

CSR Activity Report 2019

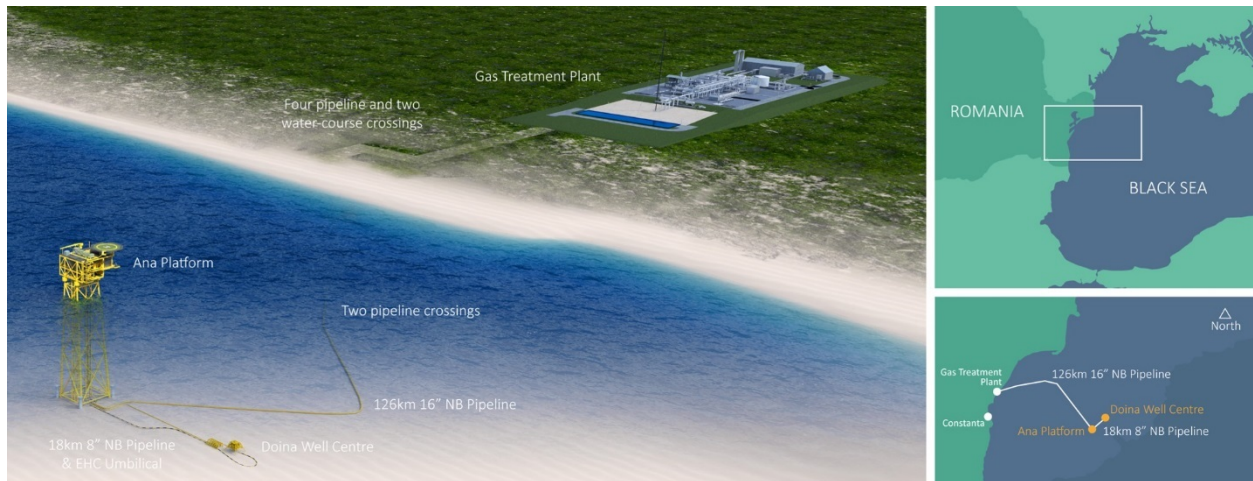


I. Introduction

This report details the Corporate Social Responsibility Strategy developed by Black Sea Oil & Gas in 2019. The report covers the most important pillars of the CSR Strategy - Objectives, Target Groups, Actions implemented, Results achieved, and Resources used.

II. Background

Following taking FID on the MGD Project in February 2019, which involved starting the construction works at the gas treatment plant (GTP) on the territory of Corbu Commune for about two years, BSOG community involvement need increased and therefore, a more consolidated CSR strategy was required.



Black Sea Oil & Gas' CSR policy is based on the Company's core values of safety, perseverance, pioneering, teamwork and accountability. The company is committed to conducting operations safely and responsibly, which means supporting local communities and protecting the environment, as well as looking after the health and safety of employees and contractors.

BSOG aims to conduct its operations in a socially responsible manner and seeks to make positive contributions to the local economy by improving and maintaining the wellbeing of the community local to its operations. To this end, BSOG aims establishing long-term relationships with the local community, understand its needs and assist the community help itself.

Corbu, a popular community among sea lovers

Corbu Commune borders the Black Sea and is largely rural with a population of 6,328 inhabitants ¹. The main economic activities in the Corbu are agriculture,

tourism and fishing. Tourism is also a key to the area with an influx of tourist in the summer months to visit the Corbu and Vadu beaches, two of the few

¹ NIS, 2017

remaining undisturbed beaches in Romania. The number of tourists escalated in 2019 for both beaches mainly as a result of the increased [online](#) promotion of beach goers. The much higher number of tourists enhanced the tourism in the area but negatively impacted the beaches, as litter affects the flora and fauna of the area. Danube Delta Biosphere Reservation signaled the problem and conducted [controls](#) on the Vadu beach, though no distinct measures were taken by authorities to better protect the area.

MGD project will provide several benefits for Corbu community

- new job opportunities for the local community
- improved infrastructure to Vadu village, once the gas plant is completed
- programs for community development

- support for connecting the commune to the local gas distribution network.



III. Corporate Social Responsibility Strategy

Objectives

BSOG Corporate Social Responsibility strategy for 2019-2020 aims to achieve 3 major directions: education, community development and environmental protection, more specifically:

- facilitate the access to education
- support community development
- support environmental protection measures that will safeguard Vadu protected areas.

The strategy specific objectives tackles both directions envisaged:

- **facilitate the access to education**
 - Increase the quality of education for pupils in Corbu, more particularly for children attending Vadu school and kindergarten
 - Develop relevant educational projects adapted to the needs of the community based on relevant stakeholders consultations (teachers, parents, NGOS, cityhall)
 - Increase stakeholders participation in addressing the children needs in Corbu
- **support environmental protection measures that will safeguard Corbu protected areas**
 - Raising awareness of local stakeholders and tourists regarding the impact of tourism in order to develop environmental protection measures
 - Increase the level of information of citizens and business to act as responsible actors in relation with the environment
- **community development**
 - Mapping community needs
 - Providing technical assistance and guidance to the community in connecting to the gas distribution network (Corbu commune).

IV. Target Groups

Before launching the strategy, a stakeholder mapping was conducted in order to identify the key stakeholders relevant in the implementation. This process helped understand the main influencing positions in the community, positioning supporters but also potential opponents.

Based upon the mapping results, the following target groups were identified:

- Members of Corbu community - citizens of Corbu and Vadu villages
- Pupils attending Corbu “Gheorghe Lazăr” school – kindergarten, primary and secondary school
- Teachers from Corbu “Gheorghe Lazăr” School
- NGOs – Corbu Youth Center Association, Community Development Association
- Public authorities
- Parents
- Community influencers – local priest
- Business community
- Tourists.

V. Key Messages

Going beyond the estimated impact of actions envisaged, multiple strategic key messages accompany the regular communication with the target groups:

- BSOG is a company committed to conduct its operations safely and responsible, which means supporting local communities, protecting the environment, looking after the health and safety of our employees and contractors hired by us
- BSOG conducts its operations in a socially responsible manner and seeks to make positive contributions to the local economy by improving and maintaining the wellbeing of the local community
- BSOG intends to establish long-term relationships with the local community, understand its needs and assist the community help itself
- Operations of BSOG to meet best industry standards in terms of environment protection
- BSOG is keen to develop a sustainable cooperation relation with the community based on mutual trust and communication

VI. CSR Actions in 2019

1. Community consultation meetings

BSOG considers the consultation process as an important step to create sustainable programs, therefore constantly seeks to consult and involve local stakeholders in order to identify the areas or key topics of interest that could trigger community development in the project area. In this regards, 2 community meetings were organized in 2019 in Corbu with the aim to validate with local key stakeholders the CSR directions and engage community in solving local needs.

The 3 hours meetings were moderated by an external facilitator, with high experience in community development. Organized on 12th July and 27th August 2019, the meetings gathered 16 relevant members in the community - representatives of the City Hall, teachers, priest, owners of local business, NGOs representatives, regular citizens. The meetings design encouraged active participation and debate in order to generate relevant solutions for the community development.

The community meetings conclusions were used to better draft the next stages of the CSR strategy and better tailor future programs to the needs of the community.



Outputs:

- 2 community meetings organized with key stakeholders in the community
- One community need assessment conducted with key stakeholders
- One list of community needs identified and discussed
- A list of most significant needs prioritized by local stakeholders

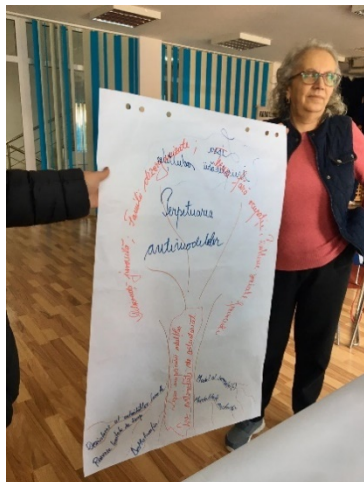
Outcomes:

- Participants became more informed and aware of the community needs
- The meetings increased participants level of information about MDG project and aim of the CSR strategy

Insights from participants

- “the first time someone asks our opinion regarding the community”
- “we expect others from outside the community to solve our problems”
- “sometimes the solutions lay in ourselves, in the power to unite and do things for our village”.

2. Mentorship program for Corbu School teachers



Pursuant to the community consultation meetings held, the educational needs appeared to be most pressing to address. A mentorship program was proposed with the primary aim of working closely with local stakeholders to develop an educational project proposal, that will be funded in 2020 by BSOG with 12.000 Euro. The program was customized for people involved in education activities within the community: teachers, volunteers and NGO representatives from Corbu and Vadu.

Under the guidance of a highly experienced mentor, 12 teachers from Corbu school and NGO representatives actively participated to a 4-half day working sessions, organized to the Cultural Youth Center in Corbu. They learned how to write a project proposal, tips and tricks for successful projects, and they succeeded to finalize the narrative for the 2020 project that will be implemented in Corbu, as well the budget.

The project, to be implemented starting with January 2020, aims to reduce aggressivity in school and increase pupil's life skills. More than 170 pupils and 150 parents will benefit from the project activities, such as counselling, summer school, study visits in museums, theater shows, competitions, movies projections and workshops in school.

Outputs:

- 4 days of mentorship program organized in Corbu
- 10 teachers and NGO workers in Corbu participating to the mentorship program
- One in-depth needs assessment of educational needs completed
- 1 project proposal, budget included, elaborated
- 2 projects proposals draft developed to be further submitted to European grants

Outcomes:

- The participants increased significantly their knowledge and abilities in project writing and project management
- An increased level of cooperation and cohesion among participants, according to the consultant

3. Tourists and visitors impact report

Corbu village owns two wild beaches in Romania – Corbu and Vadu, the latter known among the last wild beaches in Romania. The increase of tourism in the area for past years brought economic prosperity for the informal tourism but also affected heavily the 2 protected areas. As BSOG's GTP is located in the vicinity of the Danube Delta Reserve Biosphere Administration (ARBDD), it launched an external evaluation to see in what way the 2 beaches were altered by tourism and identify potential measures to lower the impact on tourism for the environment.

The report was elaborated by the Romanian Ecotourism Association (AER) who conducted the diagnosis of the region and proposed a set of measures to be implemented by public authorities and citizens. The report was based on site visits and interviews at the local level and acknowledge the state of visitor management. The conclusions of the report emphasized the need to develop immediate measures to protect especially the Vadu beach:

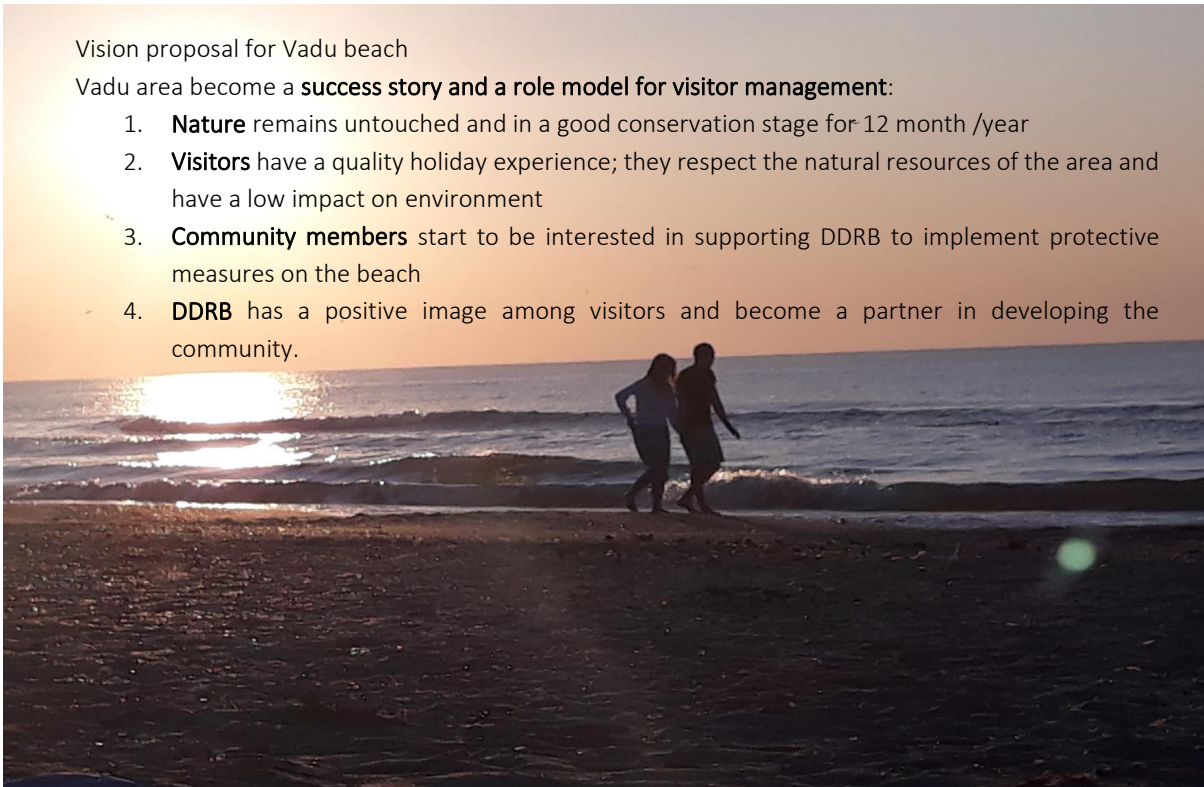
- Both beaches from Corbu and Vadu have very little management measures at this moment
- ARBDD has a weak involvement in the management, information, interpretation, and control of the beach access
- Lack of communication and real partnership between ARBDD and Corbu City Hall
- Very weak level of information among tourist regarding the measures required and necessary to protect the beach.

The report recommendations were further used in opening a dialogue with the Danube Delta Biosphere Reserve Authority.

Vision proposal for Vadu beach

Vadu area become a **success story and a role model for visitor management:**

1. **Nature** remains untouched and in a good conservation stage for 12 month /year
2. **Visitors** have a quality holiday experience; they respect the natural resources of the area and have a low impact on environment
3. **Community members** start to be interested in supporting DDRB to implement protective measures on the beach
4. **DDRB** has a positive image among visitors and become a partner in developing the community.



Outputs:

- Tourist and visitor's management report
- List of recommendations for improved beach management proposed

4. Liaison with Danube Delta Biosphere Reserve Authority (DDBRA)

Further to the assessment on visitors and tourists' impact on Corbu and Vadu beaches, BSOG initiated a dialogue with Delta Reserve, the regulatory authority which administers these areas, to develop or support projects that address the needs identified by the Tourists and visitors report. ARBDD is the institution responsible with creating regulations for the beaches, applying and monitoring them.

To this end, 3 meetings (one in Bucharest and two in the office of ARBDD in Tulcea) were organized on 8th August, 1st October and 19th November 2019 with the Governor, Mr. Catalin Tibuleac.

BSOG team was accompanied to the meetings by the external consultant from AER who presented the issues identified in the report and potential solutions. During the meetings it was also discussed potential new means of collaboration between BSOG and ARBDD, such as providing public relations support to DDRBA for the implementation of the new regulations to be applied to all beaches in Danube Delta Reservation or support to implement a communication plan for the tourists on the Vadu beach.

During the third meeting with the Governor, in November 2019, it was agreed that a partnership agreement should be signed between the 2 institutions as a base for the future joint projects. Before the partnership was officially closed, a new Governor was appointed by the Romanian Government, in the last week of December 2019. In consequence all discussions were postponed for 2020.

Outputs:

- 3 meetings organized with DDRBA Governor
- One partnership agreement submitted for approval to DDRBA.

5. Planting action in Corbu and Vadu

On October 27th, more than 130 trees were planted in Vadu and Corbu by a joint team of volunteers from the local community and BSOG. A group of 45 teachers, pupils, teenagers from the Youth Center, local volunteers and BSOG staff gathered to the Youth Center in Corbu and the school yard in Vadu to plant oaks and lidenes, trees that easily adjust to the microclimate of the area.



Outputs:

- 130 trees planted in Vadu and Corbu
- 45 people participating to the planting action

Outcomes:

- The action strengthened the bond between BSOG staff and local community
- Pupils and teenagers from Vadu became more aware of the environment and the need to protect it.

6. Vadu Patrol – an educational program for environment protection

In response to the need identified by the citizens in Corbu to act as environment guardians for the beaches, BSOG developed Vadu Patrol – Patrula de la Vadu, a long-term program for environment protection education. The program aims to raise awareness among adults and children in Corbu and Vadu regarding the importance to keep unaltered flora and fauna, a key element for ensuring the sustainability of area.

The first action of the program was addressed to pupils from Vadu School and brought an innovative educational approach to environment education, combining learning and discovery lessons in classroom and nature. The action was implemented with Oceanic Club Association, a well-respected NGO from Constanta.

A biologist and an educational specialist from the NGO travelled on November 16th to Vadu school and engage pupils in a theoretical and practical ecological session. The 40 pupils, age 4-11, first learned, during a 2 hours session, about

the fauna from the area and had the opportunity to see by themselves through microscope lenses small organisms known to live in the area. In the second part of the day, the children went to the beach and explored, under the guidance of the biologist, various plants and animals in their natural habitat.



Outputs:

- 4 hours learning session in school and on the beach organized
- 40 pupils participating to the educational action
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Outcomes:

- Pupils from Vadu have increased knowledge about the flora and fauna in the Vadu area

7. Dolphinarium visit



As teachers recalled, seeing dolphins was a dream for many Vadu school pupils. The visit to the Complex of Natural Science and Dolphinarium in Constanta responded to both an educational and social need of the Vadu pupils. The action was designed to help pupils learn more about the wildlife and flora in the coastal region of Black Sea but also to provide them a different kind of activity, that is fun and educational in the same time. Most of pupils attending Vadu Kindergarten and Primary School come from families with weak economic background, therefore many of them did not have the leave the village yet.

On December 20th, 50 pupils from the kindergarten and primary school in Vadu, took the school bus to Constanta and enjoyed a special day in the Complex. All participated to a 30 minutes Dolphins show and visited the Micro reservation, where they saw and learned about plants and animals living in the Black Sea area. While the older pupils visited the Planetarium, the little ones from kindergarten played in a special play zone, where carefully planned games were prepared in advance for them.

The 3 hours visit was followed by a Happy lunch at McDonald's. At the end of the day, BSOG team offered to each child a Christmas present, with toys, sweets and branded winter gears (gloves, caps, muffler). The gifts were prepared by BSOG employees who chose to donate their budget for the Christmas gift they would have received from BSOG to offer a memorable day to Vadu school children.

Outputs:

- 54 pupils attending a study trip to the Dolphinarium
- 54 Christmas gifts prepared and offered to the pupils

Outcomes:

- Children became more aware of the nature gifts- flora and fauna of the coastal area
- Children earned new knowledge and experienced a different kind of educational approach.

2019 CSR results in a nutshell

- 7 CSR actions implemented in Vadu and Corbu
- 130 community members involved
- 55 children from Vadu school benefiting of the actions
- 75 pupils and youngsters from Vadu actively engaged
- 1 grant awarded to the Corbu school
- One Tourists and visitors impact report on Corbu – Vadu area
- 3 meetings organized with Danube Delta Biosphere Reserve Authority.

VII. Partners for sustainability

The CSR programs were possible with the support of the following partners and external consultants:

- **Partners**
 - Corbu Gymnasium School „Gheorghe Lazăr”
 - Youth Center Corbu Association
 - Community Development Association Corbu
 - Corbu City Hall
- **Consultants**
 - Oceanic Club Association
 - Romanian Ecotourism Association
 - Curba de Cultură Association
 - Alexandra Tomescu, Community Facilitator

For the visit at the Dolphinarium, two partners supported the program in kind, Carrefour Romania, who provided sweets for the Christmas presents offered to the Vadu pupils and McDonalds Romania, who provided the lunch to pupils.

VIII. Evaluation

The CSR program implementation was evaluated from multiple perspective, to ensure the impact and relevance for its beneficiaries. The evaluation was carried by the external consultants but also the Agency CSR consultant who gathered insights from program participants.

The main goals of the evaluation were to:

- Verify the benefits of the program for the participants
- Identify means for program improvements.

Insights from participants

Planting action

“The planting actions organized with BSOG was for the youngsters from the Youth Center a great opportunity to meet new people, good people, who share their goals and together with whom they feel important, useful and special. What you can’t see from the pictures is their satisfaction after the event was completed. The satisfaction that this day was not lost. You can see the accomplishment and the joy that an important thing was completed with their help. BSOG not only planted trees, it helped seed dreams close to our homes. We need examples like this to show people in Corbu that together we can change our community”.

Daniel Enache, President, Youth Center Corbu

„These kids are amazing, I have known them since they were in the first grades and now, even if they are at high school some here and some in Constanța, they are really involved in the projects we run here and they provide a great help and a great input in the community”

Elena Badea, Head mistress Corbu School.

Mentorship program

The program can be considered a success, as it was the first initiative of this kind for most of them and the first time, they were engaged in a project design, from the early stage of project needs assessment. The program was also very well received by participants, all considering according to the evaluation that the design of the working sessions was good and very good.

Participants feedback to the mentorship program:

- 100% from participants appreciated the training
- The average score was 3.92, out of maxim 4.
- All participants valued the trainer experience but also the content of the training.