who are not employees and whose work is controlled by the organization</li> <li>2.8c. Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.</li> </ul> | Information<br>unavailable/<br>incomplete       | The report menti<br>of workers who a<br>employees and t<br>of works they pe<br>(CODO gas static<br>contractors, supp<br>However, their to<br>numbers are not<br>by the organizat<br>except for the nu<br>of contractors, he<br>are the fluctutati<br>numbers of work<br>are not employe |
|                                    | 2-9 Governance structure and composition                             | Governance<br>KMG International NV<br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rominserv SRL<br>People<br>Workforce structure<br>Composition and breakdown by gender, nationality, region of<br>the Group's Board of Directors is covered in the People chapter. | 2-9c.vi Describe the composition of<br>the highest governance body and its<br>committees by under-represented<br>social groups   | Information<br>unavailable/<br>incomplete       | The Group does<br>report compositi<br>highest governa<br>and its committe<br>under-represent<br>groups  |

|  | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA                         |
|--|------------------------|-----------------|---|
|  |                        |                 |   |
| losure   |                        | EM-EP-000.C     |   |
|  |                        |                 | •   |
|  |                        | -               | GOV-2 C3, A2                              |
|  |                        |                 |   |
|  |                        |                 | GOV-1 A4                                  |
|  |                        |                 |   |
|  |                        | -               | •   |
|  |                        |                 |   |
|  |                        |                 |   |
|  |                        | -               |   |
| ions types<br>are not<br>the type<br>rform<br>ons dealers,<br>oliers).<br>otal |                        | •               |   |
| t reported<br>ion,<br>imber<br>ence nor<br>ons in<br>kers who<br>es            |                        |                 |   |
| not<br>fon of the<br>nce bodies<br>ees by<br>ed social                         |                        |                 | GOV-1 C1, C5, A1<br>SOC-5 C3<br>SOC 15 A2 |
|  |                        |                 |   |

| GRI standard/<br>other source      | Disclosure   | Location<br>in the report  |   | Requirements<br>omitted   | Reason for omission                       | Explanation<br>for omission  | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA                                    |
|------------------------------------|--|--|---|---|---|--|------------------------|-----------------|--|
| GRI 2: General<br>Disclosures 2021 | 2-10 Nomination and selection<br>of the highest governance body                        | Governance<br>KMG International NV<br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rominserv SRL |   | 2-10b. Describe the criteria used for<br>nominating and selecting highest<br>governance body<br>members, including whether and<br>how the following are taken into<br>consideration: views of stakeholders<br>(including shareholders)  | Information<br>unavailable/<br>incomplete | The Group does not report<br>views of stakeholders<br>(including shareholders)<br>as criteria in nominating<br>and selecting the highest<br>governance body.   | -                      | -               | GOV-1 C1, A1   |
|                                    | 2-11 Chair of the highest<br>governance body   | Governance<br>KMG International NV<br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rominserv SRL |   |   | -   | -  |                        | -               | GOV-1 C1   |
|                                    | 2-12 Role of the highest governance<br>body in overseeing the management<br>of impacts | Governance<br>KMG International NV<br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rominserv SRL | - | -   | -   | -  |                        |                 | GOV-1 C1, C5, A1                                     |
|                                    | 2-13 Delegation of responsibility for managing impacts                                 | Governance<br>KMG International NV<br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rominserv SRL | - |   | -   | -  |                        |                 | GOV-1 C1, C5   |
|                                    | 2-14 Role of the highest governance body in sustainability reporting                   | Introduction<br>About this report<br>Material issues within a global context                               | - | -   | -   |  |                        | -               | GOV-2 C3, A2, A4                                     |
|                                    | 2-15 Conflicts of interest   | Profile<br>Compliance - Conflict of interest procedure   | - |   | -   |  |                        | -               | GOV-1 C2, A2, A3<br>GOV-2 A2<br>GOV-3 C1, C3, C4, A1 |
|                                    | 2-16 Communication of critical concerns  | Profile<br>Compliance  | - |   | -   | -  |                        | -               |  |
|                                    | 2-17 Collective knowledge of the highest governance body                               | Governance<br>KMG International NV   | - |   | -   | -  | -                      |                 | GOV-1 A1   |
|                                    | 2-18 Evaluation of the performance of the highest governance body                      | People<br>Training and skill development   | _ | <ul> <li>2-18 The organization shall:</li> <li>a. describe the processes for<br/>evaluating the performance of<br/>the highest governance body<br/>in overseeing the management<br/>of the organization's impacts<br/>on the economy, environment,<br/>and people;</li> <li>b. report whether the evaluations<br/>are independent or not, and the<br/>frequency of the evaluations;</li> <li>c. describe actions taken in response<br/>to the evaluations, including changes<br/>to the composition of the highest<br/>governance body and organizational<br/>practices.</li> </ul> | Information<br>unavailable/<br>incomplete | KMG International has yet<br>to develop a dedicated<br>internal policy for the<br>evaluation of the highest<br>governance body's<br>performance. The Group will<br>focus on developing such<br>a procedure and commits<br>itself to implement it across<br>the Group in the upcoming<br>period. This progress will be<br>reported in the following<br>sustainability report. |                        | -               | GOV-1 A6   |
|                                    |  |  |   |   |   |  |                        |                 |  |
|                                    |  |  |   |   |   |  |                        |                 |  |

| GRI standard/<br>other source      | Disclosure  | Location<br>in the report  | Requirements omitted  | Reason fo<br>omission  | r Explanation<br>for omission  | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA  |   |
|------------------------------------|---|--|---|--|--|------------------------|-----------------|--|---|
| GRI 2: General<br>Disclosures 2021 | 2-19 Remuneration policies                            | Governance<br>KMG International NV<br>People<br>Remuneration, compensation and benefits  | 2-19b. Describe how the<br>remuneration policies fo<br>of the highest governan<br>and senior executives re<br>their objectives and per<br>in relation to the manag<br>the organization's impa<br>economy, environment,  | e Informatior<br>or members unavailable<br>ice body incomplete<br>elate to<br>formance<br>gement of<br>cts on the<br>and people.   | The Group does not report<br>how the remuneration<br>policies for members of<br>the highest governance<br>body and senior executives<br>relate to their objectives<br>and performance in relation<br>to the management of the<br>organization's impacts on<br>the economy, environment,<br>and people. | -                      | -               |  |   |
|                                    | 2-20 Process to determine remuneration                | People<br>Remuneration, compensation and benefits  | 2-20a. Describe the pro-<br>designing its remunera<br>and for determining rer<br>including:<br>iii.whether remuneratio<br>are involved in determin<br>remuneration and, if so,<br>are independent of the<br>its highest governance l<br>senior executives;<br>b. report the results of v<br>stakeholders (including<br>on remuneration policie<br>proposals, if applicable.   | cess for Not applica<br>tion policies<br>nuneration,<br>n consultants<br>ning<br>, whether they<br>organization,<br>body and<br>otes of<br>shareholders)<br>es and   | ble The Group does not<br>use consultants in<br>determing remuneration.<br>Stakeholders do not vote on<br>remuneration policies.   |                        | -               | GOV-1 A5<br>SOC-5 A2   |   |
|                                    | 2-21 Annual total compensation ratio                  | Not reported   | 2-21 The organization si<br>a. report the ratio of the<br>compensation for the or<br>highest-paid individual<br>annual total compensat<br>employees (excluding th<br>highest-paid individual<br>b. report the ratio of the<br>percentage increase in a<br>compensation for the or<br>highest-paid individual<br>percentage increase in a<br>compensation for all en<br>(excluding the highest-p<br>individual);<br>c.report contextual infor<br>necessary to understand<br>how the data has been of | hall: Information<br>annual total unavailable<br>ganization's incomplete<br>to the median<br>ion for all<br>he<br>);<br>annual total<br>ganization's<br>to the median<br>annual total<br>ployees<br>baid<br>tmation<br>d the data and<br>compiled. | h Information is not reported<br>by the Group  |                        |                 |  |   |
|                                    | 2-22 Statement on sustainable<br>development strategy | Introduction<br>Message from the CEO   | -   | -  | -  | -                      | -               | •  |   |
|                                    | 2-23 Policy commitments                               | <b>Profile</b><br>Compliance   | The organization shall:<br>a. describe its policy cor<br>for responsible busines:<br>including:<br>iii. whether the commit<br>stipulate applying the p<br>principle.  | Information<br>nmitments unavailable<br>s conduct, incomplete<br>ments<br>recautionary   | The Group does not<br>report on applying the<br>precautionary principle  |                        |                 | GOV-1 C2, A2, A<br>GOV-3 C1, C3, C<br>SOC-8 C1, A1, A  | A3<br>C4, A1<br>A2, A3, A4                  |
|                                    | 2-24 Embedding policy commitments                     | ProfileComplianceEnvironmentApproach to environmental protection and conservationKMG International Decarbonization StrategyEnvironmental Performance TargetsMarketplaceSustainable suppliers | -   | -  |  | -                      | EM-MD-160a.4    | GOV-1 C2, A2, A<br>GOV-3 C1, C3, C<br>CCE-1 C1, A1<br>CCE-3 C1, A1, A1<br>ENV-6 C1, C2, C<br>SOC-2 C2, A2<br>SOC-8 C1, A1, A<br>SOC-14 C1, A3, | A3<br>C4,<br>2<br>3, C4<br>A2, A3, A4<br>A7 |

|                       | Disclosure   | Location<br>in the report  | Require<br>omittee  | ments   | Reason for<br>omission                     | Explanation<br>for omission  | GRI sector<br>ref. No.       | Link to<br>SASB  |
|-----------------------|--|--|---|---|--|--|------------------------------|--|
| al<br>02 <sup>.</sup> | 2-25 Processes to remediate<br>negative impacts                                      | Profile<br>Compliance<br>Environment<br>KMG International Decarbonization Strategy<br>Marketplace<br>Procurement and supply chain operations   | -   |   | -  |  | -                            | -  |
|                       | 2-26 Mechanisms for seeking advice and raising concerns                              | Profile<br>Compliance  |   |   | -  | -  | -                            | -  |
|                       | 2-27 Compliance with laws and regulations  | Environment<br>Approach to environmental protection and conservation<br>Marketplace<br>Procurement and supply chain operations   | 2-27b. R<br>and the<br>instance<br>with law<br>paid dur<br>a breakd | eport the total number<br>nonetary value of fines for<br>s of noncompliance<br>s and regulations that were<br>ing the reporting period, and<br>own of this total. | Information<br>unavailable/<br>incomplete  | The report does not include<br>a breakdown of the total<br>number and monetary<br>value of fines paid during<br>the reporting period | -                            | EM-RM-520a.  |
|                       | 2-28 Membership associations   | Profile<br>Memberships & affiliations  |   |   | -  | -  | -                            | -  |
|                       | 2-29 Approach to stakeholder engagement  | Introduction<br>Material issues within a global context  |   |   | -  | -  | -                            | -  |
| ATERIAL TO            | 2-30 Collective bargaining agreements  | <b>Profile</b><br>Compliance<br><b>People</b><br>Collective bargaining & labor practices   | -   |   | -  |  | -                            | -  |
| ERIAL T               | OPICS  |  |   |   |  |  |                              |  |
| Material<br>2021      | 3-1 Process to determine material topics   | Introduction<br>Material issues within a global context  | A yello<br>or that  | w cell indicates that reasons fo<br>a GRI Sector Standard referen   | or omission are not<br>ce number is not av | permitted for the disclosure ailable.  |                              | -  |
|                       | 3-2 List of material topics  | Introduction<br>Material issues within a global context  |   |   |  |  |                              | -  |
| NOMIC P               | RFORMANCE  |  |   |   |  |  |                              |  |
| Material<br>2021      | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Appendices<br>Financial brief (IFRS)  |   |   | -  |  | 11.2.1<br>11.14.1<br>11.21.1 | -  |
| 01:<br>omic           | 201-1 Direct economic value generated and distributed                                | Appendices<br>Financial brief (IFRS)<br>People   | 201-1b V<br>EVG&D s<br>regional<br>criteria u                       | Vhere significant, report<br>eparately at country,<br>or market levels, and the<br>sed for defining significance.   | Information<br>unavailable/<br>incomplete  | KMGI reports Group figures<br>regarding economic value<br>generated and distributed  | 11.2.2<br>11.14.2<br>11.21.2 | -  |
| formance<br>6         |  | Community<br>Overview<br>Marketplace<br>Procurement and supply chain operations  |   | oo  |  |  |                              |  |
| rmance                | 201-2 Financial implications and other risks and opportunities due to climate change | Community Overview Marketplace Procurement and supply chain operations Approach Mapping our sustainable development risks Environment Environmental strategy and climate-related risks | <br>  |   | •  |  |                              | EM-SV-110a.2<br>EM-SV-160a.2<br>EM-EP-420a.1<br>EM-EP-420a.4 |

#### **KMG INTERNATIONAL** SUSTAINABILITY REPORT 2022

| GRI standard/<br>other source                 | Disclosure   | Location<br>in the report  |   | Requirements<br>omitted | Reason for<br>omission | Explanation<br>for omission  | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA   |
|---|--|--|---|-------------------------|------------------------|--|------------------------|-----------------|---|
| GRI 201:<br>Economic<br>Performance<br>2016   | 201-4 Financial assistance received from government                                      | Not reported   | _ | 201-4 a-b               | Not applicable         | KMGI did not receive<br>financial assistance from<br>the governments of the<br>countries where it operates<br>during the reporting period<br>or prior to this interval. The<br>stake held by states/state<br>institutions in the Group's<br>companies is referenced in<br>the Governance chapter | 11.21.3                |                 |   |
| MARKET PRESE                                  | NCE  |  | _ |                         |                        |  |                        |                 |   |
| GRI 3: Material<br>Topics 2021                | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Appendices<br>Financial brief (IFRS)<br>People<br>Remuneration, compensation, benefits  |   |                         | -                      | -  | -                      |                 |   |
| GRI 202: Market<br>Presence 2016              | 202-1 Ratios of standard entry level<br>wage by gender compared to local<br>minimum wage | People<br>Remuneration, compensation, benefits   | - |                         | -                      | -  |                        | -               | SOC-5 A2  |
|   | 202-2 Proportion of senior management hired from the local community                     | People<br>Workforce structure  | - | -                       | -                      | -  | 11.11.2<br>11.14.3     | -               | SOC-5 C3, A2, A4<br>SOC 15 C1, A1, A2                         |
| INDIRECT ECOI                                 | NOMIC IMPACTS  |  | _ |                         |                        |  |                        |                 |   |
| GRI 3: Material<br>Topics 2021                | 3-3 Management of material topics  | Environment<br>Management approach<br>Community<br>Overview  |   |                         | -                      |  | -                      | -               |   |
| GRI 203: Indirect<br>Economic<br>Impacts 2016 | 203-1 Infrastructure investments and services supported                                  | Community<br>Introduction<br>Community investment pillars<br>Key projects<br>Environment<br>Approach to environmental protection and conservation<br>KMG International Decarbonization Strategy<br>Profile<br>Brands | - |                         | -                      | -  | 11.14.4                | -               | SHS-2 A1, A2<br>SOC9-C1, C3<br>SOC13-C1,C2<br>SOC13-A1, A5    |
|   | 203-2 Significant indirect economic impacts  | Community<br>Introduction<br>Key projects<br>Environment<br>Approach to environmental protection and conservation<br>Climate change and climate-related risks  | - |                         |                        |  | 11.14.5                |                 | SHS-2 A1, A2<br>SOC-9 C1, C3<br>SOC-13 C1,C2<br>SOC-13 A1, A5 |
| PROCUREMEN                                    | T PRACTICES  |  |   |                         |                        |  |                        |                 |   |
| GRI 3: Material<br>Topics 2021                | 3-3 Management of material topics  | <b>Marketplace</b><br>Sustainable suppliers<br>Procurement and supply chain operations   | - | -                       | -                      | -  | -                      | -               |   |
| GRI 204:<br>Procurement<br>Practices 2016     | 204-1 Proportion of spending on local suppliers  | Marketplace<br>Sustainable suppliers   | - |                         | -                      | -  | 11.14.6                | -               | SOC-2 A2<br>SOC-14 C1, A2, A3, A4,<br>A5, A7, A8              |
| ANTI-CORRUPT                                  | ION  |  |   |                         |                        |  |                        |                 |   |
| GRI 3: Material<br>Topics 2021                | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Profile<br>Compliance   | - |                         | -                      | -  | 11.20.1                | -               |   |

| GRI 205: Anti-<br>corruption 2016       205:1 Operations assessed for<br>risks related to corruption       Approach<br>Mapping our sustainable development risks<br>Profile<br>Compliance         205:2 Communication and training about<br>anti-corruption policies and procedures       Profile<br>Compliance         205:3 Confirmed incidents of corruption<br>and actions taken       Profile<br>Compliance         205:3 Confirmed incidents of corruption<br>and actions taken       Profile<br>Compliance         ANTI-COMPETITIVE BEHAVIOR       Forfile<br>Compliance         GRI 3: Material<br>Topics 2021       3:3 Management of material topics       Approach<br>Mapping our sustainable development risks<br>Profile<br>Compliance         GRI 206: Anti-<br>competitive<br>Behavior 2016       206-1 Legal actions for anti-competitive<br>behavior, anti-trust, and monopoly practices       Marketplace<br>Legal actions         TAX       206-1 Legal actions for anti-competitive       Marketplace                                   |
|---|
| 205-2 Communication and training about anti-corruption policies and procedures       Compliance       -                             |
| 205-3 Confirmed incidents of corruption<br>and actions taken       Profile<br>Compliance       -         ANTI-COMPETITIVE BEHAVIOR       -         GRI 3: Material<br>Topics 2021       3-3 Management of material topics<br>Profile<br>Compliance       Approach<br>Mapping our sustainable development risks<br>Profile<br>Compliance       -         GRI 206: Anti-<br>competitive<br>Behavior 2016       206-1 Legal actions for anti-competitive<br>behavior, anti-trust, and monopoly practices       Marketplace<br>Legal actions       -         IAX       IAX       IAX       IAX  |
| ANTI-COMPETITIVE BEHAVIOR       GRI 3: Material       3-3 Management of material topics       Approach<br>Mapping our sustainable development risks<br>Profile<br>Compliance       -       -         GRI 206: Anti-<br>rcompetitive<br>Behavior 2016       206-1 Legal actions for anti-competitive<br>behavior, anti-trust, and monopoly practices       Marketplace<br>Legal actions       -       -         IAX       IAX       IAX       IAX       IAX       IAX  |
| iRI 3: Material opics 2021       3-3 Management of material topics       Approach Mapping our sustainable development risks Profile Compliance       - </td |
| GRI 206: Anti-<br>competitive<br>behavior, anti-trust, and monopoly practices       Marketplace<br>Legal actions       -                    |
| ΓΑΧ   |
|   |
| GRI 3: Material       3-3 Management of material topics       Approach         Topics 2021       Tax transparency         Mapping our sustainable development risks       Mapping our sustainable development risks   |
| SRI 207: Tax 207-1 Approach to tax Approach<br>2019 Tax transparency  |
| 207-2 Tax governance, control, and risk Approach<br>management Tax transparency   |
| 207-3 Stakeholder engagement and Approach<br>management of concerns related to tax Tax transparency   |
| 207-4 Country-by-country reporting Not reported Information is not unavailable/ in the sustainabil incomplete   |
| MATERIALS   |
| GRI 3: Material<br>Topics 2021       3-3 Management of material topics       Introduction<br>Material issues within a global context<br>Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Materials" sub-chapter<br>Marketplace<br>Procurement and supply chain operations   |
| GRI 301:       301-1 Materials used by weight<br>or volume       Environment<br>Rompetrol Rafinare SA<br>Rompetrol Downstream SRL and Rompetrol Gas SRL<br>Rompetrol Denrgy SA<br>Rominserv SRL<br>Rompetrol Well Services SA<br>Rompetrol Quality Control SRL<br>Marketplace<br>Procurement and supply chain operations       -       -  |
| 301-2 Recycled input materials usedw Environment Environmental Performance Targets Rompetrol Rafinare SA For Rompetrol Rafinare, the recycled input materials are reported as total weigth instead of percentage.   |

| GRI standard/<br>other source           | Disclosure   | Location<br>in the report  | Requirements<br>omitted  | Reason for<br>omission                    | Explanation<br>for omission   | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA                      |  |
|---|--|--|--|---|---|------------------------|-----------------|--|--|
| GRI 301:<br>Materials 2016              | 301-3 Reclaimed products and their packaging materials           | Not reported   | 301-3 a.b.   | Information<br>unavailable/<br>incomplete | Information on recycling<br>or reuse of packaging<br>is reported separately<br>according to waste<br>indicators   | -                      |                 |  |  |
| ENERGY                                  |  |  |  |   |   |                        |                 |  |  |
| GRI 3: Material<br>Topics 2021          | 3-3 Management of material topics                                | Introduction<br>Material issues within a global context<br>Approach<br>Mapping our sustainable development risks<br>Environment<br>Approach to environmental protection and conservation |  |   |   | 11.1.1                 |                 |  |  |
| GRI 302: Energy<br>2016                 | 302-1 Energy consumption within the organization                 | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Energy" sub-chapter   |  |   |   | 11.1.2                 |                 | CCE-6 C1, C2, A3, A4                   |  |
|   | 302-2 Energy consumption outside of the organization             | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Energy" sub-chapter   |  |   |   | 11.1.3                 |                 | CCE-6 C1                               |  |
|   | 302-3 Energy intensity   | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Energy" sub-chapter   |  |   |   |                        |                 | CCE-6 A2                               |  |
|   | 302-4 Reduction of energy consumption                            | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Energy" sub-chapter   |  |   |   |                        |                 | CCE-6 C2                               |  |
|   | 302-5 Reductions in energy requirements of products and services | Environment<br>Environmental Performance Targets<br>Rompetrol Downstream SRL and Rompetrol Gas SRL   | 302-5 a. Reductions in energy<br>requirements of sold products<br>and services achieved during<br>the reporting period, in joules<br>or multiples.   | Information<br>unavailable/<br>incomplete | The report includes<br>energy efficiency targets<br>for the upcoming period,<br>established considering the<br>refinery & petrochemical<br>units' production plan<br>and energy specific<br>consumption registered<br>in the first half of 2022, as<br>well as the projects with<br>impact on energy reduction<br>to be carried out by the<br>Group (Cogeneration in<br>operation starting with July<br>2023) | -<br>3                 |                 | CCE-6 C2                               |  |
| WATER AND EF                            | FLUENTS  |  |  |   |   |                        |                 |  |  |
| GRI 3: Material<br>Topics 2021          | 3-3 Management of material topics                                | Introduction<br>Material issues within a global context<br>Approach<br>Mapping our sustainable development risks<br>Environment<br>Approach to environmental protection and conservation |  | -   | -   | 11.6.1                 |                 |  |  |
| GRI 303: Water<br>and Effluents<br>2018 | 303-1 Interactions with water as a shared resource               | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Water" sub-chapter  | 303-1d. An explanation of the<br>process for setting any water-related<br>goals and targets that are part of the<br>organization's approach to managing<br>water and effluents, and how they<br>relate to public policy and the local<br>context of each area with water stress. | Not applicable                            | The Group does not carry<br>out operations involving<br>water as a shared resource<br>in any areas with water<br>stress   | 11.6.2                 |                 | ENV-1 C1, C2, C5,<br>A1 - A5, A8 - A11 |  |

| GRI 3: Material<br>Topics 2021<br>GRI 303: Water<br>and Effluents | 3-3 Management of material topics                  | Introduction<br>Material issues within a global context<br>Approach<br>Mapping our sustainable development risks<br>Environment<br>Approach to environmental protection and conservation |
|---|--|--|
| GRI 303: Water<br>and Effluents<br>2018                           | 303-1 Interactions with water as a shared resource | <b>Environment</b><br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Water" sub-chapter   |

| standard/<br>er source               | Disclosure   | Location<br>in the report   | Requirements omitted  | Reason for<br>omission                                  | Explanation<br>for omission   | GRI sector<br>ref. No. | Link to<br>SASB  | Link to<br>IPIECA                              |
|--------------------------------------|--|---|---|---|---|------------------------|--|--|
| RI 303: Water<br>nd Effluents<br>018 | 303-2 Management of water discharge-<br>related impacts  | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Water" sub-chapter   | -   | -   | -   | 11.6.3                 | -  | ENV-2 C1                                       |
|                                      | 303-3 Water withdrawal   | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Water" sub-chapter   |   | -   |   | 11.6.4                 | EM-RM-140a.1<br>EM-SV-140a.1                                 | ENV-1 C1                                       |
|                                      | 303-4 Water discharge  | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Water" sub-chapter   | -   | -   | -   | 11.6.5                 | -  | ENV-2 C2                                       |
|                                      | 303-5 Water consumption  | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Water" sub-chapter   | 303-5 b. Total water consumptio<br>from all areas with water stress i<br>megaliters   | on Not applicable<br>in                                 | The Group does not carry<br>out operations involving<br>water as a shared resource<br>in any areas with water<br>stress | 11.6.6                 | -  | ENV-1 A1                                       |
| BIODIVERSITY                         |  |   |   |   |   |                        |  |  |
| GRI 3: Material<br>Topics 2021       | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Sustainable Development Goals  | -   | -   | -   | 11.4.1                 | -  |  |
| GRI 304:<br>Biodiversity<br>2016     | 304-1 Operational sites owned, leased,<br>managed in, or adjacent to, protected areas<br>and areas of high biodiversity value outside<br>protected areas | <b>Environment</b><br>Rompetrol Rafinare SA<br>Rompetrol Energy SA  | -   | -   |   | 11.4.2                 | EM-MD-160a.2   | ENV-4 C1<br>GOV-2 A5<br>ENV-3 C1,<br>ENV-4 C2, |
|                                      | 304-2 Significant impacts of activities, products and services on biodiversity   | <b>Environment</b><br>Rompetrol Rafinare SA<br>Rompetrol Energy SA  | -   | -   | -   | 11.4.3                 | -  | ENV-3 C1,<br>ENV-4 C1,                         |
|                                      | 304-3 Habitats protected or restored   | Environment<br>Rompetrol Rafinare SA<br>Rompetrol Energy SA   |   | -   |   | 11.4.4                 | -  | ·  |
|                                      | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations   | Not reported  | 304-4 aTotal number of IUCN Re<br>species and national conservatio<br>species with habitats in areas aff<br>by the operations of the organiz<br>by level of extinction risk | ed List Not applicable<br>on list<br>ífected<br>zation, | There are no species in<br>danger of extinction in<br>the areas affected by<br>the operations of the<br>organization    | 11.4.5                 | -  |  |
| EMISSIONS                            |  |   |   |   |   |                        |  |  |
| GRI 3: Material<br>Topics 2021       | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Environment<br>Approach to environmental protection and conservation<br>Climate change and climate-related risks<br>Group Carbon Footprint<br>KMG International Decarbonization Strategy | -   | -   | -   | 11.1.1<br>11.3.1       | -  |  |
| GRI 305:<br>Emissions 2016           | 305-1 Direct GHG emissions (Scope 1)   | Environment<br>Group Carbon Footprint<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Emissions" sub-chapter   | -   | -   |   | 11.1.5                 | EM-RM-110a.1<br>EM-MD-110a.1<br>EM-EP-110a.1<br>EM-EP-110a.2 | CCE-4 C1, (<br>CCE-7 C1, (                     |
|                                      | 305-2 Energy indirect GHG emissions<br>(Scope 2)   | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Emissions" sub-chapter   | -   | -   | -   | 11.1.6                 | EM-SV-110a.1   | CCE-4 C2                                       |
|                                      | 305-3 Other indirect GHG emissions<br>(Scope 3)  | Environment<br>Environmental performance of KMG International Entities included in disclosures -  |   | -   | -   | 11.1.7                 | -  | CCE-4 A2                                       |

| GRI standard/<br>other source         | Disclosure  | Location<br>in the report   | Requirements<br>omitted | Reason for omission                       | Explanation<br>for omission   | GRI sector<br>ref. No. | Link to<br>SASB                              | Link to<br>IPIECA                               |
|---------------------------------------|---|---|-------------------------|---|---|------------------------|--|---|
| GRI 305:<br>Emissions 2016            | 305-4 GHG emissions intensity   | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Emissions" sub-chapter   | -                       | -   | -   | 11.1.8                 | -  | CCE-4 C4  |
|                                       | 305-5 Reduction of GHG emissions  | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Emissions" sub-chapter   | -                       | -   |   | 11.2.3                 | EM-RM-110a.2<br>EM-MD-110a.2<br>EM-SV-110a.3 | CCE-2 C1, C2, C4, A1<br>CCE-3 C1, A1, A2, A5, A |
|                                       | 305-6 Emissions of ozone-depleting substances (ODS)                                   | Not-reported  | 305-6 a.b.c.d.          | Not applicable                            | There are no emissions of<br>ozone-depleting substances<br>(ODS) generated within<br>KMGI operations (the Group<br>does not import, produce or<br>export any ODS) | -                      | -  |   |
|                                       | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | <b>Environment</b><br>Rompetrol Rafinare SA<br>Rompetrol Downstream SRL, Rompetrol Gas SRL<br>Rompetrol Energy SA<br>KMG Rompetrol Services Center SRL, KMG Rompetrol Development SRL |                         | -   | -   | 11.3.2                 | EM-RM-120a.1<br>EM-MD-120a.1<br>EM-EP-120a.1 | ENV-5 C1, C2, A1-A3                             |
| NASTE                                 |   |   |                         |   |   |                        |  |   |
| GRI 3: Material<br>Topics 2021        | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Environment<br>Approach to environmental protection and conservation   |                         |   |   | 11.5.1                 |  |   |
| GRI 306: Waste<br>2020                | 306-1 Waste generation and significant waste-related impacts                          | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Waste" sub-chapter   | -                       | -   | -   | 11.5.2                 | -  | ENV-7 C2  |
|                                       | 306-2 Management of significant waste-<br>related impacts                             | <b>Environment</b><br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Waste" sub-chapter  | -                       | -   |   | 11.5.3                 | -  | ENV-7 C2  |
|                                       | 306-3 Waste generated   | Environment<br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Waste" sub-chapter   | -                       | -   | -   | 11.5.4<br>11.8.2       | EM-RM-150a.1                                 | ENV-7 C3, A1, A2                                |
|                                       | 306-4 Waste diverted from disposal  | <b>Environment</b><br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Waste" sub-chapter  | -                       | -   | -   | 11.5.5                 | -  | ENV-7 C3  |
|                                       |   | <b>Environment</b><br>Environmental performance of KMG International Entities included in disclosures -<br>dedicated "Waste" sub-chapter  | -                       | -   | -   | 11.5.6                 | -  | ENV-7 C3<br>ENV-8 C2, A1, A4                    |
| SUPPLIER ENVI                         | RONMENTAL ASSESSMENT  |   |                         |   |   |                        |  |   |
| GRI 3: Material<br>Topics 2021        | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Profile<br>Compliance  | -                       |   | -   | -                      | -  |   |
| GRI 308:<br>Supplier<br>Environmental | 308-1 New suppliers that were screened using environmental criteria                   | Marketplace<br>Sustainable suppliers  | -                       | -   | -   | -                      | -  | GOV-1 A2  |
| Assessment 2016                       | 308-2 Negative environmental impacts in the supply chain and actions taken            | Not reported  | 308-2 ae.               | Information<br>unavailable/<br>incomplete | The information is not provided in the sustainability report  | -                      | -  | -   |

| GRI standard/<br>other source                         | Disclosure   | Location<br>in the report  |   | Requirements<br>omitted  | Reason for<br>omission                    | Explanation<br>for omission   | GRI sector<br>ref. No. | Link to<br>SASB                              | Link to<br>IPIECA  |  |
|---|--|--|---|--|---|---|------------------------|--|--|--|
| EMPLOYMENT  |  |  |   |  |   |   |                        |  |  |  |
| GRI 3: Material<br>Topics 2021                        | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Profile<br>Compliance<br>People<br>Workforce structure<br>Collective bargaining agreements & labor practices    | - | -  |   | -   | 11.10.1                |  |  |  |
| GRI 401:<br>Employment                                | 401-1 New employee hires and employee turnover   | People<br>Workforce structure  |   |  | -   | -   | 11.10.2                | -  | SOC-6 A1   |  |
| 2016  | 401-2 Benefits provided to full-time<br>employees that are not provided to<br>temporary or part-time employees | People<br>Remuneration, compensation and benefits  |   | -  | -   | -   | 11.10.3                |  | GOV-1 A5<br>SOC-5 A2   |  |
|   | 401-3 Parental leave   | People<br>Workforce structure  | - | -  | -   | -   | 11.10.4<br>11.11.3     | -  |  |  |
| LABOR/MANAG   | EMENT RELATIONS  |  |   |  |   |   |                        |  |  |  |
| GRI 3: Material<br>Topics 2021                        | 3-3 Management of material topics  | Profile<br>Compliance  | - | -  | -   | -   | -                      | -  |  |  |
| GRI 402: Labor/<br>Management<br>Relations 2016       | 402-1 Minimum notice periods regarding operational changes   | People<br>Collective bargaining agreements and labor practices   | - | -  | -   | -   | -                      | 11.7.2<br>11.10.5                            |  |  |
| OCCUPATIONA   | L HEALTH AND SAFETY  |  |   |  |   |   |                        |  |  |  |
| GRI 3: Material<br>Topics 2021                        | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Safety<br>Introduction<br>Safety performance targets<br>KMG International QHSE Framework                        |   | -  | -   | -   | 11.9.1                 |  |  |  |
| GRI 403:<br>Occupational<br>Health and<br>Safety 2018 | 403-1 Occupational health and safety management system   | Safety<br>Introduction<br>KMG International QHSE Framework<br>Safety performance of KMG International Entities included in disclosures -<br>dedicated sub-chapters         | - | 403-1a.i The system has been<br>implemented because of legal<br>requirements and, if so, a list<br>of the requirements | Information<br>unavailable/<br>incomplete | The report mentions<br>the legal requirements<br>regarding QHSE, however,<br>the very comprehensive<br>list is not included in the<br>report. | 11.9.2                 | EM-RM-320a.2<br>EM-EP-320a.2<br>EM-SV-320a.2 | SHS-1 C1-C3, A1<br>SHS-3 C3, C4, A2-A4<br>SHS-7 C1, C2, A1         |  |
|   | 403-2 Hazard identification, risk assessment, and incident investigation                                       | Approach<br>Mapping our sustainable development risks<br>Safety<br>Safety performance of KMG International Entities included in disclosures -<br>dedicated sub-chapters    | - |  |   |   | 11.9.3                 | EM-RM-320a.2<br>EM-EP-320a.2<br>EM-SV-320a.2 | SHS-1 C1-C3, A1<br>SHS-3 C3, C4, A2-A4<br>SHS-6 C3<br>SHS-7 C3, A2 |  |
|   | 403-3 Occupational health services   | <b>Safety</b><br>KMG International QHSE Framework  | - | -  | -   | -   | 11.9.4                 | -  | -  |  |
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety                  | Safety<br>Safety performance of KMG International Entities included in disclosures -<br>dedicated sub-chapters   | - |  | -   |   | 11.9.5                 | -  | SHS-1 C1   |  |
|   | 403-5 Worker training on occupational health and safety  | Safety<br>Safety performance of KMG International Entities included in disclosures -<br>dedicated sub-chapters   | - | -  | -   |   | 11.9.6                 | -  | SHS-1 C2   |  |
|   | 403-6 Promotion of worker health   | Safety<br>Introduction<br>Safety performance of KMG International Entities included in disclosures -<br>dedicated sub-chapters<br>People<br>People's health and well-being | - | -  |   |   | 11.9.7                 |  | SHS-2 C1, A4<br>SOC-6 A1-A4, C1-C3                                 |  |

| ndard/<br>ource   | Disclosure  | Location<br>in the report   | Requirements omitted   | Reason for omission                       | Explanation<br>for omission   | GRI sector<br>ref. No. | Link to<br>SASB   |             |
|---|---|---|--|---|---|------------------------|---|-------------|
| 03:<br>bational<br>h and                                  | 403-7 Prevention and mitigation of<br>occupational health and safety impacts<br>directly linked by business relationships | Safety<br>Introduction  |  |   |   | 11.9.8                 |   |             |
| fety 2018   | 403-8 Workers covered by an occupational health and safety management system  | Safety<br>KMG International OHSE Framework<br>Safety performance of KMG International Entities included in disclosures -<br>dedicated "Approach to Safety" sub-chapter<br>The Group reports workers covered by an occupational health and safety<br>management system in numbers and not percentages" | 403-8b. Whether and, if so, why<br>any workers have been excluded<br>from this disclosure, including<br>the types of worker excluded | Information<br>unavailable/<br>incomplete | The information is<br>not provided in the<br>sustainability report  | 11.9.9                 |   |             |
|   | 403-9 Work-related injuries   | <b>Safety</b><br>Safety Performance Targets<br>KMG International QHSE Framework<br>Safety performance of KMG International Entities included in disclosures   | -  | -   |   | 11.9.10                | EM-RM-320a.1<br>EM-EP-320a.1<br>EM-SV-320a.1<br>EM-SV-000.D |             |
|   | 403-10 Work-related ill health  | <b>Safety</b><br>Safety Performance Targets<br>KMG International QHSE Framework<br>Safety performance of KMG International Entities included in disclosures   | -  | -   | -   | 11.9.11                | EM-RM-320a.1<br>EM-EP-320a.1<br>EM-SV-320a.1                |             |
| RAINING AND   | EDUCATION   |   |  |   |   |                        |   |             |
| GRI 3: Material<br>Topics 2021                            | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>People<br>Training and skill development   | -  | -   | -   | -                      |   |             |
| GRI 404: Training<br>and Education<br>2016                | 404-1 Average hours of training per year per employee   | People<br>Training and skill development  | -  | -   | -   | 11.10.6<br>11.11.4     | -   |             |
|   | 404-2 Programs for upgrading employee skills and transition assistance programs   | <b>People</b><br>Training and skill development   | -  | -   | -   | 11.7.3<br>11.10.7      | -   | G<br>S<br>S |
|   | 404-3 Percentage of employees receiving regular performance and career development reviews                                | People<br>Training and skill development  | -  | -   | -   | -                      | -   | -           |
| DIVERSITY ANI   | D EQUAL OPPORTUNITY   |   |  |   |   |                        |   |             |
| GRI 3: Material<br>Topics 2021                            | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Governance<br>KMG International NV   | -  | -   | -   | 11.11.1                | -   | -           |
| GRI 405:<br>Diversity<br>and Equal<br>Opportunity<br>2016 | 405-1 Diversity of governance<br>bodies and employees   | People<br>Workforce structure   | 405-1a, iii - Other indicators of<br>diversity where relevant (such as<br>minority or vulnerable groups).                            | Information<br>unavailable/<br>incomplete | We will provide the<br>relevant information in<br>the upcoming reporting<br>cycle. For 2022, we do not<br>have records of employees<br>segmented by other<br>indicators of diversity such<br>as minority or vulnerable<br>groups. | 11.11.5                |   |             |
|   | 405-2 Ratio of basic salary and remuneration of women to men  | People<br>Remuneration, compensation and benefits   | -  | -   | -   | 11.11.6                | -   |             |
| NON-DISCRIM   | INATION   |   |  |   |   |                        |   |             |
| GRI 3: Material<br>Topics 2021                            | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Sustainable Development Goals<br>Profile<br>Compliance<br>People   | -  | -   | -   | 11.11.1                |   | -           |

| GRI standard/<br>other source  | Disclosure   | Location<br>in the report  |   | Requirements<br>omitted  | Reason for omission                       | Explanation<br>for omission   | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA |  |
|--|--|--|---|--|---|---|------------------------|-----------------|-------------------|--|
| GRI 406: Non-<br>discrimination<br>2016                                    | 406-1 Incidents of discrimination and corrective actions taken   | Profile<br>Compliance<br>People<br>Workforce structure   |   |  | -   | -   | 11.11.7                |                 |                   |  |
| FREEDOM OF A   | SSOCIATION AND COLLECTIVE BA   | RGAINING   |   |  |   |   |                        |                 |                   |  |
| GRI 3: Material<br>Topics 2021   | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Profile<br>Compliance<br>People<br>Collective bargaining agreements and labor practices | - | -  | -   | -   | 11.13.1                |                 |                   |  |
| GRI 407:<br>Freedom of<br>Association<br>and Collective<br>Bargaining 2016 | 407-1 Operations and suppliers in which<br>the right to freedom of association and<br>collective bargaining may be at risk | People<br>Collective bargaining agreements and labor practices   | - |  | -   | -   | 11.13.2                | -               |                   |  |
| CHILD LABOR  |  |  |   |  |   |   |                        |                 |                   |  |
| GRI 3: Material<br>Topics 2021   | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Profile<br>Compliance<br>People<br>Collective bargaining agreements and labor practices |   | -  |   |   | -                      | -               |                   |  |
| GRI 408: Child<br>Labor 2016   | 408-1 Operations and suppliers at significant risk for incidents of child labor  | People<br>Collective bargaining agreements and labor practices   | - | -  | -   | -   | -                      | -               |                   |  |
| FORCED OR CC   | MPULSORY LABOR   |  |   |  |   |   |                        |                 |                   |  |
| GRI 3: Material<br>Topics 2021   | 3-3 Management of material topics  | Introduction<br>Material issues within a global context<br>Profile<br>Compliance   |   | -  | -   | -   | 11.12.1                |                 |                   |  |
| GRI 409: Forced<br>or Compulsory<br>Labor 2016                             | 409-1 Operations and suppliers at<br>significant risk for incidents of forced or<br>compulsory labor                       | People<br>Collective bargaining agreements and labor practices<br>Marketplace<br>Sustainable suppliers   | - | -  | -   | -   | 11.12.2                | -               | •                 |  |
| SECURITY PRAG  | CTICES   |  |   |  |   |   |                        |                 |                   |  |
| GRI 3: Material<br>Topics 2021   | 3-3 Management of material topics  | •  | - | -  | -   | -   | 11.18.1                | -               | •                 |  |
| GRI 410: Security<br>Practices 2016  | 410-1 Security personnel trained in human rights policies or procedures  | Not reported   | - | 410 -1 a. Percentage of security<br>personnel who have received formal<br>training in the organization's human<br>rights policies or specific procedures<br>and their application to security<br>b. Whether training requirements<br>also apply to third-party organizations<br>providing security personnel | Information<br>unavailable/<br>incomplete | Information is not provided in the sustainability report  | 11.18.2                |                 |                   |  |
| RIGHTS OF IND  | IGENOUS PEOPLES  |  |   |  |   |   |                        |                 |                   |  |
| GRI 3: Material<br>Topics 2021   | 3-3 Management of material topics  |  | - | -  | -   | -   | 11.17.1                | -               | -                 |  |
| GRI 411: Rights<br>of Indigenous<br>Peoples 2016                           | 411-1 Incidents of violations involving rights of indigenous peoples   | Not reported   |   | 411-1a. & 411-1b.  | Not applicable                            | KMG International activities<br>have no impact related to<br>the rights of indigenous<br>peoples in any of its<br>locations of operations | 11.17.2                | -               |                   |  |

| GRI standard/<br>other source         | Disclosure  | Location<br>in the report  |   | Requirements<br>omitted  | Reason for omission                       | Explanation<br>for omission  | GRI sector<br>ref. No. | Link to<br>SASB | Link to<br>IPIECA  |
|---------------------------------------|---|--|---|--|---|--|------------------------|-----------------|--|
| LOCAL COMMU                           | JNITIES   |  |   |  |   |  |                        |                 |  |
| GRI 3: Material<br>Topics 2021        | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Community<br>Introduction<br>Community investment pillars   | - | -  | -   | -  | 11.15.1                | -               |  |
| GRI 413: Local<br>Communities<br>2016 | 413-1 Operations with local community<br>engagement, impact assessments, and<br>development programs  | Environment<br>Rompetrol Downstream SRL, Rompetrol Gas SRL<br>Rompetrol Bulgaria EAD<br>Rompetrol Moldova SA<br>Rompetrol Energy SA<br>Community<br>Introduction<br>Community investment pillars<br>KMG International reports implemented local community engagement activities<br>detailing major projects developed throughout the reporting period. However, the<br>Group does not report these as percentage of its operations | _ | 413-1a.i. Social impact assessments,<br>including gender impact<br>assessments, based on<br>participatory processes.   | Information<br>unavailable/<br>incomplete | The Group does not report<br>impact asssessments by<br>gender. All community<br>engagement activities<br>have been implemented<br>folliwing in-depth<br>consultations with KMGI<br>stakeholders and<br>representatives of local<br>communities | 11.15.2                | -               | SHS-2 A1, A2<br>SOC-9 C1-C3<br>SOC-13 C1, C2, A1<br>A2, A5 |
|                                       | 413-2 Operations with significant actual and potential negative impacts on local communities  | <b>Environment</b><br>Rompetrol Downstream SRL, Rompetrol Gas SRL<br>Rompetrol Bulgaria EAD<br>Rompetrol Moldova SA  | - | -  | -   | -  | 11.15.3                | -               | SHS-2 A1, A2<br>SOC-9 C1-C3<br>SOC-13 C1, C2, A1<br>A2, A5 |
|                                       | <ul> <li>413-3 Report the number and type of grievances from local communities identified, including:</li> <li>percentage of the grievances that were addressed and resolved;</li> <li>percentage of the grievances that were resolved through remediation</li> </ul> | Safety<br>Safety performance of KMG International Entities included in disclosures   | - | -  | -   | -  | 11.15.4                | -               | SOC-12 C1, C2, A1  |
| SUPPLIER SOC                          | IAL ASSESSMENT  |  |   |  |   |  |                        |                 |  |
| GRI 3: Material<br>Topics 2021        | 3-3 Management of material topics   | -  | - | -  | -   | -  | -                      | -               | -  |
| GRI 414:<br>Supplier Social           | 414-1 New suppliers that were screened using social criteria  | Marketplace<br>Sustainable suppliers   | - | -  | -   | -  | 11.10.8<br>11.12.3     | -               | SOC-2 C2, A2   |
| Assessment 2016                       | 414-2 Negative social impacts in the supply chain and actions taken   | Marketplace<br>Sustainable suppliers   | - | -  | -   | -  | 11.10.9                | -               | SOC-3 C3, A4   |
| PUBLIC POLIC                          | Y   |  |   |  |   |  |                        |                 |  |
| GRI 3: Material<br>Topics 2021        | 3-3 Management of material topics   |  |   | -  | -   | -  | 11.22.1                | -               |  |
| GRI 415: Public<br>Policy 2016        | 415-1 Political contributions   | Not reported   |   | 415-1a. Total monetary value of<br>financial and in-kind political<br>contributions made directly and<br>indirectly by the organization by<br>country and recipient/beneficiary.<br>b. If applicable, how the monetary<br>value of in-kind contributions was<br>estimated. | Not applicable                            | KMG International makes<br>no political contribution of<br>any kind either directly or<br>indirectly   | 11.22.2                |                 |  |
| CUSTOMER HE                           | ALTH AND SAFETY   |  |   |  |   |  |                        |                 |  |
| GRI 3: Material<br>Topics 2021        | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Safety<br>KMG International OHSE framework  | - | -  | -   | -  | -                      | -               |  |

SUSTAINABILITY REPORT 2022

| GRI standard/<br>other source   | Disclosure  | Location<br>in the report   |   | Requirements<br>omitted  | Reason for omission                       | Explanation<br>for omission                                 | GRI sector<br>ref. No. | Link to<br>SASB      | Link to<br>IPIECA        |
|---|---|---|---|--|---|---|------------------------|----------------------|--------------------------|
| GRI 416:<br>Customer Health<br>and Safety 2016                            | 416-1 Assessment of the health and safety impacts of product and service categories   | <b>Safety</b><br>KMG International QHSE framework<br><b>Marketplace</b><br>Product sustainability   |   | -  | -   | -   | 11.3.3                 | EM-RM-410a.1         | SHS-5 C1-C3, A1-A4       |
|   | 416-2 Incidents of non-compliance<br>concerning the health and safety impacts of<br>products and services   | <b>Safety</b><br>KMG International QHSE framework<br>Rompetrol Downstream SRL, Rompetrol Gas SRL  | _ | -  | -   | -   | -                      | -                    | SHS-5 C1-C3, A1-A3, A5   |
| MARKETING AN  | ID LABELING   |   |   |  |   |   |                        |                      |                          |
| GRI 3: Material<br>Topics 2021  | 3-3 Management of material topics   | Introduction<br>Material issues within a global context<br>Marketplace<br>Product sustainability  | _ | -  | -   | -   | -                      | -                    | •                        |
| GRI 417:<br>Marketing and   | 417-1 Requirements for product and service information and labeling   | Marketplace<br>Product sustainability   | _ | -  | -   | -   | -                      | -                    | SHS-5 C2                 |
| Labeling 2010   | 417-2 Incidents of non-compliance<br>concerning product and service<br>information and labeling   | Marketplace<br>Product sustainability   |   |  | -   |   | -                      | -                    |                          |
|   | 417-3 Incidents of non-compliance<br>concerning marketing communications  | Not reported  |   | <ul> <li>417-3a. Total number of incidents<br/>of non-compliance with regulations<br/>and/or voluntary codes concerning<br/>marketing communications,<br/>including advertising, promotion, and<br/>sponsorship, by: <ol> <li>incidents of non-compliance with<br/>regulations resulting in a fine or<br/>penalty;</li> <li>incidents of non-compliance with<br/>regulations resulting in a warning;</li> <li>incidents of non-compliance with<br/>regulations resulting in a warning;</li> <li>incidents of non-compliance with<br/>regulations resulting in a warning;</li> <li>incidents of non-compliance with<br/>voluntary codes.</li> <li>b. If the organization has not<br/>identified any non-compliance with<br/>regulations and/or voluntary codes, a<br/>brief statement of this fact is sufficient</li> </ol></li></ul> | Information<br>unavailable/<br>incomplete | Information is not provided<br>in the sustainability report | -                      |                      |                          |
| CUSTOMER PRI  | VACY  |   |   |  |   |   |                        |                      |                          |
| GRI 3: Material<br>Topics 2021  | 3-3 Management of material topics   |   | _ | -  | -   | -   | -                      | -                    |                          |
| GRI 418:<br>Customer Privacy<br>2016                                      | 418-1 Substantiated complaints concerning<br>breaches of customer privacy and losses of<br>customer data  | Marketplace<br>Customer satisfaction  | - | -  |   | -   | -                      | -                    | SHS-5 C1, C2             |
| GRI sector standa   | d   | Location in the report  |   | Link to SASB Link to IPIECA  |   | Statement of user VMC In                                    | arnational bac r       | norted in accordance | a with the CDI Standarde |
| TOPICS IN T   | HE APPLICABLE GRI SECTOR  | STANDARDS DETERMINED AS NOT MATERIAL  | - |  |   | for the period [JanDec. 20                                  | )22].                  |                      |                          |
| GRI 11: OIL AN  | D GAS SECTOR  |   | 1 |  |   | GRI 1 used  |                        | GRI 1: Foundation    | 2021                     |
| 11.8.2. For each significant spill, report the cause of the spill and the | Topic was not determined as material followic<br>consultations with KMG International stakeh<br>and the materiality assessment for this report<br>However, given the potential risks and high | ng Environment<br>olders Approach to environmental protection and conservation<br>t. Environmental performance targets<br>impact Rompetrol Rafinare SA, Rompetrol Downstream SRL, Rompetrol Gas SRL | , | EM-MD-160a.4 ENV-6 C1- C4<br>EM-EP-160a.2  |   | Applicable GRI Sector Stan                                  | dard(s)                | GRI 11: Oil and Ga   | as Sector 2021           |

of such incidents, the Group included the topic in its report, relevant information being provided in the following chapters and titles: volume of spill recovered

# Rompetrol Bulgaria EAD, Rompetrol Georgia LTD, Rompetrol Moldova SA, Rompetrol Energy SA, Rominserv SRL, Rompetrol Well Services SA, Rompetrol Quality Control SRL, Midia Marine Terminal SRL

## **TCFD INDEX**

| Indicator  | Disclosure   | Location in the report  | Indicator  | Disclosure   |
|--|--|---|--|--|
| <b>GOVERNANCE</b><br>Disclose the organization   | on's governance around climate-related risks and opportunities   |   | b. Describe the impact<br>of climate-related risks                       | Building on<br>how identifie   |
| a. Describe the<br>board's oversight of<br>climate-related risks<br>and opportunities  | <ul> <li>In describing the board's oversight of climate-related issues, organizations should consider including a discussion of the following:</li> <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> | Approach<br>Mapping our sustainable<br>development risks<br>Environment<br>Approach to environmental<br>protection and conservation<br>Climate change and climate-related risks   | on the organization's<br>businesses, strategy, and<br>financial planning | <ul> <li>strategy, and</li> <li>the impact o</li> <li>following are</li> <li>Products</li> <li>Supply cl</li> <li>Adaptatic</li> <li>Investme</li> <li>Operatio</li> <li>Acquisitie</li> <li>Access to</li> <li>Organization</li> <li>input to thei</li> <li>these risks at</li> </ul> |
| b. Describe<br>management's role in<br>assessing and managing<br>climate-related risks<br>and opportunities                                  | <ul> <li>In describing management's role related to the assessment and management of climaterelated issues, organizations should consider including the following information:</li> <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>  | Governance<br>KMG International NV<br>Rompetrol Rafinare SA<br>Rompetrol Well Services SA<br>Rominserv SRL<br>Environment<br>Approach to environmental<br>protection and conservation<br>Climate change and climate-related risks | _  | should reflect<br>factors that al<br>Organization<br>their financia<br>(e.g., assets, l<br>scenarios wel<br>planning, suc<br>Organization<br>operate in ju<br>agreed to me<br>should descri<br>which could i<br>intended to r  |
| <b>STRATEGY</b><br>Disclose the actual and<br>organization's business  | potential impacts of climate-related risks and opportunities on the<br>ses, strategy, and financial planning where such information is materi  | al.   |  | Organization<br>opportunitie<br>(2) strategy f<br>around clima   |
| a. Describe the<br>climate-related risks<br>and opportunities<br>the organization has<br>identified over the short,<br>medium, and long term | <ul> <li>Organizations should provide the following information:</li> <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</li> </ul>   | Approach<br>Mapping our sustainable development risks<br>Environment<br>Climate change and climate-related risks<br>Rompetrol Energy SA   |  | Research and<br>Existing and<br>restructuring<br>Critical plann<br>strategies to<br>How GHG en<br>if applicable,<br>include a dis<br>and investmi<br>light of chan<br>The organiza   |

The organization's flexibility in positioning/reposition

#### ng on recommended disclosure (a), organizat lentified climate-related issues have affected gy, and financial planning. Organizations sho pact on their businesses, strategy, and financ ing areas:

- oducts and services
- pply chain and/or value chain
- aptation and mitigation activities
  - vestment in research and development
  - erations (including types of operations and le
  - quisitions or divestments
  - cess to capital

izations should describe how climate-related to their financial planning process, the time p isks and opportunities are prioritized. Organ reflect a holistic picture of the interdepende that affect their ability to create value over til

izations should describe the impact of climat nancial performance (e.g., revenues, costs) a assets, liabilities), quantitative and/or qualitat rios were used to inform the organization's str ng, such scenarios should be described.

izations that have made GHG emissions redu e in jurisdictions that have made such comm to meet investor expectations regarding GH describe their plans for transitioning to a low could include GHG emissions targets and spe led to reduce GHG emissions in their operation erwise support the transition.

izations should consider discussing how clim unities are integrated into their (1) current de ategy formulation, including planning assum I climate change mitigation, adaptation, or or

rch and development (R&D) and adoption of ng and committed future activities such as inv turing, writedowns, or impairment of assets.

planning assumptions around legacy assets ies to lower carbon-, energy-, and/or water-in

HG emissions, energy, and water and other p icable, are considered in capital planning and e a discussion of major acquisitions and dives vestments in technology, innovation, and ner f changing climaterelated risks and opportur

address emerging climate-related risks and opportu

• Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.

organization.

#### Location in the report

| tions should discuss Approach<br>their businesses, Mapping our sustainable development risks<br>Taxonomy analysis  |  |
|--|--|
| their businesses,<br>uld consider including<br>ial planning in the   |  |
| rial planning in the   |  |
| Environment  |  |
| Climate change and climate-related risks<br>KMG International Decarbonization Strategy<br>Rompetrol Rafinare SA<br>Rompetrol Downstream SRL, Rompetrol Gas SRL<br>Rompetrol Bulgaria EAD |  |
| ocation of facilities)<br>Rompetrol Moldova SA<br>Rompetrol Energy SA<br>Rompetrol Quality Control SRL   |  |
| issues serve as an Midia Marine Terminal SRL   |  |
| period(s) used, and how  |  |
| izations' disclosures<br>encies among the<br>me.   |  |
| e-related issues on  |  |
| nd financial position<br>tive. If climate-related<br>rategy and financial  |  |
|  |  |
| iction commitments,<br>iitments, or have<br>IG emissions reductions  |  |
| w-carbon economy,<br>ecific activities<br>ons and value chain or   |  |
|  |  |
| ate-related risks and<br>ecision-making and<br>iptions and objectives<br>pportunities such as:   |  |
| new technology.  |  |
| vestments,   |  |
| for example  |  |
| itensive operations.   |  |
| ohysical risk exposures,<br>d allocation; this could   |  |
| stments, joint-ventures,<br>w business areas in  |  |
| nues.  |  |
| unities.   |  |
|  |  |
|  |  |

| Indicator  | Disclosure   | Location in the report   | Indicator  | Disclosure  | Location in the report   |  |
|--|--|--|--|---|--|--|
| c. Describe the resilience<br>of the organization's<br>strategy, taking into<br>consideration different<br>climate-related scenarios<br>including a 2°C or lower<br>scenario | <ul> <li>Previous 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.</li> <li>Progenizations should consider discussing:         <ul> <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</li> </ul> </li> </ul>  |  | c. Describe how Or<br>processes for identifying, as<br>assessing, and managing ov<br>climate-related risks<br>are integrated into the<br>organization's overall risk<br>management.  | Organizations should describe how their processes for identifying,<br>assessing, and managing climate-related risks are integrated into their<br>overall risk management.   | Approach<br>Mapping our sustainable development risks<br>Environment<br>Approach to environmental<br>protection and conservation<br>Climate change and climate-related risks |  |
|  |  |  | METRICS AND T  | d apportunities where such info is material   |  |  |
|  | opportunities;   |  | - Disclose the metrics and   | Organizations should consider including matrice on climate related risks an   |  |  |
|  | <ul> <li>the potential impact of climate-related issues on financial performance<br/>(e.g., revenues, costs) and financial position (e.g., assets, liabilities);<br/>and</li> </ul>  |  | a. Disclose the metrics O<br>used by the organization as<br>to assess climate-related re<br>risks and opportunities W<br>in line with its strategy d<br>and risk management in   | associated with water, energy, land use, and waste management where<br>relevant and applicable.<br>Where climate-related issues are material, organizations should consider<br>describing whether and how related performance metrics are incorporated<br>into remuneration policies.   | Environmental performance targets<br>Rompetrol Rafinare SA   |  |
|  | • the climate-related scenarios and associated time horizon(s) considered.   |  |  |   | Rompetrol Downstream SRL, Rompetrol Gas SRL<br>Rompetrol Bulgaria EAD<br>Rompetrol Georgia LTD   |  |
|  | Organizations with more than one billion U.S. dollar equivalent (USDE)<br>in annual revenue should consider conducting more robust scenario<br>analysis to assess the resilience of their strategies against a range of<br>climate-related scenarios, including a 2°C or lower scenario and, where<br>relevant to the organization, scenarios consistent with increased physical<br>climate-related risks.   |  | process.   | Where relevant, organizations should provide their internal carbon prices<br>as well as climate-related opportunity metrics such as revenue from<br>products and services designed for a low-carbon economy.<br>Metrics should be provided for historical periods to allow for trend<br>analysis. Where appropriate, organizations should consider providing  | Rompetrol Moldova SA<br>Rompetrol Energy SA<br>Rompetrol Quality Control SRL<br>Midia Marine Terminal SRL<br>KMG Rompetrol Services Center SRL                               |  |
|  | 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.   |  |  | 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.   |  |  |
|  | For the climate-related scenarios used, organizations should consider<br>providing information on the following factors to allow investors and<br>others to understand how conclusions were drawn from scenario analysis:  |  |  | 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   |  |  |
|  | Critical input parameters, assumptions, and analytical choices for the<br>climaterelated scenarios used, particularly as they relate to key areas<br>such as policy assumptions, energy deployment pathways, technology<br>pathways, and related timing assumptions.   |  |  | also consider disclosing metrics that support their scenario analysis and<br>strategic planning process and that are used to monitor the organization's<br>business environment from a strategic and risk management perspective.   |  |  |
|  | Potential qualitative or quantitative financial implications of the climate-<br>related scenarios, if any.   |  | _  | Organizations should consider providing key metrics related to GHG<br>emissions, energy, water and other physical risk exposures, land use,<br>and, if relevant, investments in climate adaptation and mitigation that  |  |  |
| RISK MANAGEM<br>Disclose how the organi  | <b>ENT</b><br>ization identifies, assesses, and manages climate-related risks  |  |  | address potential financial aspects of shifting demand, expenditures, asset valuation, and cost of financing.   |  |  |
| a. Describe the<br>organization's processes<br>for identifying and<br>assessing climate-related  | Organizations should describe their risk management processes for<br>identifying and assessing climate-related risks. An important aspect of this<br>description is how organizations determine the relative significance of<br>climate-related risks in relation to other risks.  | Introduction<br>Material issues within a global context<br>Approach<br>Mapping our sustainable development risks<br>Taxonomy analysis<br>Environment<br>Climate change and climate-related risks<br>KMG International Decarbonization Stratogy | b. Disclose Scope<br>1, Scope 2, and, if<br>appropriate, Scope 3<br>greenhouse gas (GHG)<br>emissions. and the   | Organizations should provide their Scope 1 and Scope 2 GHG emissions<br>independent of a materiality assessment, and, if appropriate, Scope 3<br>GHG emissions and the related risks. All organizations should consider<br>disclosing Scope 3 GHG emissions. GHG emissions should be calculated<br>in line with the GHG Protocol methodology to allow for aggregation and<br>comparability across organizations and jurisdictions. As appropriate,<br>organizations should consider providing related, generally accepted<br>industry-specific GHG efficiency ratios.<br>GHG emissions and associated metrics should be provided for historical<br>periods to allow for trend analysis. In addition, where not apparent,<br>organizations should provide a description of the methodologies used to<br>calculate or estimate the metrics. | Environment<br>Group Carbon footprint<br>Environmental performance targets<br>Rompetrol Rafinare SA<br>Rempetrol Deumetroam SPI Rempetrol Gas SPI                            |  |
| risks  | Organizations should describe whether they consider existing and<br>emerging regulatory requirements related to climate change (e.g., limits<br>on emissions) as well as other relevant factors considered.  |  | related risks contraction of the second seco |   | Rompetrol Bulgaria EAD<br>Rompetrol Georgia LTD<br>Rompetrol Moldova SA  |  |
|  | Organizations should also consider disclosing the following:   |  |  |   | Rompetrol Energy SA  |  |
|  | <ul> <li>processes for assessing the potential size and scope of identified<br/>climate-related risks and</li> <li>definitions of risk terminal second s</li></ul> | kine international Decarbonization strategy  |  |   | Midia Marine Terminal SRL  |  |
|  | <ul> <li>definitions of risk terminology used or references to existing<br/>risk classification frameworks used</li> </ul>   |  |  |   |  |  |
| b. Describe the<br>organization's<br>processes for managing<br>climate-related risks   | Organizations should describe their processes for managing climate-<br>related risks, including how they make decisions to mitigate, transfer,<br>accept, or control those risks. In addition, organizations should describe<br>their processes for prioritizing climate-related risks, including how<br>materiality determinations<br>are made within their organizations   | Approach<br>Mapping our sustainable development risks<br>Environment<br>Approach to environmental<br>protection and conservation<br>Climate change and climate-related risks   | -  |   |  |  |

| for identifying,     | Approach   |
|----------------------|--|
| ntegrated into their | Mapping our sustainable development risks  |
|                      | Environment  |
|                      | Approach to environmental<br>protection and conservation<br>Climate change and climate-related risks |

| Indicator   | Disclosure  | Location in the report   |
|---|---|--|
| c. Describe the<br>targets used by the<br>organization to manage<br>climate-related risks<br>and opportunities and<br>performance against<br>targets. | <ul> <li>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</li> <li>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.</li> <li>In describing their targets, organizations should consider including the following:</li> <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> <li>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</li> </ul> | Environment<br>KMG International Decarbonization Strategy<br>Environmental performance targets<br>Rompetrol Rafinare SA<br>Rompetrol Downstream SRL, Rompetrol Gas SRL<br>Rompetrol Bulgaria EAD<br>Rompetrol Georgia LTD<br>Rompetrol Moldova SA<br>Rompetrol Energy SA<br>Rominserv SRL<br>Rompetrol Well Services SA<br>Rompetrol Quality Control SRL<br>Midia Marine Terminal SRL<br>KMG Rompetrol Development SRL |

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# **Glossary of terms and abbreviations**

| Term / abbreviation                         | Definition  |
|---|---|
| ALARP                                       | ALARP ("as low as reasonably possible") is a principle in the regulation and management<br>of safety-critical and safety-involved systems. For a risk to be ALARP, it must be possible<br>to demonstrate that the cost involved in reducing the risk further would be grossly<br>disproportionate to the benefit gained |
| BAT   | Best Available Techniques   |
| BAT BREF                                    | Best Available Techniques Reference Document  |
| bbl   | barrel  |
| BoD   | Board of Directors  |
| boe   | barrel of oil equivalent  |
| BSE   | Bucharest Stock Exchange  |
| CAPEX                                       | Capital expenditure   |
| Carbon dioxide (CO2)<br>emissions           | CO2 released to the atmosphere as a result of operations, including CO2 emissions from<br>energy generation, heat production, flaring, and remaining emissions from carbon capture and<br>treatment plants  |
| Carbon dioxide (CO2)<br>emission reductions | The total estimated quantity of CO2 emissions achieved by implementing a specific measure compared to the expected emissions at an installation without the measure (or best available technology for greenfield developments)  |
| Carbon dioxide (CO2)<br>equivalents         | Carbon dioxide equivalent is a quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO2 that would have the same global warming potential   |
| Carbon neutrality                           | Carbon neutrality means having a balance between emitting carbon dioxide and absorbing carbon from the atmosphere in carbon sinks such as soil, forests and oceans. The aim is to prevent emissions exceeding the levels that can be reabsorbed   |
| CBO5  | 5-day biochemical oxygen consumption  |
| CCOCr                                       | Determination of chemical oxygen consumption  |
| CCRF  | Climate Change Framework  |
| CCS   | Carbon capture and storage  |
| CCU   | Carbon capture and utilization  |
| CCUS  | Carbon capture, utilization and storage   |
| CDSB  | Climate Disclosure Standards Board  |
| CEO   | Chief Executive Officer   |
| CH4   | methane   |
| СНР   | Cogeneration or Combined Heat & Power   |
| Circular economy                            | Circular economy is a model for production and consumption where existing materials and products are shared, reused, repaired, reprocessed and recycled for as long as possible   |
| CLA   | Collective labor agreement  |
| CLP   | Classification, Labelling, and Packaging  |
| СО  | carbon monoxide   |
| C02   | carbon dioxide  |

| Term / abbreviation                | Definition   |
|------------------------------------|--|
| Compliance                         | Compliance in the na<br>regulations. A compa<br>internal rules and gu        |
| Corporate Social<br>Responsibility | CSR describes compa<br>environmental and e                                   |
| CSSM                               | Work Health and Safe   |
| DN                                 | Diameter nominal (D<br>millimeters (mm)                                      |
| DWS                                | Rompetrol Downstrea  |
| EC                                 | European Commissio   |
| EGMS                               | Extraordinary Genera   |
| ELV                                | Emission limit value   |
| EMEP/EEA                           | The EMEP/EEA air pol<br>emissions from both<br>the compilation of co         |
| Emissions factor                   | It indicates the average<br>not be directly measu<br>factor and the activity |
| Energy consumption                 | Energy used for powe<br>from flaring, energy s                               |
| EPC                                | Engineering, procure   |
| ESG                                | Environmental, social  |
| EU                                 | European Union   |
| EUA                                | EU Allowances (EUA)<br>Emissions Trading Scl                                 |
| EU ETS                             | EU Emissions Trading   |
| EU Taxonomy                        | The EU taxonomy is a economic activities. It investment and imple            |
| Fit for 55                         | Fit for 55 is the Europ<br>package was propose                               |
| Flared hydrocarbons                | Weight of hydrocarbo   |
| Fluorinated gases                  | Fluorinated Gases: hy<br>(SF6) and nitrogen tri<br>from a variety of indu    |
| Freshwater                         | Naturally occurring w<br>abstraction and treatr<br>wells (including grou     |
| GD                                 | Government Decisior  |
| GDPR                               | General Data Protecti  |
| GEO                                | Government Emerge  |
| GHG                                | Greenhouse gases - c<br>major driver of climat                               |
| GHG Scope 1                        | Direct emissions from  |
|                                    |  |

arrower sense means that the company and its employees obey the law and any's compliance management thus includes the structured development of idelines that are observed by the company's employees

anies' responsibility for their impact on society. This includes social, economic aspects

ety Committee

N) denotes the size of a pipe (specifically, its inside diameter) in

am

on

Meeting of the Shareholders

llutant emission inventory guidebook provides guidance on estimating anthropogenic and natural emission sources. It is an essential tool allowing omparable and consistent air pollutant emissions inventory data in Europe

ge greenhouse gas emissions caused by an activity. As emissions can often ured, the amount of greenhouse gases is calculated by multiplying this y rate

er generation and heat production in combustion processes, unused energy sold/delivered to third parties and gross energy purchased

ment, and construction

l, and governance

) are climate credits (or carbon credits) used in the European Union cheme (EU ETS)

System

a classification system, establishing a list of environmentally sustainable It could play an important role helping the EU scale up sustainable lement the European green deal

pean Union plan to reduce greenhouse gas emissions by 55% by 2030. The ed in July 2021 by the European Commission

ons combusted in operational flare systems

ydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride ifluoride (NF3) are synthetic, powerful greenhouse gases that are emitted ustrial processes

vater with a low concentration of salts, or generally accepted as suitable for ment to produce potable water. Includes water from public installations, indwater reservoirs), lakes, streams, rivers and purchased freshwater.

١

ion Regulation

ncy Ordinance

carbon dioxide, methane, nitrous oxide and other greenhouse gases are a ate change

operations that are owned or controlled by the organization

SUSTAINABILITY REPORT 2022

| Term / abbreviation | Definition   |
|---------------------|--|
| GHG Scope 2         | Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam   |
| GHG Scope 3         | Other indirect emissions that occur outside the organization   |
| GJ                  | gigajoule  |
| GMS                 | General Meeting of Shareholders  |
| GRI                 | Global Reporting Initiative  |
| GWh                 | gigawatt hour  |
| GWP                 | Global warming potential (GWP) is the heat absorbed by any greenhouse gas in the atmosphere, as a multiple of the heat that would be absorbed by the same mass of carbon dioxide (CO2)                                   |
| Н                   | Hydrogen   |
| H2S                 | Hydrogen sulfide   |
| Hazardous waste     | Waste is considered to be hazardous waste according to the regulations under which the activity operates or where the waste can pose a substantial hazard to human health and/or the environment when improperly managed |
| HAZID               | HAZID (Hazard Identification) is a general risk analysis tool designed to alert management of<br>any threats and hazards on the jobsite  |
| HAZOP               | HAZOP (Hazard and Operability Study) is used to identify abnormalities in the work environment and pinpoint their root causes  |
| HDPE                | High density polyethylene  |
| HFCs                | Hydrofluorocarbons   |
| HR                  | Human Resources  |
| HSE                 | Health, Safety, and Environment  |
| HVO                 | Hydrogenated vegetable oil   |
| IFRS                | International Financial Reporting Standards  |
| IIRC                | International Integrated Reporting Council   |
| IPCC                | The Intergovernmental Panel on Climate Change (IPCC) is an intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change  |
| IPIECA              | International Petroleum Industry<br>Environmental Conservation Association   |
| ISCC                | International Sustainability & Carbon Certification  |
| ISO                 | International Organization for Standardization   |
| JSA                 | Job Safety Analysis (JSA) is a formal process to identify the dangers of specific job tasks in order to reduce the risk of injury to workers   |
| kt                  | kiloton  |
| KWh                 | Kilowatt-hour  |
| КҮС                 | Know Your Customer   |
| L                   | liter  |
| LDAR                | Leak Detection and Repair  |
| LDPE                | Low density polyethylene   |
| LPG                 | Liquefied Petroleum Gas  |

| Term / abbreviation  | Definition  |
|----------------------|---|
| LRF                  | Linear Reduction Fac  |
| LTIR                 | Lost-Time Injury Rate   |
| LTSA                 | Long-Term Service Ag  |
| M                    | million   |
| m2                   | square meter  |
| m3                   | cubic meter   |
| Materiality analysis | This analysis identific results of partial anal                               |
| ML                   | megaliters  |
| SDS                  | Safety Data Sheet   |
| MW                   | megawatt  |
| MWe                  | megawatt electrical   |
| NC                   | Non-conformity  |
| NEG                  | National Environmer   |
| Net-zero emissions   | Net zero means redu<br>through natural or ar                                  |
| NGO                  | Non-governmental o<br>government  |
| NF3                  | Nitrogen trifluoride  |
| Nm3                  | Normal meter cube (<br>mass occupies under<br>degree K and at 1 atr           |
| NOx                  | Nitrogen oxides   |
| NPP                  | Nuclear Power Plant   |
| OGMS                 | Ordinary General Me   |
| OPEC                 | The Organization of t<br>established to coordi<br>with technical and ec       |
| OPEX                 | Operating Expenses  |
| OSH                  | Occupational safety a   |
| Paris Agreement      | It is the first-ever univ<br>parties. It was adopte<br>sets out a global fran |
| PE                   | Polyethylene  |
| PET                  | Polyethylene terepht  |
| PFCs                 | Perfluorocarbons  |
| PM                   | Particulate matter  |
| Polyolefins          | Polyolefins are made to their versatility. Ex                                 |
| PP                   | Polypropylene   |
| PPE                  | Personal protective e   |

| ~   | *  |
|-----|----|
| ( ) | £. |
| v   | •  |

#### greement

ies important sustainability issues for companies and their stakeholders. The alyses (external, internal, stakeholders) are combined in a materiality matrix

ntal Guard

ucing Earth's carbon footprint to zero in net terms (after removing emissions rtificial sinks)

organization. A non-profit organization that operates independently of any

(Nm3) is the value that a matter whether solid, liquid or gas of a constant er normal or standard conditions and that is at 0 degree centigrade or 273 tmosphere pressure or 1013.25 mbar

eeting of the Shareholders

the Petroleum Exporting Countries is a multinational organization that was linate the petroleum policies of its members and to provide member states conomic aid.

and health

iversal, legally binding global climate change agreement signed by 190 ted at the Paris Climate Change Conference (COP21) in December 2015 and mework to tackle climate change

thalate

e from oil and gas and are some of the most commonly used plastics thanks xamples of use include films, bottles, food containers and food packaging

equipment

| Term / abbreviation | Definition  |  |
|---------------------|---|--|
| PV                  | Photovoltaic  |  |
| PVC                 | Polyvinyl chloride  |  |
| REACH               | Registration, Evaluation, Authorization, and Restriction of Chemicals   |  |
| QHSE                | Quality, Health, Safety and Environment Management (QHSE) generally refers to a<br>management operation mode which integrates the common elements of the ISO9001,<br>OHSAS18001 and ISO14001 standards  |  |
| RED                 | Renewable Energy Directive  |  |
| RGF                 | Flare Gas Recovery Facility   |  |
| RPE                 | Rompetrol Energy  |  |
| RRC                 | Rompetrol Rafinare  |  |
| SAP ERP             | Enterprise resource planning software - modular software made to integrate the main functions of an organization's core business processes into a unified system  |  |
| SASB                | Sustainability Accounting Standards Board   |  |
| SDGs                | Sustainable Development Goals   |  |
| SDS                 | Safety data sheet   |  |
| SEVESO              | European "Seveso" Directive which requires the identification of industrial establishments<br>with major risks. A Seveso establishment is an establishment which has an activity linked to<br>handling, manufacturing, using or storing dangerous substances (i.e. refineries, petrochemical<br>sites, oil depots or explosives depots) |  |
| SF6                 | Sulfur hexafluoride   |  |
| SOx                 | Sulfur oxides   |  |
| SPM                 | Single Point Mooring  |  |
| SRU                 | Sulfur Recovery Unit  |  |
| t                   | ton   |  |
| TCFD                | Task Force on Climate-related Financial Disclosures   |  |
| ม                   | terajoule   |  |
| toe                 | ton of oil equivalent   |  |
| TRIR                | Total Recordable Injury Rate  |  |
| UNGC                | UN Global Compact   |  |
| USD                 | Unites States Dollar  |  |
| value chain         | The value chain describes the steps along the production chain in order   |  |
| VD                  | Vacuum distillation   |  |
| VOC                 | Volatile organic compound   |  |
| VRU                 | Vapor Recovery Unit   |  |

Please take a few minutes to fill out this question on the 2022 Sustainability Report.

Mark the statements as to how much you agree with the following

Which of the following interests you the most?

(multiple choice)

(1) strongly disagree
(2) disagree
(3) neither agree nor disagree
(4) agree
(5) highly agree

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)

# Stakeholder feedback form

| ionr | naire              | We value your opinion as it helps us b<br>efforts and improve our results.        | etter i            | manag         | ge our |  |
|------|--------------------|---|--------------------|---------------|--------|--|
|      |                    |   |                    |               |        |  |
|      | Corpor             | rate Governance & Transparency  |                    |               |        |  |
|      | Corpor             | rate Responsibility Actions   |                    |               |        |  |
|      | Enviro             | nment   |                    |               |        |  |
|      | Health             | & Safety  |                    |               |        |  |
|      | Humai              | n Resources   |                    |               |        |  |
|      | Stakeh<br>neight   | olders' information (shareholders, emp<br>poring municipalities, customers, suppl | oloyee<br>liers, N | es,<br>NGOs,  | etc)   |  |
|      | The pri<br>with th | inciples and issues are sufficiently cove<br>e company's sustainable development  | red in<br>strate   | accor<br>egy. | dance  |  |
|      | The co             | ntent is complete and clear.  |                    |               |        |  |
|      | The rep            | port's structure is functional and sufficie                                       | ent.               |               |        |  |
|      | The inf            | formation presented is reliable and acc   | urate.             |               |        |  |
|      | The tak<br>and de  | ples and charts are easily understood picted in a satisfactory manner.            |                    |               |        |  |
|      | The ph<br>report   | otographs and images positively enha<br>making it easier to read and more attra   | nce th<br>Ictive.  | е             |        |  |
|      | The pri<br>Sustair | inted version conforms to a nable Development publication.                        |                    |               |        |  |
|      | l prefe            | r the electronic version of the report.   |                    |               |        |  |
|      | l will re          | ecommend the report to others.  |                    |               |        |  |
|      | Safety             |   |                    |               |        |  |
|      | Workp              | lace  |                    |               |        |  |
|      | Protect            | ting the environment  |                    |               |        |  |
|      | Caring             | for society and the environment   |                    |               |        |  |
|      | Progra             | ms to support the local communities   |                    |               |        |  |
|      | Transp             | arency  |                    |               |        |  |
|      | Emissi             | ons   |                    |               |        |  |
|      | Econor             | nic performance   |                    |               |        |  |
|      | Decarb             | ponization  |                    |               |        |  |

| To which of these groups of<br>stakeholders do you belong?<br>(single choice)  | <ul> <li>Employees</li> <li>Local community</li> <li>NGOs</li> <li>Media</li> <li>Suppliers</li> <li>Customers</li> <li>Business partners</li> <li>Authority representatives</li> <li>Others</li> </ul> |
|--|---|
| How was your opinion of KMG<br>International influenced by reading<br>the 2022 Sustainability Report?<br>(single choice) | <ul> <li>Positively influenced</li> <li>Not influenced</li> <li>Negatively influenced</li> </ul>  |

# **CONTACT INFORMATION**

| FIRST NAME | PHONE   |  |
|------------|---------|--|
| LAST NAME  | E-MAIL  |  |
| OCCUPATION | WEBSITE |  |
| COMPANY    | ADDRESS |  |
| POSITION   |         |  |

#### SUGGESTIONS

Please specificy any issues not included in the 2022 Sustainability Report that you want featured in the next report.