



Approved pursuant to the Board of Directors Decision No.22/ 29.10.2024

## THE RISK MANAGEMENT POLICY

In order to successfully achieve its general and specific objectives, CONPET SA systematically identifies and evaluates the risks and opportunities generated by the internal and external context of the organization and implements actions to maintain the level of these risks within the approved tolerance limits.

Risk management within CONPET SA complies with the applicable legal and regulatory requirements, as well as the requirements of international standards for management systems, adopted in Romania and implemented in the organization. All the requirements related to risk management specified in the Order of the Secretary General of the Government no. 600/ 2018 on the approval of the Internal Management Control Code of public entities and in the ISO 9001, ISO 14001, ISO 45001, ISO 50001 and ISO 37001 standards for the quality, environment, health and safety at work, energy and anti-bribery management systems, as well as in the regulations for the railway safety management system. At the same time, the management of corruption risks is aligned with the requirements of the national anti-corruption strategy in force.

Considering the principles defined by the ISO 31000 standard regarding risk management, within the company CONPET SA, the risk management process is an integral part of all documented organizational processes, facilitating the making of reasoned decisions and the establishment of priorities according to the identified and evaluated risks.

The risk management process is carried out systematically and structurally, it is dynamic and adapted to changes, contributing to the continuous improvement of the carried-out processes and activities.

The risk management within CONPET SA is transparent and participative, being adapted to the external and internal context of the organization and its own risk profile.

The entire risk management process is based on historical information and current information as well as future expectations, considering the uncertainties associated with this information and these expectations.

When changes are planned within the organization, analysis of the associated risks are carried out and their control measures are established by the functions involved.

Action plans are established and permanently improved, including to ensure the continuity of the organization's activity.

The risk profile and the risk tolerance limit are approved annually by the Director

General based on the materials drawn up by the Commission for Monitoring of the Internal Management Control System.

Both the number and level of the identified risks are taken into account, as well as their evolution over time and, when appropriate, the identified opportunities and the ability to capitalize on them.

**The top management of CONPET SA is committed to:**

- **Develop a risk-based approach culture in all its processes and decisions and encourage immediate reporting of any new risks identified by any employee.**

For the general annual objectives and the specific objectives derived from them, indicators and target values are established and the method of calculation and evaluation of the degree of fulfillment is defined.

The objectives are updated upon changes in the organizational structure/Organization and Operation Regulations, the occurrence of new objectives triggered by changes in the external context, stage analysis following which it is found that certain achieved objectives are no longer relevant.

The risks associated with general and specific objectives, process objectives, risks associated with significant environmental aspects, risks associated with compliance obligations, are identified and analyzed within the risk management teams and are recorded in the Risk Registry.

The reporting of a new identified risk, by any employee, determines its analysis within the risk management team involved.

The corruption/bribery risks are identified and assessed at least annually, taking into account the threats and vulnerabilities that could lead to acts of corruption, identified by the Working Group for the management of corruption specific risks and vulnerabilities.

Consultation and communication with relevant stakeholders are essential links in the deployment of the risk management process, contributing to the consideration of various points of view when risks are identified and assessed, as well as when the risk response strategy (acceptance, treatment, outsourcing) and appropriate and effective control measures are established.

- **Establish, maintain and document appropriate risk assessment methods, plan and monitor significant risk control measures.**

Procedures are established, maintained and continuously improved for the management of risks associated with the organization's objectives and for the management of corruption/bribery risks.

Both the probability of occurrence and the associated impact are taken into account for the risk assessment (establishing the risk score/level).

The Risk Registry specifies the results of the risk assessment and established control measures, as well as target values for residual risk.

The monitoring commission of the internal management control system ensures the preparation and supervision of the annual plans of measures to keep under control the significant risks associated with the organization's objectives. Control

measures are mandatory for the management of significant risks and are updated whenever necessary.

The identification and assessment of the risks of corruption/bribery consists in highlighting the threats of corruption, as well as the vulnerabilities present within the current activities of the organization, which could lead to acts of corruption, such as: taking and offering bribes, trafficking and buying influence, using the position to favor some people.

The registry of corruption/bribery risks includes prevention/control measures, for risks assessed as moderate or high, measures that are applied in order to reduce the probability of occurrence or to minimize the impact of corruption/bribery risks.

The systematic evaluation of the effectiveness of the risk control measures and the identification of opportunities to improve the applicable procedures are also ensured through the internal audit of the integrated management system and through the internal public audit.

- **To allocate necessary resources for risk management, namely resources for staff training/coaching/raising awareness and resources for the implementation of approved measures to deal with risks.**

The identification and ranking of risks determines the prioritization of the allocation of material, financial and human resources, constituting an efficient and effective organizational framework for achieving the established objectives.

The entire staff of the organization is trained/made aware of the aspects/procedures related to risk management.

The resources needed to implement the annual plans of measures to control significant risks are approved by the management of the organization.

- **To establish clear responsibilities of the personnel involved in risk management.**

The risk management teams, the risk managers, the Internal Management Control System Monitoring Commission and the Work Group for the Management of Risks and Specific Corruption Vulnerabilities have clearly defined responsibilities regarding risk management, documented in procedures, decisions of the Director General, job descriptions.

- **To systematically report relevant risk management data to stakeholders.**

The Monitoring Commission annually analyzes, in view of its President approving the Information on monitoring the performance of the internal management control system and risk management, elaborated by the technical secretariat based on the annual reports on risk management from the organization's entities.

The information is presented to the Director General in the Synthesis Report for the Analysis elaborated by the Management..

Also, the annual information on monitoring the performance of the internal management control system and risk management is sent to the Board of Directors of CONPET SA.

The monitoring of corruption risks is conducted every six months, by drawing up a report on the status of implementation of prevention/control measures, which is submitted for analysis to the members of the Work Group for the management of specific risks and vulnerabilities for corruption, for the endorsement of the Head of the Work Group for the management of corruption-specific risks and vulnerabilities and for approval to the Director General.

When opportunities are identified (risks with a positive impact on the objectives), the approval of actions involving the use of additional resources for the fruition of the opportunities is carried out at the top management level. The identified opportunities, their estimated impact and the associated actions are recorded in the opportunity Registries, and the monitoring and reporting of the implementation of the established actions take place at least annually, on the occasion of the analysis performed by the management.

**The policies of CONPET SA in the field of quality, environment, health and work safety, energy, anti-bribery include avenues of action aimed both at ensuring the appropriate framework for establishing, analyzing and achieving objectives, as well as the permanent assessment of risks/opportunities generated by the context in which the organization evolves and the risks/opportunities related to the processes and the establishment of actions for solving them.**

The risk management committee within the Board of Directors ensures the consistency of the control activities with the risks generated by the activities and processes that are the subject of the control, identifies, analyzes, evaluates, monitors and reports the identified risks, the plan of measures to mitigate or anticipate them, other measures taken by the executive management.

The Risk Management Committee annually evaluates the effectiveness of the risk management system and advises the Board of Directors on the company's current and future risk strategy.

**Director General  
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**Deputy Director General  
Jurist Anamaria Dumitrache  
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September 2024