Annex to Decision no. 1953/21.12.2023

INTEGRITY PLAN of S.N.T.G.N. TRANSGAZ S.A.

for the period 2022 – 2025

(updated 2023)

1. Introduction

Integrity is a consistent concept, which concerns the correct, honourable and proper exercise of legal obligations, consisting of the manifestation of actions, values, methods, measures, principles, expectations, which can be verified by results and morals.

Integrity is manifested at both the individual and organisational level.

The perception of organisational integrity is influenced by the cumulative effect of integrity publicly presented by individuals in an organisation, both within and outside the organisation (as an implicit or explicit representative of the organisation). Although hindered by the apparent level of influence of the organisation's staff, it creates an identifiable value: the integrity that others, inside or outside the organisation, perceive as an attribute of the organisation. This process is bidirectional. Identified integrity within an organisation has not been achieved as a consequence of a single decision. It has been built up over time (although it can be destroyed much more quickly) and is affected by the conduct displayed, explicitly or implicitly, by all individuals in the organisation.

S.N.T.G.N. Transgaz S.A. is the technical operator of the national transmission system, being responsible for its operation in conditions of quality, safety, economic efficiency and environmental protection and aims at fulfilling the national strategy established for domestic and international transmission, natural gas dispatching and research and design in the field of natural gas transmission by carrying out, in compliance with the Romanian legislation, acts of commerce corresponding to the object of activity approved by the Articles of Incorporation. Due to its position in the market, it is important that both the

company's participation and its public image are not affected by the involvement of its representatives or staff in possible acts of fraud or corruption.

Preventing and combating fraud and corruption is a priority for the management of Transgaz S.A., which is constantly striving to improve the quality of management by introducing effective measures to reduce corruption.

In this respect, S.N.T.G.N. Transgaz S.A. has, in recent years, taken several steps to strengthen integrity, the message thus conveyed being "*Zero tolerance to fraud and corruption of any kind and under any circumstances*". Of relevance are the following:

- the Director-General's public commitment to the Anti-Fraud and Anti-Corruption Policy and adherence to the values of the National Anti-Corruption Strategy;
- the implementation of mechanisms and tools to reduce bureaucracy and increase transparency;
- adopting as its corporate governance motto: "*A responsible company is a company of the future*";
- adoption and dissemination of the Code of Ethics of S.N.T.G.N. Transgaz.

2. The need to develop the Integrity Plan

According to the provisions of Article 6 of the Government Decision No 1.269 of 17.12.2021 *on the approval of the National Anti-Corruption Strategy 2021-2025 and related documents*, institutions, public authorities and public enterprises are required to develop, adopt, disseminate and submit to the Ministry of Justice, by 30.06.2022, integrity plans, approved by order or decision of their management.

The Integrity Plan is a strategic document that integrates all the measures identified by the company's management as remedies for the risks and vulnerabilities to corruption identified, as well as those identified to combat possible acts of corruption, in order to ensure a high degree of protection.

The document also ensures the possibility of integrated coordination of actions and measures established by the senior management of Transgaz S.N.T.G.N. S.A., by prioritising them according to the available resources (human, material and financial).

In addition, the development and implementation of the Integrity Plan is an opportunity for the company's management to take the necessary steps to maximise the company's public image and credibility, both as a business and social partner.

3. Objectives undertaken in the Integrity Plan

By the Integrity Plan, S.N.T.G.N. Transgaz S.A. assumes its participation in achieving, at national level, the general objectives set by the National Anti-Corruption Strategy 2021-2025.[1], namely:

1. increasing the degree of implementation of integrity measures at organisational level;
2. reducing the impact of corruption on citizens;
3. strengthening institutional management and administrative capacity to prevent and fight corruption;
4. strengthening integrity in priority areas of activity;
5. strengthening the performance of the fight against corruption by criminal and administrative means.

Among the specific objectives set by the National Anti-Corruption Strategy 2021-2025 and taken over by S.N.T.G.N. Transgaz S.A. are:

- implementing integrity measures;
- improving capacity to manage management failure by linking tools that impact on early identification of institutional risks and vulnerabilities;
- increasing integrity, reducing vulnerabilities and corruption risks in public procurement;
- increasing integrity, reducing vulnerabilities and corruption risks in the business environment;
- strengthening the capacity of the administrative control structure to identify institutional risks and vulnerabilities, including those related to integrity issues.

4. Prerequisites for the development of the Integrity Plan. Fraud and corruption risk assessment

When drawing up the Integrity Plan, the content of the Register of Corruption Risks set up and approved at the level of S.N.T.G.N. TRANSGAZ S.A.[2] which includes the areas in

[1] the implementation of the National Anti-Corruption Strategy 2021-2025 is included in the National Programme for Recovery and Resilience, so that the national monitoring mechanism of the N.A.S. is duplicated by the monitoring mechanisms of the European Commission.

[2] The Register of Corruption Risks was established and approved on the basis of GD No 599/2018 for the *approval of the Standard Methodology for Corruption Risk Assessment in Central Public Authorities and Institutions, together with the indicators for estimating the likelihood of corruption risks materialising, the indicators for estimating the impact in the event of corruption risks materialising and the format of the Register of Corruption Risks, as well as for the approval of the Methodology for the Assessment of Integrity Incidents in Central Public Authorities and Institutions, together with the format of the Annual Integrity Incident Assessment Report.*

which corruption risks have been identified and, for all identified risks, intervention measures, as well as those responsible for their implementation was taken into account.

The main risk areas identified are public procurement, human resources, legal, sponsorship and employee assistance, and the intervention measures identified and approved include:

- Corruption prevention training to raise awareness of the importance of maintaining integrity and complying with legal requirements;
- Applying the "4-eyes" principle";
- Verification and endorsement of documents by both responsible persons and department and company management;
- Monitoring compliance and implementation of approved company procedures/instructions;
- Monitoring and verification of work by senior managers;
- Drafting of reports and obtaining "cascading" approvals through separate departments;

5. Integrity Plan Revision

According to the National Anti-Corruption Strategy for 2021–2025, institutions, public authorities, and public enterprises are required to update their integrity plans annually to address newly emerging risks and vulnerabilities.[3]

This measure was incorporated into Transgaz' Integrity Plan, section 1.1.3 and is carried out following the update of the Corruption Risk Register.

[3] General Objective No. 1 – Increasing the implementation of integrity measures at the organizational level; Specific Objective No. 1.1 – Implementing integrity measures at the national level; Measure No. 3 – Conducting an annual assessment of the plan's implementation and adapting it to newly emerging risks and vulnerabilities.

6. Integrity Plan

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
General goals, specific goals and measures *under the responsibility of S.N.T.G.N. TRANSGAZ S.A.*, according to the provisions of the National Anti-Corruption Strategy (S.N.A), approved by Government Resolution 1269/2021 (or high level normative acts)							
General goal 1 - Increased implementation of integrity measures at organisational level							
Specific goal 1.1. To implement integrity measures at national level							
1.	**1.1.1. Adoption and distribution within the institution of the statement on the assumption of an organizational integrity agenda**	• Statement adopted; • Statement distributed;	• Adoption of a statement not adapted to the institutional context; • Low level of employee involvement.	Publication on the company's website	Company management	Human resources : S.A.A.-D.I.G.[4] Current budget	Achieved
2.	**1.1.2. Adoption and distribution within the institution of the integrity plan, following the consultation of employees and the risk assessment according to GR 599/2018**	• Approved integrity plan; • Persons designated for the monitoring of the implementation of the integrity plan;	• Low level of employee involvement • Exclusively formal nature of consultation • Failure to allocate the necessary human and financial resources	Integrity plan approved Publication on the company's website	Company management Coordinators of company structures	Human resources : S.A.A.-D.I.G. Current budget	Half I 2022

[4] Anti-Fraud and Anti-Corruption Department within the General Inspection Division

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
3.	**1.1.3. Annual assessment of the modality of implementation of the integrity plan and its adaptation to new risks and vulnerabilities**	• Assessment report prepared and published on the company's website • Integrity plan adapted, if necessary, and published on the company's website	• Formal nature of the approach in the absence of effective application of the risk assessment methodology	Assessment report approved and published Integrity plan approved and published	Members of the Working Group for the implementation of corruption risk assessment methodology [5]	Human resources : S.A.A.-D.I.G. Current budget	15.03.2023 15.03.2024 15.03.2025[6] 30.11.2023 30.11.2024 30.11.2025[7]
4.	**1.1.4. Identification, analysis, assessment and monitoring of corruption risks, as well as the establishment and implementation of measures for their prevention and control, according to GR 599/2018**	• Corruption risk register completed; • Number of risks and vulnerabilities identified; • Number of intervention measures; • Training of Working Group members for effective application of risk assessment methodology	• Formal nature of the approach in the absence of effective application of the risk assessment methodology	Approved corruption risk register (reassessed and completed)	Working Group for the Implementation of Corruption Risk Assessment Methodology	Human resources : Members of the Working Group[8] S.A.A.-D.I.G. Current budget	30.09.2023 30.09.2024 30.09.2025

[5] Standard corruption risk assessment methodology within central public authorities and institutions approved by GR 599/2018.
[6] for the Annual Assessment Report
[7] For the approval of the adapted Integrity Plan
[8] Appointed based on GR 599/2018.

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
5.	**1.1.5. Identification, assessment and unitary reporting of integrity incidents, according to GR 599/2018, as well as the establishment of measures for prevention and/or control following their occurrence**	• Reports produced; Number of incidents identified; • Number and type of prevention and/or control measures taken	• Misidentification of facts as integrity incidents; • Lack of relevance of data resulting from misclassification of facts as integrity incidents	Prepared reports	The person designated by decision of the Director - General of the company	Current budget	90 days from becoming aware of the integrity incident
6.	**1.1.6. Transmission of contributions requested by the technical secretariat and participation in strategy coordination and monitoring activities**	• Participation in cooperation platform meetings; • Submission of the annual report on the implementation of the measures set out in the strategy, accompanied by the annexes completed following the full collection of indicators • Participation in thematic evaluation missions	• Incomplete or late submission of data • Failure to allocate the necessary human and financial resources	Report/ Letter prepared and sent within the established deadline	D.I.G. S.A.A.	Human resource: S.A.A.- D.I.G. Current budget	according to the deadlines established by the M.J.

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
General goal 2 - Reducing the corruption impact on citizens							
7.	**2.3. Ensuring effective protection of citizens who report alleged integrity incidents committed by public service providers**	• Number of complaints on integrity incidents resolved • Percentage of complaints related to integrity incidents in relation to the total number of complaints registered in the institution • Number of actions taken as a result of complaints • Number and type of protection measures actually applied to citizens • Procedure approved	• Failure to effectively implement protection measures • Failure to allocate necessary human and financial resources • Inconsistency of data on complaints that were in the processing circuit of several institutions	Approved reports / Excerpts from reports	The person designated by decision of the Director - General of the company	Current budget	3 months after the transposition of Directive 1237/2019 in the national law
General goal 4 - To strengthen the integrity of the priority areas of activity							
Specific goal 4.5. - To increase the integrity, reduce the vulnerabilities and risks of corruption in the business environment							
8.	**4.5.6. Publication in an open format of economic and performance indicators including budgets and**	• Publication on website of the following indicators:		Company website	Company management	Current budget	Half-yearly, starting in 2022

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
	subsidies received from public authorities) for enterprises to which the state is a shareholder, both through central and local public administration structures	- financial data, - performance indicators, - letter of expectations, - mandate contract, - subsidies received	• Lack of information on state-owned enterprises		Management of involved structures		
General goals, specific goals and measures assumed *by adjusting measures that are not under the responsibility of S.N.T.G.N. TRANSGAZ S.A.*, according to the provisions of the National Anti-Corruption Strategy (S.N.A), approved by Government Resolution No. 1269/2021							
General goal 1 - Increased implementation of integrity measures at organisational level							
Specific goal 1.1. To implement integrity measures at national level							
9.	1.1.7. Intensify the use of the new SNA portal to increase public awareness of the monitoring of the implementation of the National Anti-Corruption Strategy (S.N.A.), new trends and developments in respect of integrity ***Measure assumed and adapted:*** **Set up a link to the new S.N.A. portal (sna.just.ro) on the S.N.T.G.N. Transgaz S.A. website.**	• Number of S.N.A. portal views via link on the S.N.T.G.N. Transgaz S.A. website.	• Poor functioning of the S.N.A. portal. • Non-functioning link or poor functioning of the S.N.T.G.N. Transgaz S.A. website. • Limited internet access	Functional link to the new SNA portal on the website of S.N.T.G.N. Transgaz S.A.	Director, Information Technology and Communications Division	Human resources: D.T.I.C D.I.G. – S.A.A. Current budget	Q IV 2022

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
General goal 2 - Reducing the corruption impact on citizens							
10.	2.1. Increasing the anti-corruption education of citizens and public officials, focusing on their rights in relation to public authorities and institutions and the corruption impact on public services ***Measure assumed and adapted:*** **Increasing information and/or awareness of corruption risks among Transgaz S.N.T.G.N. personnel.**	• Number and type of anti-corruption education-raising activities; • Number of beneficiaries of anti-corruption education-raising activities; • Results recorded by participants in the evaluation tests conducted as part of anti-corruption training activities;	• Failure to allocate the necessary human and financial resources; • Low level of participation and involvement; • The formal nature of the activities; • Low quality of activities aimed to increase anti-corruption education;	Documents prepared during the information and training activities	D.I.G. S.A.A.	Human resources: S.A.A.-D.I.G. Current budget	Permanent Annual reporting
General goal 3 - Strengthening the institutional management and administrative capacity to prevent and fight corruption							
Specific goal 3.3 - To improve the capacity to handle the management failure by correlating the tools impacting on the early identification of institutional risks and vulnerabilities							
11.	3.3.1. The internal audit of the corruption prevention system in all public authorities every two years	• Number of recommendations made	• Failure to allocate the necessary human and financial resources	Audit report	Internal Audit Unit	Current budget	31.12.2024

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
	Measure assumed and adapted: **Internal audit of the corruption prevention system every two years**	• Implementation rate of recommendations made					
General goal 4 - To strengthen the integrity of the priority areas of activity							
Specific goal 4.4 - To increase the integrity, reduce the vulnerabilities and risks of corruption in public procurement							
12.	4.4.6. Encouraging the use of innovative approaches to involve civil society in the monitoring of public procurement integrity ***Measure assumed and adapted:*** **Continuously update the database of the companies that have not properly executed the contracts concluded with S.N.T.G.N. Transgaz S.A. and use it as a permanent working tool**	• Number of companies entered • Number of queries	• Non-use of the database as a permanent working tool	Statistical reports	Sectoral Procurement and Contracting Division	Current budget	Permanently
General goal 4 - Strengthening the integrity of the priority areas of activity							
Specific goal 4.5 - Strengthening the integrity, reduce the vulnerabilities and risks of corruption in the business environment							
13.	4.5.5. To exchange best practices in the implementation of integrity programmes within the private and public sectors	• Number of good practices received	• Poor level of participation and involvement of public and business representatives	Records of the transmission/ receipt of good practice	Company management	Human resources: S.A.A.-D.I.G. Current budget	Permanently

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
	Measure assumed and adapted: **4.5.5. Exchange best practices in the implementation of integrity programmes within the private and public sectors, by analysing and adopting, where appropriate, the best practices provided by the S.N.A. Technical Secretariat.**	• Good practice adoption rate (number of good practices partially / total)			Director of General Inspection Division		
General goal 5 – Strengthening the performance of the corruption combating by criminal and administrative means							
Specific goal - Strengthening the capacity of the administrative control structure to identify institutional risks and vulnerabilities, including those related to integrity issues							
14.	**Strengthening the capacity of the General Inspection Division to identify institutional risks and vulnerabilities, including those related to integrity issues**	• Additional human resources allocated • Number of inspections carried out • Number of recommendations implemented	• Failure to allocate the necessary human and financial resources • Failure to carry out the inspections • Failure to implement the recommendations made	Inspection reports / evaluations	Company management Director of General Inspection Division	Human resources: D.I.G. staff Current budget	Permanently

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
15.	**Prioritising audit and control actions by increasing their share in the domains exposed to fraud and corruption**	• Number of inspections carried out in risk areas / number of inspections planned	• Occurrence of corruption/fraud in risk areas (e.g., works tracking, design, human resources, procurement)	Inspection reports	Company management Director of General Inspection Division	Human resources: D.I.G. Current budget	31.12.2023 31.12.2024 31.12.2025
16.	**Improving the regulatory framework for corruption control and prevention**	• Number of approved methodologies/procedures (new / amended and supplemented)	• Formal provisions	Approved methodologies/ procedures	Company management Director of General Inspection Division	Human resources: D.I.G. staff Current budget	31.12.2023 31.12.2024
17.	**Drafting and approval of strategic documents on competition policy**	• Number of strategic documents approved / Number of documents established (the 3 documents indicated as Verification source)	• Formal provisions	Approved statement Adopted policy	Company management Director of General Inspection Division	Human resources: D.I.G. staff Current budget	31.07.2022

No.	Action	Performance indicators	Risks	Verification sources	Responsible	Resource	Deadline
				Approved implementation strategy			