

**ANNUAL REPORT ON SOCIAL RESPONSIBILITY SPONSORSHIP/PATRONAGE ACTIONS FOR 2016**

January, 2017

Romgaz activities in the field of social responsibility are performed voluntarily, beyond the legal responsibilities, the company being aware of its role 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 a sustainable development of the society and community, through financial support/ total or partial sponsorship for some actions and initiatives in the following main domains: education, social, sport, health and environment.

Supporting these projects, within the limits of the budgeted financial resources, has revealed the pro-active attitude of the company in the field of social responsibility and has increased the awareness degree of the involved parties as regards the importance and benefits of the social responsibility.

In 2016, Romgaz supported, totally or partially, actions and initiatives stipulated into the Government Emergency Ordinance ("GEO") no.2/2015, complying with the budget, as follows:

<b>Total sponsorship expenses as per GEO no.2/2015, out of which:</b>	<b>2016 Budget</b>	<b>Sponsorships 2016</b>
Sponsorship in medical and health domains (article XIV letter a)	3,840,000	3,666,687
Sponsorship in education, social and sport domains (article XIV letter b), out of which:	3,840,000	3,706,148
▪ for sports clubs	3,427,000	3,427,000
Sponsorships for other actions and activities (article XIV letter c)	1,920,000	1,882,852
<b>Total</b>	<b>9,600,000</b>	<b>9,255,687</b>

We present below the main social responsibility projects for each sponsorship category provided under GEO no. 2/2015, for amending and supplementing certain laws and other measures.

➤ ***Social responsibility projects, actions and initiatives in domains: medical, health, medical treatments and interventions***

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

- **Medias Municipal Hospital**

*Financial support for continuing the Projects for modernization and increase of energy efficiency by using solar energy for hot water and by using heat pumps and geotechnical drilling at Internal Medicine Pavilion from Medias Municipal Hospital*

In 2015, Medias Hospital, the only medical facility serving the north of Sibiu county, at the company's initiative, according to the 2014 validated CSR action plan and being entirely financially supported by Romgaz, conducted the pilot project for energy efficiency of a building, called Green Hospital. The action consisted in modernizing the Infectious Diseases Pavilion and increasing energy efficiency by the use of energy from renewable sources using geothermal drilling with heat pumps and solar panels. This investment has reduced production costs of the heat by 50% for this pavilion, at the same time, being a sustainable method. The pilot project proved to be an effective one, which is why Medias Hospital has taken steps to extend the heat production system from renewable sources at other pavilions. Currently, the project for increasing energy performance by using renewable energy sources is in the process of preparing documentation for approval of intervention works (D.A.L.I.) the total project value being EUR 235,000. For the Green Hospital pilot project Romgaz contributed with EUR 50,000 euro. Stage 2 will be conducted in 2017.

**Benefits for the community:** Reduction of energy costs reflected in hospital's budget without reducing the comfort of the patients. Environmental protection through the use of renewable energy sources.

- **Tarnaveni Municipal Hospital „Dr. Gheorghe Marinescu”**

*Financial support for the purchase of a CT scanner to equip the Laboratory of Radiology and Medical Imaging*

Tarnaveni Hospital serves a community of about 22,000 people, the vast majority coming from rural areas of the Transylvanian Basin, where the company operates for over 100 years. In the investigation and treatment process, the hospital requires specialized equipment which is why Romgaz has met their request for funding to purchase a CT scanner to equip the Laboratory of Radiology and Medical Imaging. The acquisition will be finalized during 2017.

**Benefits for community:** Cost reduction for local community to perform imaging investigations by ensuring the proximity.

- **Ploiesti Emergency Hospital**

*Financial support for equipping Anaesthesia and Intensive Care units, Medical Analysis Central Laboratory, Neurosurgery and Orthopaedics in Ploiesti Hospital with necessary medical equipment*

Financial support granted for equipping ICU with medical equipment, medical analysis laboratory, neurosurgery, orthopaedics. Ploiesti branch employees are members of the community served by Ploiesti Emergency Hospital, which is the only hospital that provides emergency medical services within a radius of 60 km for approx. 250,000 urban residents and rural surrounding areas. The acquisition will be finalized during 2017.

**Benefits for community:** Quality services for Ploiesti inhabitants and inhabitants from rural surrounding areas in the emergency department of Ploiesti Hospital.

- **Blaj Municipal Hospital**

*Financial support for the purchase of specialized equipment for Hospital Laboratory, a Biochemistry Laboratory equipment and a Doppler ultrasonograph*

The hospital serves a community of about 52,000 urban and rural residents, and some of them are members of the communities where Medias Branch has production fields. Romgaz has met the hospital need giving financial support to purchase Biochemistry Laboratory equipment and a Doppler ultrasonograph. The requested amount is additional to own financial resources for renewing the equipment. The acquisition will be finalized during 2017.

**Benefits for community:** Cost reduction for local community to perform laboratory or imaging investigations by ensuring the proximity.

- **“Petru Poni” Institute of Macromolecular Chemistry, Iasi**  
*Financial support for patenting (WO Patent) the Project „Thermoreversible Injectable Hydrogels for Cardiac Tissue Repair after Myocardial Infarction”*

Financial support offered to “Petru Poni” Institute of Macromolecular Chemistry, Iasi for the project “Thermoreversible Injectable Hydrogels for Cardiac Tissue Repair after Myocardial Infarction”, which is an aid to boost health research. The invention of „Petru Poni” Institute researchers has positive results in the laboratory, but there is also required to have an internationally patent protection. Romgaz has offered a part of the amount required to cover these costs for ensuring the right conditions for the gel’s production and commercialization. Hydrogel is due to come into production during 2017.

**Benefits for community:** Thermoreversible hydrogel is a product intended to heal myocardial infarction by non-invasive surgery. Injecting an ml of gel in the cardiac tissue will result in a healthy tissue within 4 weeks. The product was tested in the laboratory having remarkable results. The product has a major social and economic impact, heavily reducing costs compared to conventional surgery for heart attack and the recovery time of the patient. In a 2011 Eurostat statistic, Romania ranks 7 out of 33 analysed countries with deceased from cardiovascular diseases, with a total of 700 people per 100,000 residents, compared to the EU average of 278 people per 100,000 inhabitants.

- **The Association Education for Europe**  
*Financial support for running the project "Romgaz supports Health in Mures rural units".*

The project is to be conducted in 2017 in 10 villages in Mures County, Romgaz covering a part of the total project value of RON 69,000. The project addresses to communities or disadvantaged social groups, providing a complete set of analysis within the perimeter of the village as well as general check-up done by partner doctors.

**Benefits for community:** Access to basic medical tests for people with reduced mobility or under-privileged people from the rural area covered by the program.

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

Education and other social and/or sportive actions dedicated to the community are part of priority directions and with high expectations of their members. Romgaz has been constantly involved in supporting the sports community of Medias and its surroundings as sport is a means of optimizing the health of the population and an activity that facilitates socialization in today’s society where is an increasingly trend of individuals dispersal and human isolation.

- **Petroleum - Gas University of Ploiesti**  
*Financial support for running the promoting project to attract students internally and internationally.*

The strategy of Romania’s energy sector aims to cover the energy needs for all economic sectors, ensuring a decent standard of living and respecting sustainable development. The development of this sector with secular tradition requires specialized human resources with good knowledge in the technical and scientific field. The financial support granted by Romgaz for running programs to promote research in this area aims to attract graduates to support energy sector development.

Petroleum - Gas University is a non-profit and non-political educational institution with a unique profile in the country, specialized in education and scientific research of their own and/or in collaboration with other institutions in the country and abroad.

**Benefits for community:** Institutional and scientific research development in the oil and gas field for the benefit of the community, supporting the development of specialists in this field, increasing the energy sector potential by providing qualified human resources.

- **Gaz Metan Medias Sport Club**  
*Financial support for performing the activities within the football sport club in 2016*

The senior football team promoted in 2016 in the first league of the internal football championship, placing third after 15 rounds. The children and junior centre consists of approximately 150 players split in six groups (9-12 years) and approximately 100 children (6-12 years) that play in local and national competitions organised by the

Romanian Football Federation, the County's Football Association or in independent competitions such as: Gheorghe Hagi Cup, Gheorghe Ene Cup, etc.

**Benefits for the community:** Gaz Metan Medias is a well-established local sports club since 1945. The club is present in the first league through the first team, whereas the B-team, the children and junior centre perform a prolific activity. Romgaz has constantly been involved in supporting Gaz Metan Medias sport club activities.

- **“Elisabeta Polihroniade” Association Bucharest**  
*Main sponsor of the event Romgaz Kings Tournament (Bucharest – Medias 28.11 – 01.12.2016).*

The Kings Tournament (Turneul Regilor), an event of success, where Romgaz is involved together with the *Elisabeta Polihroniade* Sports Club Association is among the most appreciated international chess competitions, being acknowledged 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 international competition has three components: the games between chess grand masters, Chassebase online games, between Romanian children and foreign children, and Romgaz Open, with the free participation of all professional and unprofessional players.

**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. He/she captures the attention and the interest of masses not only through his/her results but they becomes also a role model of success. These values may be transmitted to those that aim at being a performant sportsman and concurrently they act as incentives for those who practice sports for pleasure.

- **Electomures Sport Club, Mures County**  
*Financial support for performing the activities of the sports club in year 2016*

Romgaz granted in 2016 financial support for the nine-pin bowling team of “Electomures-Romgaz”. The women’s nine-pins bowling champion team qualified for the autumn edition of the continental Champions League further to ranking fifth at the XXVIII-edition of the World Cup.

**Benefits for the community:** Electomures 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 year 2016*

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

The members obtained the following results: first place – children team, second place – the mini cadet team and third place – the junior team. Cristina Dumitrescu and Diana Muntean are national double champions, cadets. Beatrice Hila ranked first at the national championship, children 8-10 years, ad participated at the European Championship Mini-Cadets. Andreea Dragoman, member of the national women junior team, champion in Romania, won the gold medal at the ITTF World Junior Circuit in India at senior mixt, the bronze medal, at the European table Tennis Championships and the gold medal for cadets and juniors, in Zagreb 2016. Her best result of 2016 was at the World Championship Juniors in Cape Town, South Africa, first place double with Adina Diaconu.

**Benefits for the community:** Sportsmen’ results capture the attention and the interest of masses not only through the achievements but also through the exponential model of the success. These values may be transmitted to those that aim at being a performant sportsman and concurrently they act as incentives for those who practice sports for pleasure. Andreea Dragoman, member of the club and national champion, is frequently mentioned in the local community as a model of a performant sportsman.

- **“Pro As” Sports Club, Sibiu**  
*Financial support for organising the international tennis tournament “Futures FRT-14 Circuit”*

Romgaz granted financial support to the association in order to organise the XIII<sup>th</sup> edition of the international tennis tournament “Futures FRT-14 Circuit” at Medias in 12-19 August, 2016.

**Benefits for the community:** Promoting tennis and enabling tennis players from Medias to take part in an international tournament. Playing sports improves population’s health and facilitates socialisation in current societies that tend to become more and more isolated. The high performance sportsman became a symbol for the society. He/she captures the attention and the interest of masses not only through his/her results but he becomes also a role model of success. These values may be transmitted to those that aim at being a performant sportsman and concurrently they act as incentives for those who practice sports for pleasure.

- **Macondo Cultural Association, Bucharest**  
*Financial support for implementing the educational project CinEd – European Education for Youth*

Romgaz has granted financial support for the implementation of the educational cinematographic project for pupils and teachers CinEd – European Education for Youth; the extended project for cinematographic education for European students (Bucharest, Alexandria, Buzau, Galați, Craiova, Mediaș, Târgu Mureș, Timișoara, Ploiești and Roman, 18 April – 14 May 2016).

**Benefits for the community:** The teachers received free accounts on the platform to access the educational resources and the movie list so that a large number of Romanian pupils could develop a new perspective on how to watch and understand art movies, by becoming active spectators with critical inputs.

- **The Association for Promoting the Romanian Film**  
*Financial support for the project TIFF Film Caravan (July – September 2016)*

A project with tradition, initiated to make up for the lack of theatre halls, TIFF Caravan carries on successfully for the 8<sup>th</sup> year. From July to September, on an open-air giant inflatable screen, the viewers had the opportunity to enjoy stories granted awards at festivals, and box-office hits from Romania, Hungary, France, Germany, Norway, Spain, Great Britain, USA, Canada or Brazil.

Towns included: Carei, Baia Mare, Satu Mare, Arad, Timișoara, Alexandria, Oradea, Sfântu Gheorghe, Fagăraș, Iași, Galați, Constanța, Târgoviște, Brașov, Piatra Neamț, Fălticeni, Mediaș and Suceava.

**Benefits for the community:** access of community members to cultural events

➤ **Social responsibility projects, actions, initiatives in other fields: cultural, cults**

Romgaz involvement in projects or programs for the community’s interest is driven by the desire to meet the society’s expectations and to support multilateral initiatives that can contribute to the sustainable development in the benefit of the present and future generations. Romgaz supports also cultural projects.

- **National Romanian Committee of the World Energy Council, Bucharest**  
*Financial support for organising the “Regional Energy Forum for Central and Eastern Europe - FOREN 2016”.*

Organized every two years by the Romanian National Committee under the auspices of the Government of Romania, under the leadership of the World Energy Council (WEC) and with the support of WEC Member Committees in Central and Eastern Europe, FOREN is already being recognized as the most important multi-energy event in Central and Eastern Europe, gathering more than 1000 participants. Besides WEC/ RNC members, the Forum attracts top officials from ministers, governments, academia, energy leaders from European international companies, experts in energy and environment issues, and representatives of mass-media.

**Benefits for the community:** Ensuring the frame to address in a specialized forum various themes regarding the main challenges and opportunities for the energy industry in order to contribute to the sustainable development; access to events that represent the meeting ground of energy professionals.

- **Romanian Youth National Art Centre**

*Main partner of the Magic Winter Concert (10 December Romanian Athenaeum-Bucharest)*

Romanian Youth Orchestra conducted by Cristian Mandeal delighted the audience who participated in the Magic Winter concert, an event organized by Lato Communication in partnership with the Romanian Youth National Art Centre and Romgaz.

**Benefits for the community:** Access of the community members to cultural events.

- **Astra Film Foundation, Sibiu**

*Main sponsor of Astra Film Festival event (Sibiu 17-23 October 2016)*

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.

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

- **Sibiu Jazz Festival Foundation**

*Main partner of Sibiu Jazz Festival Project (Sibiu 23-29 May 2016)*

The most known jazz festival in Romania, Sibiu Jazz Festival is considered unique in Romania considering the longevity, consistency and impressive number of celebrities of the genre, which attended the event. It is the oldest festival of its kind in the country and one of the oldest jazz festivals in the world, which is why Sibiu was declared since the 80s, "Jazz Capital" in Romania. Worldwide, there are rare similar festivals which can boast a history of over four decades, when the very existence of this music hardly exceeds a century. The declared scope of Sibiu Jazz Festival is to constantly and continuously contribute to the revitalization of jazz movement in Romania, in the spirit of jazz tradition from Sibiu, by connecting to the European and international tendencies of jazz music and promoting the Romanian values abroad, thus becoming a cultural vector for Sibiu citadel and for the Romanian jazz world as well.

**Benefits for the community:** Access of the community members to cultural events, developing country brand.

- **Euro Fest Association, Bucharest**

*Main partner of Medias Central European Film Festival (1 September-3 September 2016 Medias)*

Romgaz supported directly Medias Central European Film Festival (MECEFF [meceff.ro](http://meceff.ro)), a cultural event that re-joined the famous names of the European cinema, being equally a cultural and multi-ethnic project.

The project MECEFF- MEDIAS CENTRAL EUROPEAN FILM FESTIVAL "7+1" (MECEFF "7+1") is a - known festival for the neighbouring countries' cinemas through which cinemas make themselves known and the Romanian new film is introduced in a special context, both thematically and geographical proximity, that of great tradition cinemas giving film producers of an indisputable prestige such as Milos Forman, Jiri Menzel, Jaromil Jires, Andrzej Wajda, Jerzy Kawalerowicz, Andrei Munk, Istvan Szabo etc.

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

- **Medias Cityhall**

*Financial support for modernization/restoration works at educational units (SNG Technological High School, St. L. Roth Theoretical High School) and medical units (Medias Policlinic and Medias Municipality Hospital)*

Romgaz supported some projects initiated by Medias City Hall in order to perform modernization and restauration works at some educational units in town, such as the Technological High school SNG and Theoretical High school St L. Roth, but also at medical units, such as Medias Policlinic and Medias Municipality Hospital. Both educational units and medical units serve the city of Medias where the company has its headquarter. The activities shall be performed during 2017.

**Benefits for the community:** Through these activities, Romgaz continued to support the development of local community both by improving the educational conditions in both high schools where the children from the town and surroundings study and ensuring the proximity to benefit by quality medical services.

- ***Municipality Direction for Culture, Sport, Turism and Young People, Medias***  
*Financial support for organizing various cultural events in Medias*

Romgaz supported some projects initiated by the Municipality Direction for Culture, Sport, Turism and Young People, Medias such as: organizing the traditional Christmas carols show, organizing events celebrating 750 years of documentary certification of Medias Municipality, performing some fit up works at Sports Hall where a series of cultural and sportive events shall take place in the future.

**Benefits for the community:** Ensuring a communication platform and local civic involvement, developing the identity of the local community and respect for the cultural legacy.

All the above mentioned projects had, besides the benefits for the community, detailed for each case separately, a benefit for the Company, promoting Romgaz image as a company that sustains by means of sponsorships a series of events that help the community. Such benefit is reflected also in the perception of Romgaz in front of its investors, local and central authorities, media and other parties. In this sense, the award for social responsibility won by Romgaz for the “Program for the communities’ health” awarded at Energynomics Awards IV<sup>th</sup> edition validates and confirms this direction of Romgaz.

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When supporting/performing projects, actions, social responsibility initiatives, Romgaz took into consideration the provisions of Sponsorship Policy and Sponsorship Guide applicable in 2016, published on the company’s website at Social Responsibility section (link: <https://www.romgaz.ro/ro/content/responsabilitate-sociala> or <https://www.romgaz.ro/ro/ghid-sponsorizare>).

In accordance with the principles of corporate social responsibility and sponsorship policy of the company, Romgaz intends to undertake similar activities in 2017 as well.

**Chairman of the Board of Directors**  
**Dumitru Chisăliță**