

ANNUAL REPORT ON SPONSORSHIP AND PATRONAGE FOR 2017

January 2018

Romgaz activities in the field of social responsibility are performed voluntarily, beyond the legal responsibilities, for the company is aware of the role of corporations in society.

Social responsibility means for Romgaz a business culture including business ethics, customer rights, economic and social equity, environmental friendly technologies, fair treatment of workforce, transparent relationship with the public authorities, moral integrity and investment in the community.

Also, Romgaz supports the sustainable development of the company and the community, through financial support/ full or partial sponsorship of some actions and initiatives in the following main domains: education, social, sport, health and environment.

Supporting such social projects, within the limits of budgeted financial resources, Romgaz has been pro-active in the field of social responsibility and has increased the awareness of the stakeholders as regards the importance and the benefits of social responsibility.

Romgaz supported in 2017, fully or partially, actions and initiatives provided under the Government Emergency Ordinance no.2/2015, in compliance with the budget, as follows:

Below are the main social responsibility projects for each sponsorship in the fields provided under Government Emergency Ordinance no. 2/2015, for amending and supplementing certain laws and other measures.

Sponsoring costs under Government Emergency Ordinance no.2/2015, out of which:	Achieved in 2017
Medical and health sponsorship (article XIV letter a)	2.589.632
Education, social and sport sponsorship (article XIV letter b), out of which:	3.884.848
▪ for sports clubs	3.450.920
Sponsorships for other actions and activities (article XIV letter c)	1.257.390
Total sponsorship	7.731.870

Below are the main social responsibility projects for each sponsorship category provided under Government Emergency Ordinance no. 2/2015, for amending and supplementing certain laws and other measures.

➤ ***Sponsorship of projects and actions, social responsibility initiatives in the following fields: medical, health, medical treatments and interventions***

Romgaz provides support for health specific projects, identified as a priority, especially in communities where the company operates.

- ***UNICEF: mainstreaming by providing integrated social services for the community – Minimum Services Package – health component***

Romgaz and UNICEF Romania have supported vulnerable children access to medical services in the community during their third year of partnership. Starting with 2014, UNICEF and its partners test in 45 communities from Bacau County the *Minimum Services Package*. Thus, in each community, at least one social worker, one nurse and school counsellor, sometimes together with local community nurse and school mediator, work together to provide vulnerable children and their families access to protection, education and health services.

The Minimum Services Package has universal character, can be accessed by any family but it is dedicated especially to the most vulnerable children and their families. The experts work closely for the families benefit, in connection with relevant local players such as the Townhall, NGOs and other community partners.

Romgaz supported in 2017 the interventions implementation as part of the health component from the *Minimum Services Package* in a number of communities of Bacau County like Găiceana and Motoșeni.

Benefits for the community: Community teams made up of social workers, community nurses, school counsellors and school mediators have developed a series of activities focused on violence control, promoting a healthy life style or supporting school attendance. The communities have founded centres which perform medical-social activities.

- ***„Grigore Alexandrescu” Emergency Hospital for Children Foundation, Bucharest***
Financial support for the project „Endowment of Surgery Hospital I of SCUC „Grigore Alexandrescu”

„Grigore Alexandrescu” Emergency Hospital for Children is the oldest hospital for children in Romania, opened in 1886. The hospital has 10 clinical units and many other medical departments, 19 support departments and 17 outpatient specialized departments. Annually over 200,000 consultations are performed, over 30,000 children with age between one day and 18 years old are hospitalized, and over 60% of the cases are surgical emergencies. „Grigore Alexandrescu” is part of Bucharest Emergency Hospitals System with a total of six units, out of which two for children) and provides emergency services for over 1,200,000 children all over the country.

Benefits for the community: improvement of the medical services provided to the patients of the Surgery Hospital, by means of modernization and endowment of the unit for the benefit of the community.

- **Sibiu Emergency Hospital**

Financial support for two projects for the Research Lab for adult vascular and cardiac pathology and the Ophthalmology Section

Sibiu Emergency Hospital is a medical unit with beds, for public use, with legal status and it ensures medical care (preventative, curative, recovery and palliative) and it is active in ensuring the population's health. The hospital has a multi pavilion system, composed of 20 pavilions dispersed in 3 different locations, with a 58.000 square meters surface. Patients from all across the county, as well as patients from neighbouring counties, are attended within this medical unit.

The hospital's permanent concern is to ensure high quality medical care, according to the legal rules and regulations in force. Therefore, all SCJU Sibiu efforts are directed towards meeting the institution's mission: ensuring and maintaining the population's health through high standard medical activity in civilized conditions.

The main purpose of the sponsorship was to cover the expenses with the medical devices and supplies for the two projects: "Performing intravascular therapies specific for coronal and peripheral theories – within the research lab for adult vascular and cardiac pathology" and "Diagnose evaluation and diabetic and degenerative maculopathy and visual nerve pathology. Surgical treatment of anterior and posterior pole of eyeball pathology" – within the Eye Hospital.

Benefits for the community: Ensuring the needed resources in order to increase the quality of the medical act for the patients' benefit, by means of modernization and endowment of some of the medical units that have a high medical aid appealability and a complex pathology.

- **Paediatrics Hospital Sibiu**

Financial support for the project – „Ultrasound therapy for muscular regenerative process and recovery for children suffering from cerebral paralysis”

The Paediatrics Hospital Sibiu is a university hospital for public interest and of regional relevance, newly founded under the authority of the Local Council of Sibiu City Hall which ensures preventive, curative, recovery and emergency medical assistance in Sibiu County and also for the neighbour counties and the children that transit them.

The awarded sponsorship was meant for covering acquisition expenses for medical devices, consumables (reactives) needed for developing the project "Ultrasound therapy for muscular regenerative process and recovery for children suffering from cerebral paralysis".

Benefits for the community: Intervention with considerable benefits for enhancing the necessary conditions for good practices in a sensitive medical area like treating children.

- **Emergency Hospital for Children Cluj Napoca**

Financial support for the project "Medical equipment acquisition for the surgery section"

The Emergency Hospital Cluj Napoca is one of the biggest medical units with beds from Romania and it serves as "Regional Emergency Hospital I.A". It handles all emergencies from the North-West region and it has under its wing the EAU section and SMURD. It has 1542 beds through all its surgery units and over 3000 employees. It works in pavilion system, with over 33 different buildings. Its activity is divided in three sections: emergency medical assistance, acute/chronic diagnose and health programs, university and post university medical education and medical scientific research. The awarded sponsorship covered the expenses for the equipment needed in the surgery block – surgical tables and surgical lamps.

Benefits for the community: Enhancing the hospital's performance by providing high standard medical services by replacing the worn-out equipment in the operating block with performant medical equipment.

➤ **Sponsored projects and actions, social responsibility initiatives in the following fields: education, social and sport**

Education and/or sports and other social actions destined for the communities are part of the identified priority directions with high expectance from the members of the community. Therefore, we tried to support projects that have an educational component, even if they don't fit only in this category.

- **“Educational Analysis and Evaluation Centre” Association Bucharest**
Financial support for “Different chemistry” – training for teachers and chemistry lessons in schools

The “Educational Analysis and Evaluation Centre” started the first training courses of 200 chemistry teachers for teaching through the modelling, investigation and project approach. As a future plan it is intended to change the school program starting from the new approach for the chemistry lessons.

The first training courses took place in Alba and Dambovită counties and they were attended by 46 chemistry teachers, 4 trainers guided them during the classes held in schools, thereby 1.380 students who graduated this school year have learned chemistry with pleasure for the first time and also understood the information provided to them.

The projects comes with solutions for the educational system in Romania, such as the decreased interest of the students for exact sciences, including chemistry, the student's low level of scientific literacy. The results of the PISA tests from 2015 show that 38,6% of the 15 year old students were illiterate in the field of science and also that there is a lack of connection between the competences and the abilities formed in schools and the ones needed in the work field.

Benefits for the community: Changing the teaching methods of chemistry teachers and the way they interact with the students which benefit from working tools concentrated on research and innovation in order to stimulate the interest for knowledge and also deeper understanding of sciences in education.

- **“Sarbatorea gustului” Association, Bucharest**
Financial support for the project “Education for an eco-friendly mind-set and healthy nutrition and energy-efficient consumption”

“Sarbatorea gustului” – educating consumers taste, children, parents, high school students and young generation chefs by providing information about and transparency in educating them regarding the products, their origin and the way they are produced, by giving them information and encouraging them to adopt a balanced, healthy and eco-friendly nutrition. A series of events will take place within this project, the events will be held in schools, universities, restaurants, hotels, hypermarkets and food fairs. As far as Romgaz is concerned, the project regards its area of activity with 16.700 estimated beneficiaries.

Benefits for the community: Education for a healthy nutrition among young people and others, besides the aspects that regard the responsible attitude towards consuming the resources needed for food production.

- **Macondo Cultural Association, Bucharest**
Financial support for implementing the project Cinema Edu 6th edition – “Movies for High school Students”

Romgaz financially supported the project Cinema Edu – a cinematographic and social education project for high school students in Romania, which has reached its 6th edition. Every year European successful movies are presented, accompanied with discussions between the students and people from the movie industry invited to attend the event.

The subjects discussed are inspired by the movies and concentrated around education with respect to environment responsibility, family, the transforming power of the arts and other communication issues specific for their age.

"Movies for high school students" is a project that aims to bring closer to the students movie productions that offer the context for discussions on between students and persons from the movie industry invited to attend the event, on cultural, social and other matters. The projects will allow free entrance for students and teachers from 5 cities: Craiova, Medias, Targu Mures, Roman and Bucharest. About 2.500 persons took part in this project.

By supporting this project, Romgaz aims to be the promotor of cinema education and distribution for 4 of the most appreciated art movies, discussed at international level, on social matters, released during 2015-2016: Mustang, The Boy and The beast, La vie en grand, Keeper.

Benefits for the community: Developing the students' ability to meet the socio-economical, demographic, environment and technological challenges and to help them gain a balanced awareness of the world they live in. Social and cultural subjects complete the conventional school program, and the debates develop the students' ability to better understand the information that they have unlimited access to nowadays, thanks to the use of technology.

- **"Elisabeta Polihroniade" Association Bucharest**
Main sponsor of the event Romgaz Kings Tournament XI Edition

Romgaz supports and organizes annually, together with Elisabeta Polihroniade Association "The Kings Tournament" Competition and the national school chess championship "Elisabeta Polihroniade" for the pupils from the pre-university education system.

Kings' Tournament has reached its XIth edition and it is one of the most appreciated international chess competitions, acknowledged by the by the Romanian Chess Federation and the World Chess Federation (FIDE). It has been included in 2010 in the Grand Slam due to the excellent conditions offered by the organisers.

The Kings' Tournament succeeds after a decade to add real value to the sport of the mind and to honour the memory of the famous chess player Elisabeta Polihroniade by maintaining a remarkable success at national and international level.

The National Chess Championship "Elisabeta Polihroniade", aimed for the pupils in the pre-university system in Romania, started at the initiative of the Grand International Master Elisabeta Polihroniade in 2017 reaching now its Vth edition.

Benefits for the community: making chess popular throughout the country and introducing the optional lesson "Education through chess" in the pre-university level. The high performance sportsman became a symbol for the society. It captures the attention and the interest of masses not only through his/her results but they also become a role model of success. These values stress out the importance of a sport like chess in the education of young people and their development.

- **Gaz Metan Medias Sports Club**
Financial support for " Football team participation in League I – training and preparation of the sportsmen, organizing and motivating the sports activity based on some annual development programs and competition calendars elaborated by the federation"

In 2017, the senior team had very good results in the national championship. The kids and junior centre has around 150 juniors divided into 6 groups (9-12 yrs) and around 100 children (6-12 yrs) active in local and national competitions organized by the Romanian Football Federation, The County Football Association or independent competitions like: Gheorghe Hagi Cup, Gheorghe Ene Cup etc.

Benefits for the community: Gaz Metan Medias is a sports club with tradition, founded in 1945 and it activates in the first football division with its senior football team and its second team and the Juniors and Children Club develop a prolific activity. Romgaz was constantly involved in supporting the activities of Gaz Metan Medias Club.

- **Electromures Sports Club, Mures County**

Financial support for the high-performance level in the activity of the feminine bowling team "Romgaz Electromures" in 2017.

Electromures Sports Club team is emblematic among the teams of the same kind from Romania. The team has won several national and international titles, having an impressive track record.

Romgaz Electromures was qualified in the quarter finals of the Champions League in 2017.

Electromures Sports Club has been established in 1971, Romgaz supported the club where some of its employees play.

- **"Romgaz Table Tennis Sport Club" Medias**

Financial support for performing the activities of the sports club in 2017-2018.

Romgaz has granted financial support for performing the club's activities since 1999, the establishment year. Initially it has been the sole sponsor, but today the club receives sponsorships from other community members too.

Andreea Dragoman, member of the club and national champion is frequently mentioned as a model of high-performance sport.

Benefits for the community: Their results draw the community's attention and interest not just through their achievements, but also through the exponential model of success. These values can be passed over to those aspiring to become athletes and they can also inspire the people who practice sports only as a hobby.

- **Sponsored projects and actions, social responsibility initiatives in other fields: cultural, energy, environment**

Romgaz involvement in projects and programs of interest for the community's progress is motivated by the desire to meet the society's expectations and to sustain the multilateral initiatives that could impact the sustainable development for the benefit of present and future generations. A series of cultural projects were also supported by Romgaz in 2017.

- **Petroleum - Gas University of Ploiești**

Financial support for following events: "Prahova 2017- World Oil Capital" – 160 years of oil industry in Romania and 50 years of high education in Ploiesti

Oil and Gas University is a non-profit, non-political educational institution offering a unique major in the country, having a rich tradition in education and scientific research performed in-house or in cooperation with other institutions within the country or abroad.

"Prahova 2017- World Oil Capital" implied during 2017 a series of events dedicated to the significant role of the oil and gas industry for our country, of which it is worth mentioning the inauguration of a monument in April 2017 dedicated to brothers Teodor and Marin Mehedinteanu, which laid the foundation of the first refinery in Romania and as a world premiere they lightened a city with illuminating oil; an anniversary board dedicated to the academic Anghel Saligny who designed the first oil transmission pipeline between Bustenari and Constanta.

Among the tributes we list the anniversary of other world premieres such as the foundation of the first world "School of foremen and refiners". Besides anniversary exhibitions there were several events dedicated to academic figures in the presence of local and central authorities, authorities of the trade environment and energy representatives and also local community members.

The events highlighted the importance of the oil and gas sector for the national history, a field that facilitated the development of our modern world, and these events paid a tribute to the pioneers of the industry marking its importance for our country.

Benefits for the community: the event promoted and raised the awareness on the academic environment specific for the oil and gas field and acknowledged its importance for local and national communities.

Financial support for "Scenarios to reconvert hydrocarbon reserves discovered in Romania from non-recoverable into recoverable"

Romgaz support consisted in financing the conference "Scenarios to reconvert hydrocarbon reserves discovered in Romania from non-recoverable into recoverable" aiming amongst others at obtaining a general overview on the National Fund for Oil and Gas Reserves and the possibility to attract in the global, regional and local consumption circuit new hydrocarbon resources by reconversion of non-recoverable resources into recoverable ones. The discovered non-recoverable resources are a constant concern for production operators responsible for the reconversion in recoverable reserves.

Benefits for the community: obtaining a general overview on the National Fund for Oil and Gas Reserves and the possibility to attract in the global, regional and local consumption circuit new hydrocarbon resources by reconvert non-recoverable into recoverable resources.

- **Society of Petroleum Engineers Romanian section**

Financial support for students to take part at the Annual Technical Conference and Exhibition – event of the oil and gas exploration and production industry – San Antonio, Texas

The Society of Petroleum Engineers-Romanian section promotes the transfer of scientific, technical, technological and economic information from the field of hydrocarbon production between institutions, associations, organisations, economic units and field specialists, it grants support to those interested in increasing their professional training, it facilitates the exchange of opinions and experience and makes connections with related fields.

During the event, the Romanian representatives were granted the award "Outstanding Student Chapter" as an international recognition of the educational environment in the Romanian oil and gas field. The students had the opportunity to participate at several specific activities, targeted on the development of knowledge and to address present-day subjects together with other foreign students.

Benefits for the community: scientific research in the oil and gas field in the benefit of the community, sustain the development of oil and gas professionals, increase the potential of the energy sector by ensuring qualified human resources.

- **Tourism and Ecology Association DIANTHUS Medias**

Financial support for implementing the Green Calendar and promoting renewable energy in schools

The Tourism and Ecology Association Dianthus Medias is a non-profit, non-governmental organisation proving its public use by its activities. Its mission is the development of tourism, sports, educational and environmental protection programs.

The project spread over 2017 and it will continue in 2018 by organising a series of periodical activities.

Direct beneficiaries of the project are mainly middle school students from Medias and implicitly all participants to events organised during a year. By having more and more participants it is desired to raise the awareness of as many citizens to change in time the mentality on renewable energy, environment protection and improvement of man's relationship with the environment.

Benefits for the community: raising awareness on the responsibility towards the environment, preventing and reducing the impact on the environment by educating the young generation on environmental aspects.

- ***Municipality Department for Culture, Sport, Tourism and Young People, Medias***
Financial support for "Celebrating 750 years from the first documented mention of Medias"

Romgaz supported some projects of the Municipality Department for Culture, Sport, Tourism and Young People to organise events on the 750 years from the first documented mention of Medias.

Benefits for the community: local civic involvement in the development of the local community identity and of the respect for cultural heritage

- ***Sponsoring cultural events related to cinema***

Astra Film Foundation, Sibiu
Sponsor of Astra Film Festival Sibiu 2017

In 2014, Romgaz became the official partner of Astra Film Festival, who developed during the over twenty years of existence a cultural brand acknowledged in the country and abroad by the good quality of the films, the multitude of programs presented and the variety of professional workshops. The festival is considered the most important forum for the documentary film in Romania.

Association for Promoting the Romanian Film
Financial support for "Tiff Movies Caravan"

Romgaz sponsored in 2017 this traditional project initiated to supply the lack of cinemas. Tiff Movies Caravan successfully continued the caravan – on a giant inflatable screen, in the open air, the spectators enjoyed watching stories awarded at successful film festivals from Romania or abroad.

Benefits for the community: access of community members to cultural events, developing the country brand

- ***Sponsoring cultural events related to music***

Artexim, Bucharest
Financial support for "The International Festival George Enescu" 2017

An important cultural event for Romania "The International Festival George Enescu" became a benchmark on the cultural map of the world. Romgaz supported again the organisation of this event marked by the excellence of the guests, being the most prestigious international musical event hosted by our country.

Sibiu Jazz Festival Foundation

Financial support for "The 47th Edition of Sibiu Jazz Festival"

The most famous jazz festival in Romania, Sibiu Jazz Festival is unique considering its long life, consequence and impressive number of celebrities honouring it with their presence.

It is the oldest jazz festival in the country and one of the oldest jazz festivals in the world, therefore Sibiu has been declared since the 80'tees the "the Jazz Capital" of Romania. Internationally, jazz festivals of this kind are rare to last for over four decades, when the existence of jazz itself exceeds a century. The purpose of Sibiu Jazz Festival is to constantly and continuously contribute to revitalising Romanian jazz movement within the spirit of Sibiu jazz tradition, by joining European and international jazz tendencies and promoting Romanian values abroad, becoming a cultural vector for Sibiu and for the Romanian jazz world.

Lanto Magia Muzicii Bucuresti – Cultural Association

Financial support for "the classical music concert "The magic winter" – 9th edition 2017" at the Romanian Athenaeum performed by the Romanian Youth Orchestra

Romgaz continued to sponsor in 2017 this traditional event. The classical music concert performed by the Romanian Youth Orchestra on stage of the Romanian Athenaeum offered an exceptional music program promoting outstanding young musicians and a captivating program for all music lovers. The project proposed to become an artistic benchmark, offering in a high environment an extraordinary collection of classical music.

De Bun Gust Sibiu Association

Financial support for organising the Christmas Concert performed in Sibiu by the Johann Strauss Ensemble from Vienna

The artistic event has a tradition for more than 10 years having a real success among the community and not only. Sala Thalia Sibiu hosted the exceptional concert for the large public present in the room and also for the visitors of the Christmas Fair, because the event was broadcasted live on a large screen placed in Piata Mare of Sibiu, facilitating the access to a unique concert for a large number of persons eager for music and cultural shows.

County Centre for Conserving and Promoting Traditional Culture "Cindrelul – Junii" Sibiu

"National Folklore Festival Ioan Macrea 2017" – XIXth edition

The County Centre for Conserving and Promoting Traditional Culture "Cindrelul – Junii" Sibiu initiates, implements and coordinates projects in the field of traditional culture to conserve, transmit and value popular culture, promoting tradition and popular creation from each ethno-folkloric area of the county, from the large ethno-folkloric area of the country as well as from the culture of minorities. The folklore festival hosted artists from all over the country who performed in front of the audience songs, dances and traditions specific for the area they come from.

For four days, Romanian traditions were brought to the attention of the public either by dance and song, or by the seminar on the importance of preserving the authenticity of traditions in folklore shows.

Benefits for the community: access of community members to cultural events, developing the country brand, promoting traditions/folklore. Moreover, it promoted young talents that stand out by musical excellence.

Romgaz benefits

The above mentioned projects had besides the positive impact on the community an important benefit for the Company, due to the positive effect of animating the organisational culture and the goodwill of being a responsible employer but also an involved social partner, promoter of the open transparent relation. This is positively reflected in Romgaz image locally and internationally, both for investors, central and local authorities and other stakeholders.

When supporting/performing projects, actions, social responsibility initiatives, Romgaz took into consideration the provisions of Sponsorship Policy and Sponsorship Guide applicable in 2017, published on the company's website at Social Responsibility section (link: <https://www.romgaz.ro/ro/content/responsabilitate-sociala>)

In accordance with the principles of corporate social responsibility and sponsorship policy of the company, Romgaz intends to undertake similar activities in 2018 as well.

**Chairman of the Board of Directors
Nistoran Dorin-Liviu**

