



Non-financial Consolidated Report of Transelectrica 2023



Statement of responsible persons

The information presented in the Non-financial Consolidated Report for the year 2023, designed in accordance with the provisions of the European Directive 2014/95/EU transposed into Romanian Legislation by the Order of the Ministry of Public Finance number 1938 of 17 August 2016, but also in compliance with the Taxonomy Regulation (EU) 2020/852, provides an accurate and true picture of the non-financial aspects, part of the activity carried out, with an impact on the development and sustainability of the Group.

This report presents only the elements of novelty compared to the Sustainability Report of the previous year, elements that result from the detailing of non-financial aspects specific to the subsidiaries analyzed, the Company Operator of the Electricity and Natural Gas Market "OPCOM" SA, the Company FORMENERG SA, the Company for Maintenance Services of the Electric Transmission Network "Smart" SA and the Company for Telecommunication and Information Technology Services in Electric Transmission Networks "TELETRANS" SA.

Directorate
Chairman
Stefanita
MUNTEANU

Member
Florin Cristian
TĂTARU

Member
Bogdan
TONCESCU

Member
Cătălin Constantin
NADOLU

Contents

| | |
|---|-----------|
| Overview 1 | 1 |
| Brief description of the entity's business model 3..... | 3 |
| Description of the policies adopted to achieve the company's objectives.... | 12 |
| Risk Management System | 19 |
| Key non-financial performance indicators relevant to the specific activity... | 25 |
| Environmental Management System..... | 28 |
| Social and personnel issues. Eliminating discrimination and promoting gender equality..... | 32 |
| Combating corruption and bribery | 35 |
| The consequences for climate change resulting from the Company's activities and the use of the goods and services it produces, as well as for its commitments to sustainable development, the fight against food waste and the fight against discrimination and the promotion of diversity | 39 |
| Glossary..... | 42 |

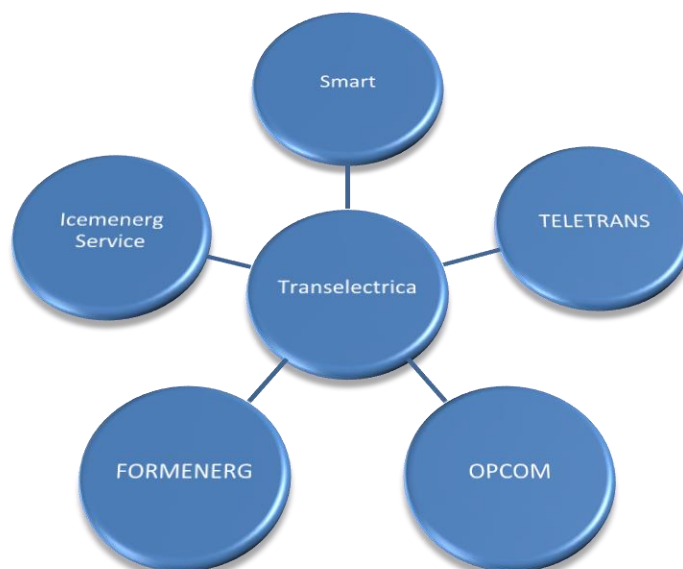
Overview

At the date of this report, Transelectrica has five subsidiaries, as follows:

- The company " Power and Natural Gas Market Operator OPCOM SA (hereinafter "OPCOM");
- The Company for the Maintenance Services of the Power Transmission Grid SMART SA (hereinafter "SMART");
- FORMENERG SA (hereinafter "FORMENERG");
- TELETRANS SA (hereinafter referred to as "TELETRANS"), the Company for Telecommunications and Information Technology Services in Power Transmission Grids;
- ICEMENERG-SERVICE SA (hereinafter referred to as "ICEMENERG-SERVICE").

Only four of these (OPCOM, FORMENERG, SMART and TELETRANS) are included in the Group's non-financial consolidated report. Due to the fact that ICEMENERG SERVICE is in bankruptcy, the company is not covered by this report as its impact is considered insignificant and it is also omitted from the consolidated annual reports of the National Power Transmission Company "Transelectrica" SA (hereinafter "Transelectrica", "the Company").

Therefore, except for the presentation section, only the four major companies within the Group will be considered for the following points.



It should be noted that the non-financial consolidated report presents only elements of novelty compared to the Sustainability Report of the previous year, elements that result from the detailing of non-financial aspects specific to the subsidiaries OPCOM, SMART, TELETRANS and FORMENERG. At the same time, the level of detail of the information provided for each company is in direct proportion to the extent of the activities undertaken in relation to the subject under discussion.

• **OPCOM** was established in 2000, on the basis of the Government Decision no. 627/13.07.2000 on the reorganization of the National Electricity Company - S.A., being a joint-stock

company, a subsidiary with legal personality of Transelectrica (the transmission and system operator in Romania).

- **SMART** was established in 2001, by Government Decision no. 710/19.07. 2001 *on the establishment of the subsidiary Commercial Company for Transmission Grid Maintenance Services S.C. "Smart" S.A. through the reorganization of some activities of the National Power Transmission Company "Transelectrica" S.A.*

- **FORMENERG** was established by Transelectrica's GMS Resolution no. 33/19.11.2001, by outsourcing the activity of the Energy Sector Personnel Training and Development Branch and has as its main activity the provision of professional training services, i.e., initiation, qualification, further training, specialization, requalification in various fields. As a secondary object of activity, **FORMENERG** offers accommodation services in its own hostel, which is authorized by the National Authority for Tourism to 3 stars (***) category by Classification Certificate No. 9596/6526 of 19.02.2018, both for its own trainees and for tourists, carrying out contractual relations with various beneficiaries and travel agencies.

- **TELETRANS** was established by Transelectrica's GMS Resolution no. 13/04.12.2002 and acts as a telecommunications and information technology operator, providing specific services for Transelectrica and the telecommunications market.

TELETRANS has 4 Agencies and 3 Centres, which are structures without legal personality, whose activity is coordinated centrally.

TELETRANS provides monitoring, operation, maintenance of IP (process information technology), TC and TI systems, installation and commissioning of equipment, systems and programs, software development, technical assistance, consultancy, personnel training, studies and other services in the field of IP, CT and IT for **TELETRANS** and for the liberalized telecommunications market in Romania.

- **ICEMENERG SERVICE**

In 2004, by Government Decision no. 2294/2004 *on the approval of the transfer of the shares held by the Commercial Company "Institutul de Cercetări e Modernizări Energetice - ICEMENERG" - S.A. Bucharest to the Commercial Company "ICEMENERG-SERVICE" - S.A. Bucharest to the National Power Transmission Company "Transelectrica" - S.A.*, the reorganization of ICEMENERG SERVICE as a wholly owned subsidiary of Transelectrica was approved. The company is currently bankrupt.

Brief description of the entity's business model

SMART

The main activity of the company is to carry out overhauls and repairs of primary equipment in electrical networks, repair of incidents in electrical installations, provision of services in the energy field, microproduction of electrical equipment.

In addition, the company may carry out other related activities in support of its main activity, in accordance with the legislation in force and with its statutes, under the conditions of safe operation of the National Energy System.

SMART consists of eight branch offices without legal personality.

SMART has organised the Internal Audit Service, the Financial Management Control Department and the Integrated Quality, Environment and Management Control Department.

These services and departments implemented the internal management control of the Company. **SMART's** internal control is designed to verify compliance with the legislation in force, the implementation of decisions taken by the company's management, the proper functioning of the company's internal activities, the reliability of financial information, the effectiveness of the company's operations, the efficient use of resources, and the prevention and control of risks of not achieving the set objectives. Internal control includes a clear definition of responsibilities, adequate resources and procedures, appropriate reporting arrangements and systems, tools and practices, and the internal dissemination of reliable relevant information, knowledge of which enables everyone to exercise their responsibilities.

SMART has designed, documented and implemented an Integrated Quality, Environmental, Occupational Health and Safety Management System in accordance with the requirements of the following reference standards:

- ISO 9001:2015 "Quality management systems. Requirements" - for quality;
- ISO 14001:2015 "Environmental management systems. Specification and guidance for use" - for environment;
- OHSAS 18001:2007 "Occupational health and safety management systems" - for occupational safety.

The Integrated Quality-Environment-Occupational Health and Safety Management System is certified by SRAC and IQNet with certificates no.1111/21.12.2017 for ISO 9001:2015, no.112/21.12.2017 for ISO 14001:2015 and no.139/21.12.2017 for OHSAS 18001:2007, valid until 21.12.2020, with annual surveillance. Through the integrated management system, the company guarantees customers that the services provided are at least in compliance with the specified requirements.

SMART has also obtained authorization from CNCAN for the nuclear quality management system, namely: Authorisation no.21-070 for the provision of services to nuclear installations, valid until 21.12.2023 according to the Orders of the President of CNCAN no. 65, 66, 71, 72/2003.

SMART is certified by the National Energy Regulatory Authority for the following types of work:

- A3 - testing of electrical equipment and installations to certify the technical compliance of power plants with the applicable technical standards:
 - Certificate no. 15264/4.11.2019 valid indefinitely with the required approvals.
- D1 - design of overhead and underground power lines with any standard rated voltages:
 - Certificate no. 15265/4.11.2019 valid indefinitely with the required approvals.
- D2 - execution of overhead and underground power lines with any standard nominal voltages:
 - Certificate no. 15266/4.11.2019 valid indefinitely with the required approvals.
- E1 - design of transformer stations, stations and installations belonging to the electrical part of power stations with any standardized rated voltage:
 - Certificate no. 15267/4.11.2019 valid indefinitely with the required approvals.
- E2 - execution of transformer stations, electrical stations and works on the electrical part of power plants with any standard nominal voltage:

- Certificate no. 15268/4.11.2019 valid indefinitely with the required approvals.

SMART has a RENAR accredited multi-site testing laboratory. A total of 78 electrical tests and physical-chemical analyses of electro-insulating materials are accredited.

The company also holds authorizations issued by MAI-IGSU for the following activities:

- installation and maintenance of fire containment and fire extinguishing systems and installations, except those containing certain fluorinated greenhouse gases, permit No 5501/08.02.2016 granted for an indefinite period;
- installation and maintenance of signalling, alarm and fire alarm systems and installations, permit no.5502/08.02.2016 with indefinite validity;
- design of signalling, alarm and fire alarm systems and installations, authorisation no.6599/10.01.2017 with indefinite validity;
- design of fire containment and fire extinguishing systems and installations, authorisation no.7087/08.06.2017 granted for an indefinite period.

SMART is certified for logging activity by the Ministry of Environment, Water and Forests with the certificate series D no. 1313/28.07.2022 valid until 31.07.2024.

The priority objective and permanent concern of each employee is to satisfy the requirements and expectations of the customers, executing works in conditions of quality, safety, promptness, efficiency, protection of the environment and ensuring the Occupational safety and health of the personnel, both to maintain the confidence of current customers and to gain potential customers.

SMART was set up to provide maintenance and repair services for Transelectrica installations.

During periods of minimal activity for minor maintenance, resources should be redeployed as flexibly as possible to other activities and contracts in order to optimise resource utilisation and reduce fixed costs.

SMART must prioritise the provision of resources for the maintenance of the RET, in accordance with the mission statement established at the creation of the Company. In this context, it is important to underline that the additional contracted work, in order to best cover the available resources, brings in turn a number of constraints in the allocation of resources. The additional work of the Society must be carried out in such a way that the available resources allocated do not affect the core business.

The degree of use of the resources distributed in the different working points is different, depending on the specific conditions of the RET in that area.

The volume of activities requiring withdrawals from operation in the RET is limited by compliance with specific NES safety conditions. Thus, the condition of prioritising the resources needed for minor maintenance of the RET can be more easily met if most of the complementary activities are still carried out in the RET.

As of 31 December 2023, the shares from No. 1 to No. 3,852,860, i.e. 100% of the shares are held by the sole shareholder Transelectrica, with registered office in Bucharest, B-dul Ghe. Magheru, nr. 33, Sector 1, registered with the Trade Register under number J40/8060/2000, CUI 13328043.

FORMENERG

With more than 50 years of experience in professional training, **FORMENERG** provides training courses in various fields: MBA, management, marketing, finance, accounting, legislation, IT, quality, environment, occupational health and safety, construction, energy strategy, communication, human resources, foreign languages, European funds, public procurement, technical courses, courses specific to the energy sector.

FORMENERG's main activity is the provision of vocational training services, i.e. initiation, qualification, further training, specialization, retraining in various fields.

As a secondary object of activity, **FORMENERG** offers accommodation services in its own hostel, which is authorized by the National Authority for Tourism to category 3 stars (***) by Classification Certificate no.9596/6526 of 19.02.2018, both for its own students and for tourists, carrying out contractual relations with various beneficiaries and travel agencies.

At the level of 2023, the main coordinates of **FORMENERG's** activity consisted of:

- the training activity;
- launching new courses;
- authorisation/re-authorisation of courses;
- participation in tenders for vocational training;
- improving the company's technical and material base;
- rebranding of TINERETULUI Hotel 3 stars;
- renting classrooms and other premises.

FORMENERG offers three types of training programmes, each with its own specificities, which can be delivered individually or integrated (blended learning).

The course can take different forms (theoretical, practical, mixed) or types (qualification, specialisation, further training) and can be run either online (Zoom platform, Microsoft Teams platform) or with attendance at the course room (at **FORMENERG's** premises or at other locations).

The courses presented in the **FORMENERG** Service Offering are proposed by the Society's in-house lecturers as well as by invited lecturers, academics or practitioners from various fields.

Also, the tenders for the procurement of training services, which appear on the SEAP website and on the own websites of potential clients, are monitored daily.

Putting the customer first and knowing that **FORMENERG** offers its customers both training and accommodation services, **FORMENERG** constantly invests in maintaining and improving the material base by upgrading the existing infrastructure (hotel, classrooms, offices, toilets, etc.).

In 2023, through an extensive rebranding process of the accommodation services offered, **FORMENERG** gained image capital, investing in infrastructure development.

Thus, the added value brought by the quality of the services offered by the new Hotel TINERETULUI, is reflected both in the increase in customer satisfaction.

The accommodation services can be accessed directly or by phone at the hostel's 24-hour front desk or through online booking systems that the company promotes (Booking.com, Travelro.ro, Travelminit.ro etc.).

FORMENERG has also implemented its own Inbooking system through which customers can book accommodation services.

Another service offered to clients is classroom rental. This service is constantly promoted on the www.formenerg.ro website.

OPCOM

OPCOM operates in accordance with the provisions of the Law on Electricity and Natural Gas no. 123/2012, as amended and supplemented, of the Law no. 220/2008 for the establishment of the system for the promotion of energy production from renewable energy sources, republished, as amended and supplemented, of GEO no. 153/2022 amending and supplementing Government Emergency Ordinance No. 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, and amending and supplementing certain regulatory acts in the field of energy and amending GEO No.119/2022 amending and supplementing GEO No.27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, and for amending and supplementing certain regulatory acts in the field of energy, secondary legislation issued and approved by the National Energy Regulatory Authority (ANRE), as well as in accordance with the provisions of the conditions of the licenses granted by ANRE - License for the administration of

centralized electricity markets no. 407 and Licence for the administration of centralised markets in the natural gas sector no. 2270, respectively with the provisions of Decision no. 2085/11.12.2019 (previously Decision 2515/14.12.2015) of the President of ANRE according to which **OPCOM** has been nominated as "designated electricity market operator" (OPEED) for the exercise of coupling tasks on the DAM and IDM horizons, for the Romania offer area, within the meaning of the provisions of Commission Regulation (EU) 2015/1222 establishing guidelines for capacity allocation and congestion management.

OPCOM's activity and development are carried out in such a way as to ensure that the company fulfils its objectives and responsibilities in accordance with the government programme, the national energy strategy, government memoranda and decisions, and the agreements assumed by the Romanian state with international financial institutions. At the same time, in its activity and development, **OPCOM** complies with the provisions of European legislation with applicability corresponding to its role and responsibilities (among others, Regulation (EU) No 2015/1222 establishing guidelines on capacity allocation and congestion management, Regulation (EU) No 2011/1227 of the European Parliament and of the Council on wholesale energy market integrity and transparency and Commission Implementing Regulation (EU) No 1348/2014 on data reporting, implementing Article 8(2) and (6) of Regulation (EU) No 1348/2014). 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency, and with Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity, Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 concerning common rules for the internal market in electricity and amending Directive 2012/27/EU, other terms, conditions and methodologies developed under the relevant European regulations.

The results obtained, the complex expertise accumulated and the proven performance throughout its period of operation justify the conclusion that **OPCOM** is a fundamentally necessary component of the Romanian energy market, experienced in applying the best European practices.

OPCOM has a specific activity profile and area of responsibility within the energy market, with a long history of secure, continuous and fair operation and dynamic, sustainable and balanced development. For **OPCOM**, a permanent concern is dedicated to diversifying the product portfolio and supporting the integration of the Romanian energy market into the European single market, applying the best European practices and providing participants with high quality services, varied products, in conditions of full fairness and transparency, as well as in accordance with the provisions of national primary and secondary legislation, and European legislation.

OPCOM's main responsibilities are:

- to act as the organiser and administrator of the Day-Ahead Market for electricity, i.e. as the electricity market operator designated by ANRE to carry out tasks relating to the single coupling of day-ahead markets;
- to act as organiser and administrator of the intra-island market for electricity, respectively as operator of the electricity market designated by ANRE to perform tasks related to the single coupling of intra-island markets;
- to act as organiser and administrator of bilateral electricity contract markets, respectively:
 - Centralised Bilateral Electricity Contract Market - the way contracts are traded through extended auctions and the use of products to ensure trading flexibility; Continuous Trading; Processing Contracts;
 - Centralised Market with continuous double trading of bilateral electricity contracts;
 - Centralised Market for Bilateral Electricity Contracts the trading method under which contracts are awarded by continuous trading
 - Centralised market for universal service;
 - Electricity Market for Large End Customers;

- Centralised market for the allocation of electricity contracts for long delivery periods;
- to act as organiser and administrator of the centralised market for renewable electricity supported by green certificates;
- acting as the organiser of the Green Certificates Market, the administrator of the Spot Centralised Market for Green Certificates, the Centralised Market for Bilateral Contracts for Green Certificates and the Green Certificates Registry;
- to perform the function of organiser and administrator of the markets in short-term standardised natural gas products:
 - Day Ahead Market
 - Intra-Community Natural Gas Market;
- to act as organiser and administrator of the markets in medium and long-term standardised natural gas products:
 - Centralised market for bilateral natural gas contracts - auction and continuous trading mode
 - Centralised market for bilateral gas contracts - trading by public tender and negotiation
 - Centralised market for bilateral gas contracts - OTC trading mode;
- to perform the function of organiser and administrator of the market for medium and long-term flexible natural gas products;
- acting as sole buyer in the framework of the Centralised Electricity Purchase Mechanism (MACEE), under GEO no.153/11.11.2022 for the modification and completion of GEO no.27/18.03.2022 on the measures applicable to final customers in the electricity and natural gas market for the period 1 April 2022 - 31 March 2023, as well as for the modification and completion of some normative acts in the field of energy, approved by Law no.206/07.07.2023.
- to perform the function of Settlement Operator, by carrying out collection/payment/guarantee/clearing operations for the Day Ahead Market for electricity and natural gas respectively, as well as for the Intraday Market for electricity and natural gas respectively;
- for the delivery period prior to October 2023, the determination for each settlement interval of payment obligations and collection rights for transactions by participants in the Balancing Electricity Market (EP), penalties for balancing energy not delivered on dispatch, single final imbalance prices and final shortfall prices respectively, respectively the final deficit and surplus prices, of the Balancing Responsible Parties' (BRP) quantitative and value imbalances, of the additional revenues/costs from balancing the system, and their redistribution, based on the approved metered values transmitted by the wholesale market electricity metering operator, as well as making any recalculations requested by Transelectrica following the retransmission of corrected data.
- to perform the function of Settlement Operator, by carrying out collection/payment/guarantee/compensation operations for the Centralised Electricity Purchase Mechanism, on the basis of GEO no. 153 of 11.11.2022 for amending and supplementing Government Emergency Ordinance no. 27 of 18 March 2022 on measures applicable to end customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as for amending and supplementing certain regulatory acts in the field of energy;
- the activity of supervising the functioning of administered markets;
- collection and publication of statistical data on the market, in accordance with the provisions of the Law on Electricity and Natural Gas, as amended;
- Registered Reporting Mechanism (RRM);
- implementing, managing and developing the IT and telecommunications infrastructure needed to support the activities outlined above;
- fulfilling its responsibilities as an Essential Services Operator under Law No 362/2018 on ensuring a high common level of security of networks and information systems;

- an active participant in the European energy market whose goal is the creation of a single European market.

With regard to integration into the mechanisms of the single European electricity market, **OPCOM**, together with the other national entities involved, must ensure the implementation of the framework, mechanisms and technologies representing elements of the European single market coupling solutions for day-ahead and intra-day cross-border horizons.

OPCOM is directly involved in all the European efforts dedicated to the creation of the single electricity market, being fully integrated and engaged in a series of European and regional cooperations corresponding to its profile, being strongly anchored in the European efforts dedicated to this objective:

- **OPCOM** is fully integrated and committed to the implementation process of both SDAC and SIDC (Single Intra-Day Coupling), involving the related contractual framework, development, implementation and operational activities, and in ensuring the fulfilment of its tasks under the said Regulation, considering its status as OPEED for both trading horizons;
- Since 19.11.2014, the Day Ahead Market for electricity in Romania, administered by **OPCOM**, has operated in a coupled mode ("4M MC") with similar markets in the Czech Republic, Slovakia and Hungary, based on the PCR (Price Coupling of Regions) coupling solution, a European market coupling solution also used at the level of the entire MRC (Multi-Regional Coupling) region: CWE, SWE, IBWT, Nordic, GB, etc.) and which, with the approval of the OCP Plan by the European national regulators, has become the solution applied for the creation and operation of SDAC (Single Day-Ahead Coupling). On 17 June 2021, the successful launch of the NTC-based interim coupling of the markets in Germany, Austria, Poland and the states included in the 4M MC coupling (Project DE-AT-PL-4M MC, Interim Coupling) with the rest of the European coupled region took place, following a request from the national regulatory authorities of the states concerned to initiate a project for this purpose, thus continuing the development of day-ahead electricity market integration and ensuring the achievement of the sustainable phase of the SDAC, with the ultimate goal of Flow-Based Market Coupling (FB MC). The process of integrating all Romanian borders, internal to the EU, continued with the successful integration of the Romania - Bulgaria border into the European default auction coupling mechanism through the implementation of the Romanian and Bulgarian Day-ahead Electricity Market Coupling project, with the successful launch of commercial operation on 27.10.2021.

On 6 June 2022, the successful launch of the CORE FB MC, the target solution for integrated cooperation in the European Single Market SDAC (Single Day-Ahead Coupling), which includes as an integral part the Romania - Bulgaria border considered as CORE external border, took place.

Please note that **OPCOM** is a full member of the project dedicated to the development of the Day Ahead Market Coupling solution - Price Coupling of Regions (PCR), i.e. co-owner of the solution with EPEX SPOT, GME, OMIE, Nord Pool EMCO, OTE, TGE, HEnEx and Nasdaq;

- **OPCOM**, as co-owner of the PCR assets, has ensured and continues to ensure the provision of the coupling service (both infrastructure implementation and post implementation operational services) to OKTE (the designated OPEED in Slovakia) under the Interim Coupling cooperation (and prior to this project under 4M MC) and continues under the peak flow coupling project, Core FB MC;
- Regarding the integration into the SIDC, as of 19 November 2019, the Romanian Intraday Electricity Market operates as a coupled market, with the SIDC now including continuously traded intraday markets in 24 European countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Italy, Hungary, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. On both borders of Romania involved in the SIDC, 15-minute product trading has been implemented;
- in its capacity as OPEED, **OPCOM** participates in the implementation of the provisions of Regulation (EU) 2015/1222 applicable to the coupling of markets on these horizons. It is specified

that, in this capacity, **OPCOM** participates in the cooperation of all European OPEEDs in the common tasks incumbent on the operators designated to participate in the coupling mechanisms on the day-ahead and intra-day market horizons in the process of implementing Regulation (EU) 2015/1222, including in the context of European multi-stakeholder cooperation dedicated to the preparation and implementation of the single European coupling on the two horizons mentioned. In view of the further development of the coupling of electricity markets in the short term, **OPCOM** is involved in the process of introducing the possibility to trade 15-minute products on the Day-ahead Market planned for implementation in early 2025, as well as the implementation of intraday auctions for capacity pricing in the SIDC planned to be launched in mid-2024;

- In the context of the reporting required by the Regulation, **OPCOM** has been qualified by ACER as a Registered Reporting Mechanism for the purpose of reporting bids and trades established by wholesale energy market participants in Romania. **OPCOM** is also involved, from the perspective of Regulation (EU) 1227/2011 on the integrity and transparency of the European wholesale energy market, in the working groups organised by ACER (Agency for the Cooperation of Energy Regulators), for the implementation of this Regulation (Market Surveillance Forum and Groups set up ad-hoc to define implementing rules/guidelines).

In order to guarantee to third parties and the authorities concerned the quality of the services provided under the licences held, **OPCOM** applies a Quality Management System certified by Lloyd's Register Quality Assurance in accordance with ISO 9001 - SR EN ISO 9001. At the same time, in order to guarantee the security, confidentiality and availability of information to interested parties, **OPCOM** applies an Information Security Management System certified by Lloyd's Register LRQA, in accordance with ISO/IEC 27001 - SR ISO/IEC 27001. Also, in the context of Law No 362/2018 on ensuring a high common level of security of networks and information systems, **OPCOM** has been entered, by CERT-RO Decision No 5018/II/A of 15.02.2021, in the Register of Essential Service Operators for the Energy sector, subsectors Electricity and Natural Gas.

OPCOM's performance and participation both at national level and in the specific operational context of market coupling, its regional and European presence within the framework of concerns and projects with the final objective of bringing the pan-European single market to a functional level, the fairness, stability and performance of its evolution, are factors that determine **OPCOM** to represent a fundamental component in the strategic plan for the energy sector in Romania, a vector of stability and social welfare.

TELETRANS

TELETRANS operates a transmission infrastructure based on NZ-DSF (ITU-T G665) fibre optic media embedded in the protective conductors of the 220kV and 400kV overhead power lines (OPGW).

The geographic coverage of the infrastructure is national and approximately 5,000 km long, with more than 150 transmission nodes and access to the fibre optic network, with points of presence in 35 county seats, crossborder links in the region (Hungary, Bulgaria and Serbia) and a structured network. This network is being expanded, both through new links, thanks to the emergence of new transformer stations, and through the future construction of new crossborder links (with the Republic of Moldova and Turkey).

The largest part of **TELETRANS'** activity is the provision of IT&C services for Transelectrica - over 95% of the company's turnover, the rest being represented by the provision of services for other customers, generically called "third party customers".

The provision of services to Transelectrica is carried out on the basis of contracts for the provision of IT and telecommunications services for the parent company, which cover the provision of SLA-type services (ensuring the availability of IT and telecommunications systems and equipment), as well as services on an order basis for non-repetitive activities, when they arise. The main categories of services provided are:

- Process IT services, consisting of the administration and maintenance of the Company's process IT systems (data collection via RTU or CCP, EMS/SCADA system, teleprotection, ENTSO-E node, balancing market);

- telecommunication services that primarily serve the activity of the System Operator - National Energy Dispatching (data transmissions related to process IT, operational telephony) and provide the communication infrastructure (data - voice), related to the management activity of Transelectrica, as well as other IT systems;
- Information technology services, which provide the full range of administration, maintenance, cyber security, Internet, networking services related to all IT systems that are not part of the process IT category.

Within the services provided by **TELETRANS** to Transelectrica, a special category is represented by those related to the activity of the National Energy Dispatcher - DEN. The strategic nature of the DEN activity has also been extended to IT&C services, with the aim of ensuring a higher degree of availability and providing services 24 hours a day/7 days a week. In order to ensure the continuity of these services, **TELETRANS has** organised its activity accordingly, with dedicated personnel in each UNO DEN office (both at the National Energy Dispatching Centre and at the Territorial Energy Dispatching Centres), with shifts on duty at these locations.

TELETRANS has consistently participated in the design, implementation and administration of process information systems and related telecommunications systems and works closely with DEN personnel who operate the EMS/SCADA systems and the Balancing Market and ENTSO-E Node.

The provision of services to third party clients is carried out by concluding contracts/orders for the following categories of services/works:

1. recurring services (billed monthly), including subcategories:
 - collocation services provided in **TELETRANS'** own premises for use as a "data room";
 - other services (equipment maintenance/management, As no etc.).
2. non-recurrent services (with "one-time" billing, after commissioning of contracted services), including subcategories:
 - complex projects (SCADA-Tc, refurbishment of power stations, etc.);
 - orders from third parties for telecommunications services/work (soldering, measurements, etc.);

In the execution of contracts with NPG CO. Transelectrica and third party customers, **TELETRANS'** performance has consistently met the required quality parameters, ensuring:

- maximum SLA level (99.98%);
- avoid, through appropriate back-up solutions, the occurrence of major failures leading to the unavailability of major systems;
- technical solutions to ensure business continuity in difficult situations;
- custom development of software applications that were needed in the parent company's business;
- integration of important IT systems.

Description of the policies adopted to achieve the company's objectives

SMART

SMART wants to strengthen its position in the market for electrical installation services, including nuclear, both internally and externally by diversifying its activities.

The SMART activity is carried out under the conditions of integration of the Quality, Environmental, Occupational Safety and Health Management Systems, Management Control (SIM). In this respect, the top management establishes annually the SIM Policy of the company as an integral part of the overall strategy and envisages planned, effective and sustained action aimed at the functioning of the Integrated Management System throughout the structure and in all its activities, including economic ones. The policy sets out general objectives from which specific objectives are derived and which are set at organisational entity level. They shall be measurable and achievable so that their achievement can be easily assessed. Their evaluation is carried out during the annual management review meetings. These reviews result in a new planning of objectives as well as a programme for improvement.

The priority objective and permanent concern of each employee is to meet the requirements and expectations of our customers, carrying out work in conditions of quality, safety, promptness, efficiency, environmental protection and ensuring the occupational health and safety of the personnel, both to maintain the confidence of current customers and to win potential new customers.

The overall objectives of SMART are:

- continuous development and improvement of the core business; improving financial performance;
- ensuring that the most demanding customer requirements are met, including in the nuclear field, by providing quality services within the deadlines set by contract, in compliance with the technical regulations in force and by monitoring them;
- continuous improvement of the performance and effectiveness of the Integrated Quality, Environmental, Safety and Health Management System, certified by SRAC and IQNet in the classical field and authorised by CNCAN for nuclear activities;
- increasing environmental performance by preventing and combating pollution, limiting negative effects on the environment, acting in particular on significant environmental aspects;
- increase occupational safety and security performance in order to reduce the risk of injury and occupational illness for all persons involved in the work process;
- compliance with legal and other requirements;
- improving the professional training of all personnel through further training, education and awareness;
- SRAC and IQNet recertification of the Integrated Management System according to ISO 9001 ISO 14001 2015 edition and OHSAS 18001:2007;
- maintaining the ANRE certification of the company and personnel;
- Re-authorisation of CNCAN for construction and assembly activities and for the provision of services for nuclear installations;
- improving the internal management control system. General objectives are translated into specific objectives at the level of organisational entities (branches, directorates, centres, workshops, services, offices, departments, etc.), which are quantifiable and measurable, so as to make their contribution to the achievement of overall **SMART** indicators more effective.

OPCOM

a. OPCOM's overall development strategy for the period 2023-2025

OPCOM's overall development strategy for the period 2023-2025 is based on the following general principles:

- i. taking the necessary actions to fulfil **OPCOM's** mission of providing reference prices for electricity and forward price signals for electricity and natural gas and ensuring overall market conditions aimed at increasing the transparency and overall integrity of the wholesale energy market in Romania, supporting the sustainable development of the Romanian energy market;
- ii. the development of those market mechanisms for the trading of electricity, natural gas and related market products and the improvement of the current market mechanisms, for all trading time horizons, so that they support the objectives of national energy strategies as set out in specific national legislation;
- iii. to take the necessary actions to ensure that **OPCOM** plays the role of single buyer in the Centralised Electricity Purchasing Mechanism by continuously adapting to the requirements of the applicable legislative framework;
- iv. integration into the mechanisms of the single European electricity market, an objective for which **OPCOM**, together with the other national entities involved, must take the necessary actions in the context of the implementation of the provisions of European legislation and decisions dedicated to the creation and operation of the single European electricity market, including participation in bilateral, regional and pan-European cooperation processes dedicated to the coupling of electricity markets on the day-ahead and intra-European cross-border horizons;
- v. in the light of changes in applicable national and European legislation, **OPCOM** will seek to adapt its strategy accordingly in order to respond continuously to the needs of market participants and the obligations to comply with the new rules;
- vi. continuing the corporate, technical and technological evolution so that **OPCOM** can fulfil its responsibilities under the law on a permanent, reliable and secure basis and in full compliance with the provisions of the framework of primary and secondary national legislation and applicable European legislation, and keeping its own evolution process in line with the evolution of market trading mechanisms, market trends and risks, as well as the level of market maturity;
- vii. to continue to apply modern management measures in conditions of high quality and to ensure that the company is managed in full compliance with the legislation in force and in conditions of efficiency and effectiveness;
- viii. continuing corporate development in order to maintain the stable and sound operation of the company, ensuring that responsibilities are fulfilled in full, with continuity and at a high level of performance, and ensuring effective implementation of development programmes;
- ix. continue to participate in the activities coordinated by the Ministry of Energy on the implementation of a Contracts for Difference mechanism in Romania and, if the applicable legislation so provides, implement the role of counterparty in the Contracts for Difference state aid support mechanism for low carbon electricity generation;
- x. with a view to supporting the integration of the electricity market in the Republic of Moldova into the Union internal electricity market through market coupling, **OPCOM** will continue to take the necessary actions to ensure the conditions for the designation of **OPCOM** under the legislation of the Republic of Moldova, through the appropriate legal form, as the electricity market operator in the Republic of Moldova, including the designated electricity market operator;
- xi. continue to undertake, in cooperation with the Romanian entities involved, as well as with the European partners involved, the necessary actions in the context of the implementation of the provisions of the European legislation and decisions dedicated to the creation and operation of the single European electricity market, including participation in bilateral, regional and pan-European cooperation processes dedicated to the coupling of electricity markets on the day-ahead and intra-EU cross-border horizons;
- xii. continue to make available to market participants, on the basis of the framework /standard / EFET/ contracts proposed by the initiator, a wide and varied range of products and instruments addressing weekly/monthly/quarterly/annual/multi-annual delivery horizons, for a wide variety of delivery profiles, i.e. band/peak/peak, all resulting in a diversified matrix of instruments to meet any supply strategy and taking into account the specificity of energy generation sources

- (renewable, conventional, hydro, etc.)) or the varying consumption profile, given the diverse nature of electricity consumers' activity;
- xiii. At the same time, **OPCOM** together with the Bucharest Stock Exchange and other partners in the energy and financial sector have set up the CCP.RO BUCHAREST S.A. Clearing House which will act as a central counterparty with the main role of guaranteeing the obligations of both parties in a contract, acting as a "counterparty" for both the buyer and the seller. Thus, the created company CCP.RO BUCHAREST S.A. will take over and manage, through specific techniques and methods, the counterparty risk, the project being within the contractual terms, the next major step in the activity of the new company being to obtain the operating license from the Financial Supervision Authority. In this respect, joint tests are scheduled by **OPCOM** - CCP.RO in order to verify the functioning of the IT systems interfaces;
 - xiv. In order to support the integrity of the energy market, **OPCOM** will continue and develop its monitoring of the energy markets, with all details of bids and transactions being reported daily to both the national regulator ANRE and the European regulator ACER;
 - xv. In its development, the ISO quality and information security standards already implemented will be respected and best practices applied by European energy exchanges and market operators will be considered.
 - xvi. Implementation of organisational and technical measures to ensure compliance with applicable national and European legislation, such as Law 362/2018 on ensuring a high common level of Network and Information Systems Security, Regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), other Directives and regulatory elements that Romania, as a Member State, must transpose into national law or, where appropriate, implement directly upon their entry into force.

b. Quality policy and overall quality objectives

OPCOM focuses all its efforts and resources on ensuring the quality of its activities, for which purpose the company has established, as an integral part of its activity, the maintenance of the Quality Management System in operation at the designed and updated parameters.

The principles underlying the company's quality policy are as follows:

- compliance with primary and secondary legislation and the requirements of the competent authorities;
- continuous improvement and diversification of services offered to market participants;
- defining and updating responsibilities within the quality system management;
- adapting and increasing the level of training of personnel to carry out tasks and duties in accordance with the responsibilities defined by the regulations in force;
- analyse and implement improvement opportunities resulting from internal and external audits and other quality assurance reviews;
- continuous evaluation of the results of the operation of the Quality Management System and the conformity of the quality policy followed.

The Managing Director takes full responsibility for the adoption of the Quality Management System and its continuous improvement.

All **OPCOM** personnel are required to be aware of and comply with their assigned responsibilities in the area of quality and the implementation of the Quality Management System in their activities.

The overall quality objectives for 2023 were:

- the safe and efficient administration of centralised markets, at national, regional and European level, through the services provided to market participants and through oversight and reporting activities;
- secure administration and continuous updating of the integrated IT platforms for centralised markets administered by **OPCOM** at national, regional and European level;

- diversifying the repertoire of products and services offered at national, regional and European level;
- monitoring, maintaining and continuously improving the quality and information security management systems and maintaining their certification according to ISO 9001:2015 and ISO 27001:2013 standards;
- improving communication within **OPCOM** and communication with customers;
- increase customer and employee satisfaction levels at **OPCOM**;
- ensuring the professional representation of **OPCOM** and the proper promotion of its image.

c. Security policy and strategic security objectives

OPCOM's policy is to continuously pursue the fulfilment of its responsibilities in the national and European electricity and gas markets, while ensuring the highest standards of information security, by implementing and operating an Information Security Management System in full compliance with the international standard ISO/IEC 27001:2013, aiming at continuous improvement and certification of the organisation.

The attributes of Information Security Management - confidentiality, integrity and availability - are integral parts of the management functions, so **OPCOM** top management pays particular attention to these attributes, considering them to be core responsibilities and fundamental to good organisational practice in adopting appropriate security measures, harmonised with the requirements of the international standard ISO/IEC 27001:2013.

For the year 2024, **OPCOM** SA aims to migrate to ISO/IEC 27001:2023, thus implementing measures described in ISO/IEC 27002:2022 in order to maintain the high level of security in the field of security and in the context of technological changes over time.

Also, as an operator of essential services, it implements the necessary measures to comply with the provisions of Law 362/2018 on ensuring a high common level of network and information systems security, which transposes Directive 2016/1148/EC of the European Parliament and of the Council of 6 July 2016 on measures for a high common level of network and information systems security in the Union (NIS Directive). In addition, it aims to implement Directive (EU) 2022/2555 of the European Parliament and of the Council of 14.12.2022 on measures for a high common level of cyber-security in the Union (NIS) with a view to applying the rules from 18.10.2024.

OPCOM acts for:

- compliance with primary and secondary legislation and the requirements of the competent authorities;
- the organisation, configuration and performance of the functions assigned to **OPCOM** in the European common markets and the maintenance of the infrastructure necessary for the provision of coupling services to customers, including the related information security requirements;
- continuous improvement of information security in the context of services offered to participants in administered markets;
- ensuring a high level of IT security and performance in the context of increasing remote workload to reduce risks to personnel health in epidemic/pandemic situations;
- analyse and implement opportunities for continuous improvement, including the application of risk assessment and treatment strategies, effectively using management resources to optimally meet information security requirements;
- setting and communicating security objectives and performance in achieving them within the organisation;
- monitoring and maintaining an Information Security Management System that provides clearly defined information security direction, guidance and responsibilities for personnel, customers, suppliers and stakeholders who come into contact with the organisation;
- adopting a proactive attitude in making future business decisions, including continuous review;

- training and awareness-raising of own personnel according to the needs and responsibilities arising from the Information Security Management System.

Responsibility for upholding and complying with this policy rests with the entire organisation, under the guidance and assistance of senior management, who encourage the commitment of all personnel to address information security as part of their professional competencies and organisational culture.

To this end, **OPCOM** management has appointed a management representative for information security, as well as a team of Network and Information Security (NIS) managers, who together with the Information Security Task Force and the Security Incident Response Team, coordinate the organisation's information security activities and represent **OPCOM** in its dealings with consultants, the certification body and interest groups or other specialist forums or professional associations in the field of information security.

In 2023, **OPCOM's** strategic objectives in the field of information security were:

- the safe and efficient administration of centralised markets through the services made available to market participants;
- monitoring, maintenance and continuous improvement of the ISMS and maintenance of the ISMS certification according to the international standard ISO/IEC 27001, in 2024 it is planned to rectify the system according to ISO 27001:2022;
- integration of new products and services made available to market participants in the WSIS;
- fulfilling the role of RRM under REMIT and providing data reporting services to ACER under REMIT;
- providing coupling services for OKTE in the PCR project;
- increase the level of confidence of managed markets participants and **OPCOM** employees in the SMSI;
- implementing measures for GDPR compliance and integrating them into the WSIS;
- maintaining a minimum level (0) of security incidents involving confidential information;
- identification and implementation of the technical measures necessary to comply with the status of Essential Services Operator under Law 362/2018.

d. Policy on the protection of OPCOM prices and indices as trademarks EUIPO, European Union Intellectual Property Office

OPCOM's policy is one of protecting its business, with the main objective of safe and efficient administration of the centralised markets through the services made available to market participants, as well as its brands by ensuring their protection at EU level (all EU Member States), through registration with the European Union Intellectual Property Office - EUIPO and continuous monitoring.

FORMENERG

FORMENERG carries out a wide range of training and tourism service activities that influence educational, social and environmental aspects, which are the main components that define sustainability.

FORMENERG's activity is carried out under the Internal Management Control System (IMS/M).

An integral part of management, the Management Internal Control System (MIS/M), covers all levels of management and all activities, with the aim of achieving the objectives (efficient and effective functioning of the public entity, reliability of external internal information, compliance with laws, regulations and internal policies).

FORMENERG's policy provides the framework for setting, reviewing and achieving overall objectives in close alignment with the company's mission, with management approving the objectives and taking the necessary steps to achieve them.

FORMENERG's mission is to train specialists - "*Success in performance and competition*" - aiming at transforming the Company into a transparent and flexible continuous vocational training system that contributes to increasing employability, adaptability and mobility of the workforce and responds to the needs of companies for a skilled workforce.

The management and all the personnel in the company are particularly open-minded and their actions are focused on constantly responding to the needs of customers and increasing their satisfaction.

FORMENERG's strategic objectives are the following:

- Selecting a larger number of valuable lecturers, recognised for the quality of the information they provide;
- customer orientation to achieve full customer satisfaction;
- improvement in training indicators, compared to the previous year's achievements;
- launching new course offerings in addition to the Service Offering;
- strengthening and developing the position acquired on the market.

In achieving its objectives **FORMENERG** ensures:

- the formation, development and dissemination of the values that define a modern Company;
- training of general, specialised skills compatible with the state of modernisation of the Company;
- high quality of the training process;
- appropriate climate for the personal development of community members;
- the logistical and professional basis for continuous professional training;
- conditions for promoting partnerships at national level;
- developing relations with graduates of public institutions and entities;
- transparency of institutional management;
- promoting scientific and ethical values in the national community.

The main lines of action to achieve the objectives in line with **FORMENERG** policy are:

- execution of services in accordance with customer requirements, correlated with legal regulations specific to the field of activity;
- not accepting compromises or derogations in terms of quality and integrity;
- prompt and efficient handling of complaints;
- the continuous training and further training of personnel, including by prohibiting any corruption tendencies.

SCIM at **FORMENERG** level provides reasonable assurance in relation to:

- achieve objectives in an economical, efficient and effective way;
- compliance with internal and external rules;
- protecting assets and information;
- prevention and detection of fraud and errors;
- the timely production of reliable financial and management information;
- increasing organisational performance.

TELETRANS

The business strategy has as its reference point the purpose for which **TELETRANS** was established, namely to be an economically viable commercial company providing IT&C services for Transelectrica. At the same time, concerns are maintained for the development of the third party customer segment (other than Transelectrica and/or other utility companies) in order to supplement the company's and the parent company's revenues.

The strategic options aim at developing **TELETRANS'** portfolio of services and customers, as well as assuming the role of *centre of excellence* for IT&C and process IT solutions for utilities, with a focus on the energy segment, based on Transelectrica's experience as a provider of this type of services.

The main axes of the strategy are:

- 1) *Strengthen **TELETRANS'** position as a key partner in the IT&C segment in national efforts to manage and protect critical infrastructures and essential services in the energy sector.*

The segment operated by **TELETRANS** - IT&C for the national electricity transmission infrastructure and system services - is, according to current EU approaches, a critical infrastructure in its own right, to be protected as a key element of national security. Placing the energy sector (including the IT structure that serves it) in the area of national security and critical infrastructure requires it to be managed in a unified manner, in which the state, as the guarantor of security, is given a margin of freedom of decision and control that accommodates both security and free market requirements.

As the only dedicated IT&C subsidiary of a state-controlled utility company, **TELETRANS** can contribute to national efforts in the areas of energy security and critical infrastructure in a way that guarantees the sustainable development of society.

The potential strategic role of **TELETRANS** is further revealed today in the context of the transposition into national legislation (Law 362/2018) of the EU NIS Directive 2016/1148 - on measures for a high level of security of networks and information systems in the Union, which highlights the energy sector as a provider of essential services that must be protected from security threats to the information systems that serve them.

Identifying the technical solutions needed to provide new services adapted to the standards imposed by legislation and the market will lead to the implementation of a Human Resources Policy that promotes the *pro-excellence option* of the company by co-opting specialists who, in addition to being involved in the delivery of optimal technical solutions, contribute to the training of employees (new and existing).

2) *Sustainable development of the company, in compliance with the economic and financial performance criteria laid down by the applicable legislation and with the maintenance of the assumed quality standards.*

In order to develop its role as a hub of excellence for IT&C services for utility companies, **TELETRANS** is responsible for constantly adapting its offer to their needs, both in terms of quality and complexity of the services offered and from a financial perspective.

Increasing the company's ability to achieve profitability indicators must be achieved in the case of **TELETRANS**, whose activity also has strategic values, with respect first of all to the parameters of continuity and quality, but without neglecting the development prospects that both the partnership with Transelectrica and the third-party customer market give it.

TELETRANS, as the IT&C supplier of the Transmission System Operator for electricity, also has a duty to build a business profile that meets national and European requirements on resource efficiency, business ethics and social responsibility to underpin sustainable development.

The implementation of these goals aimed at developing the company in a profitable and sustainable manner, guarantees the continuity of providing services at a high level of performance and the constant increase of their quality, recommending **TELETRANS** as a viable and strong partner in the Romanian business environment.

4. Risk management system

SMART

When planning the Integrated Risk Management System, **SMART** takes into account the elements determined during the analysis of the organization's context and stakeholder requirements and determines the risks and opportunities to be addressed:

- risks related to the operation of the Management System that may affect its intended outputs;
- elements and requirements determined during the analysis of the organisation's context and stakeholder requirements;
- environmental aspects;
- occupational safety and health hazards;
- compliance obligations;
- other risks, determined by the organisational entities, resulting from the activities carried out by them.

A process is established within **SMART** to identify, analyse and manage risks and opportunities in relation to the achievement of objectives, environmental issues and compliance obligations.

Ways of dealing with risk can include: avoiding risk, considering risk when pursuing an opportunity, eliminating the source of risk, sharing risk or maintaining risk through conscious decisions.

SMART operates a risk management team appointed by decision of the Director General. A Register is also maintained to record and control identified risks, structured by:

- operational risks - arising from the core business or operational processes;
- environmental risks - identified during the assessment of environmental aspects and impacts;
- OSH risks - identified during the assessment of risks of occupational injury and illness;
- other risks - arising from the activities of organisational entities.

Examples of risks identified:

- incomplete identification of acceptance requirements for the product/service supplied;
- identification of incomplete documentation in the file of works/services carried out by **SMART** bands or when preparing tenders;
- association (in the tendering and contracting phase) with partners, subcontractors, service providers, who subsequently no longer meet the requirements of the contracts;
- high personnel turnover, loss of qualified personnel;
- the use of morally worn equipment;
- Fines, costs of cleaning up polluted areas due to releases/spills of substances harmful to the environment in large quantities (electro-insulating oil) - with fire hazard;
- failure to comply in the event of a defect in the sewage disposal system;
- Failure to comply, possible fines and additional costs for decontamination in case of accidental spills of fuels (diesel, petrol) or other hazardous substances (from the testing laboratory, good or waste oils, paints, battery acid);
- financial gaps caused by delays in collecting the value of work carried out and invoiced and the granting of unsecured advances to third parties.

OPCOM

Due to the specificity of the business, a very important component of the risks that threaten the day-to-day operation of the company is the risks that can be generated by ensuring information security.

The main risks identified in the area of information security are:

- misapplication of the provisions of the Data Protection Regulation;
- the increase in cyber-attacks, both in number and especially in complexity, which is observed on a global scale;
- Faulty implementation of the provisions of Law No 362/2018 on ensuring a high common level of security of networks and information systems (NIS Directive) and from October 2024, of

Directive (EU) 2022/2555 of the European Parliament and of the Council of 14.12.2022 on measures for a high common level of cyber security in the Union (NIS 2).

Another major risk, the lack of adequate space to ensure the continuation of **OPCOM's** activities in the event that the main site becomes unusable following a major disaster, has been reduced by implementing a high level of security that allows the teleworking activity to be carried out under optimal conditions.

To deal with them, **OPCOM** uses an Information Security Management System (ISMS), approved in accordance with ISO/IEC 27001:2013 ("Information technology. Security techniques. Information security management systems. Requirements") which also includes the risk management system. Information security risks were assessed at the start of the ISMS implementation process (2015) and are reassessed annually or whenever necessary, with ISMS compliance with the 27001:2013 standard being recertified in 2018. The methodology used for the assessment is taken from ISO/IEC 27005:2011 ("Information technology. Security Techniques. Information security risk management") and the risk management process comprises the following main steps:

- inventorying information resources and classifying them according to their importance in terms of information security;
- risk identification;
- risk analysis and assessment (consequences, probability of occurrence);
- risk treatment (selection of security measures, Risk Treatment Plan).

In accordance with the provisions of the ISO 9001:2015 standard and the Order of the General Secretariat no.600/2018 on the application of the Code of Internal Management Control of Public Entities, the assessment and treatment of risks related to the specific objectives of the departments within **OPCOM** for the year 2023 were carried out.

For this purpose, the "Risk Management Methodology" developed by the General Secretariat of the Government for the internal management control system of public entities was used, whose provisions applicable to **OPCOM** were transposed into a working procedure.

Thus, a company-wide Risk Register was drawn up, which included the risks related to the specific objectives of the departments, an assessment of these risks was carried out and a Plan for the implementation of control measures to deal with these risks was drawn up.

The status of implementation of risk control measures was reviewed for each department during the internal quality management audit conducted in December 2023 and the residual risk assessment was conducted in early 2024.

Legislative and regulatory risk

In the operation of the organised electricity/natural gas/green certificates markets administered by **OPCOM**, there is a significant risk that a change in legislation could affect the company's business, creating the need for swift and full compliance or even the need to manage a significant impact on **OPCOM's** business model.

By way of example, delays in the adoption of primary/secondary legislation and/or its adoption with provisions likely to give rise to differing interpretations or provisions that do not fully cover situations encountered in the application of primary/secondary legislation, may lead to negative consequences at **OPCOM** level, including the formulation of claims against **OPCOM** as a defendant, arising from differing interpretations by market participants of the applicable primary/secondary legislation.

The issuance/amendment of applicable regulations and the setting by ANRE of very short deadlines for **OPCOM's** implementation of the requirements of the approved regulatory framework or amendments to the existing regulatory framework are risks that may create major difficulties in fulfilling **OPCOM's** obligations, i.e. timely, correct and complete compliance of the company with the new tasks.

In order to prevent such situations as far as possible, **OPCOM** shall draw up the regulations necessary for the proper functioning of the organised electricity, green certificates and administered natural gas markets and shall actively participate in the improvement of the regulatory framework, which is subject to a public consultation process, by drafting and submitting comments/completions/amendments deemed necessary.

With regard to the development projects/programmes carried out by **OPCOM** at European level, the following activities are carried out to ensure **OPCOM's** viable participation: the institution's project portfolio is identified and created, project teams are established by internal decisions to carry out activities in cooperation with the representatives of the other companies involved in European multi-stakeholder projects, including for the management of legal, technological, operational risks, etc.. Regulatory risk is also present in the case of European projects, referring to the possibility that European single market regulations may undergo unforeseeable changes that could lead to situations where, even when there is a rigorous preparation of the preliminary technical documentation in an existing interpretation at a certain point in time, the details related to wording/certainties/general clauses in European regulations lead to different interpretations and the need to abandon certain directions, including generating additional expenses or costs that have already been incurred and cannot be recovered. By way of example, changes in European legislation under discussion in the last two years may require changes to **OPCOM's** activities and corresponding adaptation needs.

Risk of non-collection of the equivalent value for services rendered

By ANRE President's Decision no.492/30.03.2022 **OPCOM** was assigned the function of delegated operator for the settlement of balancing energy and imbalances PRE and in accordance with art.3 of the mentioned Decision, **OPCOM** and NPG CO. Transelectrica SA concluded in April 2022 the Contract for the provision of services of delegated operator for the settlement of balancing energy and imbalances parties responsible for balancing no.C707/2022. In view of the change in the regulatory framework regarding the remuneration of services provided to participants in the markets organised and administered by **OPCOM** (repeal from 01.01.2023 of ANRE Order no.192/2019 on the Methodology for determining the regulated revenues related to the regulated activity carried out by the electricity market operator) and based on the clauses in art.2.2 and 12.2 of Contract no.707/2022, **OPCOM** proposed to NPG CO. Transelectrica SA in December 2022, the conclusion of the Additional Act no.4 to this contract, regarding the remuneration, in 2023, of the services to be provided by **OPCOM** in favour of the TSO, namely the services for the calculation of the rights to be collected and of the payment obligations for the settlement of the transactions recorded on the balancing market and of the imbalances PRE, according to the provisions of the secondary legislation approved by ANRE.

In accordance with ANRE Order no.100/2023 approving the Methodology for setting the tariffs charged by the designated electricity market operators starting from 1 January 2024, the tariffs charged by the designated electricity market operators that perform single day-ahead market coupling and/or intra-day markets in the Romanian offer area are set by them.

Management of the risk of non-receipt of payment for services provided by **OPCOM** is carried out through the Regulatory Tariff Invoicing and Payment Procedure and other procedures developed at the level of each market administered by **OPCOM**, including direct collaboration between **OPCOM personnel** and market participants with overdue payments.

Competitive risk

In the context of the liberalization of the bilateral electricity contracts market, as a result of the legislative changes applicable as of 2022, respectively of the spot electricity markets, following the designation by ANRE in July 2023 of a second OPEED in Romania, the company is exposed to price fluctuations on the competitive market.

Risk management requires continuous monitoring of managed markets and a constant cost control policy.

At the same time, it should be borne in mind that this risk can be managed within a limited margin as mentioned, only on items under **OPCOM's** control. The behaviour of the second OPEED is

not under the control, obligations and restrictions of primary legislation applied to state-owned companies such as **OPCOM**. Moreover, ANRE has not developed regulations to ensure uniform assessments of the activities carried out by the two operators, facilitating competitive disadvantages, e.g. unrealistically low or even below-cost prices.

If operators are not subject to the same criteria, it is easy to see that **OPCOM** is forced to operate at an appreciable competitive disadvantage, which would most likely lead to **OPCOM** being driven out of spot and forward electricity markets.

The risk of skilled labour

In recent years **OPCOM** has been faced with the impossibility of filling vacancies due to:

- the need to provide dedicated and specialised personnel to carry out all activities;
- the specific nature of some of **OPCOM**'s activities, which are carried out 24 hours a day, 365 days a year, which implies the availability of personnel in compliance with the provisions of the Labour Code and the Collective Employment Agreement, and the other activities carried out within the company, which must ensure the continuity of the activities carried out throughout the year through the existence of specialised and dedicated personnel
- daily collaboration of employees with a significant number of the 900 participants registered on **OPCOM**'s administered markets - each of whom participates in one or more administered markets - depending on their interest in connecting to trading platforms, expressing trading intentions and other administrative aspects of connectivity, security, settlement, billing, etc.
- the pace of daily activity, i.e. the marked dynamics of the activities carried out by the company both from one year to the next and within the same year as a result of changes/completion of regulations by ANRE, which may decide to cease some activities and put other activities into effect (such regulations are approved each year). The time given by ANRE to implement the new provisions is very short.
- the requirements imposed for carrying out activities within the framework of the European next-day market coupling projects and the intra-day market, which require both an advanced knowledge of English and the availability to carry out these activities in specific working groups, set up both for operational activities at the level of the single European couplings and for development activities within the framework of the European projects, at the same time as the specific activities of the department
- the decision of some employees to opt for better-paid jobs and/or a work schedule adapted to their needs with other employers
- the impossibility to grant at the time of hiring or in the following period existing salaries at the level of the personnel employed at the European exchanges or even at the level of the Romanian market

In view of the legislative constraints, particularly since this year, regarding the conditions to be met for increasing salary expenditure and the ban on increasing the number of personnel needed to fill departments with specialist personnel, there is a risk of not being able to hire well-trained personnel and of specialists leaving **OPCOM** for other, better-paid jobs.

Risk of non-recovery of ACER fees due on time

OPCOM's role as Registered Reporting Mechanism under REMIT was extended by Commission Decision EU 2020/2152 of 17.12.2020 on the fees payable to the European Agency for the Cooperation of Energy Authorities for the collection, use, processing and analysis of reported information under Regulation (EU) No 1227/2011 of the European Parliament and of the Council, in which case **OPCOM** applies a bilateral contractual mechanism in relation to market participants in order to implement this function as annual fee collector for ACER and to manage as efficiently as possible the risks of non-recovery of individual fees from the reporting participants in a timely manner.

Risk of injury and occupational disease

In accordance with the legislation in force, an assessment of the risks of injury and occupational illness was carried out at **OPCOM** level, which determined the company's overall risk level at 2.83, which places the company in the category of establishments with a "low to medium" risk of injury. The Prevention and Protection Plan has been drawn up.

Risk related to disputes pending before the courts

At the end of the year, there were 27 disputes pending before the courts in which **OPCOM** was both defendant and plaintiff. As a result of the court rulings, there is a risk of damage to **OPCOM's** image, but also a risk that may lead to unfavourable financial results for the company, with a mention of the legal actions between **OPCOM** and the majority shareholder Transelectrica.

FORMENERG

FORMENERG has a low risk tolerance and has taken steps to analyse and identify risks through participatory situational management and to pursue appropriate risk treatment strategies.

The treatment of identified risks is presented in the "**Risk Management Methodology**" developed by the SGG for the management internal control system of public entities, whose provisions applicable to **FORMENERG** have been translated into a "**Manual for the Implementation of the Management Internal Control System**".

Risk management requires the involvement of all stakeholders, both those with management and executive functions, by establishing clear responsibilities across all organisational and decision-making structures.

The risk identification process took into account both the **causes** of *vulnerabilities* (internal causes) / *threats* (external causes) that may lead to risks and the **effects** they may have.

A number of identified risks are exemplified below:

- Damage resulting from frequent power outages;
- Hacking;
- Outdated Customer database;
- Loss of data resulting from misunderstanding of application operation by users with access rights;
- Losing a partnership with a supplier;
- The justification of material resource requirements did not take into account the allocated budget;
- Failure to identify suitable external partners to participate in tenders;
- Loss of launch opportunity for certain course topics;
- Design of a course insufficiently adapted to training requirements;
- Exceeding deadlines for collection of liabilities and payment of bebts.

In terms of **corruption risks**, as of 2023, **FORMENERG** has not registered any complaints to the Disciplinary Committee, cases of intimidation or attacks on the person, or cases of discrimination on the basis of gender/age/race/religion/political beliefs. Provisions related to respect for human rights have been included in the Internal Rules and in the CCM.

Once the risks have been identified and assessed and the tolerance limit defined, the type of risk response for each risk (strategy adopted) is determined. The strategies adopted consisted of dealing with the risk through risk elimination/ mitigation or monitoring measures.

Significant risks have been selected, based on the Risk Profile and Risk Tolerance Limit, *the Entity Risk Register has been developed and the Control Measures Implementation Plan has been prepared.*

On the basis of the annual reports on the risk management process at the level of each directorate/bureau/independent department, and on the basis of the Implementation Plan of control measures for significant risks at the level of the public entity, the annual risk management information has been prepared.

The reporting includes an analysis of the risks identified and managed at departmental level, and the monitoring of objectives and activities through performance indicators at public entity level.

TELETRANS

TELETRANS risks were reassessed and managed during 2023 in accordance with the provisions of the internal Risk Management procedure, developed in accordance with SGG Order no. 600/2018 on the approval of the Code of Internal Management Control of Public Entities and the ISO 9001:2015 Quality, ISO 14001 Environmental, ISO 45001:2018 Occupational Health and Safety standards applicable to **TELETRANS**. Four risks are registered in the **TELETRANS** Risk Register prepared in 2023, for which the **TELETRANS** Control Measures Implementation Plan for the management of these risks was prepared in 2023.

5. Key non-financial performance indicators relevant to the specific activity

SMART

In general, performance indicators are established together with the specific objectives and the description of operational processes and are discussed during management review meetings. These indicators include:

- customer satisfaction, feedback for work carried out on the basis of the ANRE certificate
 - Indicator: annual customer satisfaction rate (arithmetic average of the satisfaction rate values of the contracts completed during the reference period) - calculated according to ANRE Order no. 45/07.09.2016;
- monitoring the health status of employees; medical examinations and check-ups in accordance with the legal provisions in force;
 - Indicator: No. of employees monitored/ No. of employees*100 [%];
- tendering and contracting
 - Indicator: Accepted offers finalised by order, contract/offers sent to customer*100 [%];
- degree of resolution of non-conformities
 - Indicator: non-conformities resolved / non-conformities identified x 100 [%];
- degree of achievement of the audit programme
 - Indicator: audits performed/audits planned x100 [%];
- overall degree of achievement of training programmes
 - Indicator: programmes completed/programmes approved x100 [%];
- calibrated measuring and monitoring equipment, verified during the period in question
 - Indicator: MSM calibrated, checked/MSM planned to be calibrated, checked *100 [%];
- the effectiveness of actions to address risks and opportunities
 - Indicator: Overall risk level \leq baseline;
- waste management
 - Indicator: No. types of waste collected/No. types of waste selectively collected *100.

In order to develop/improve reporting, control and risk management capabilities, with an increased focus on the relationship with Transelectrica, **SMART** aims on:

- integrating/linking corporate risk management processes and mechanisms (other than operational risks addressed by energy/energy regulations, standards and practices) with risk management processes and mechanisms related to maintenance activities, in order to ensure that the risks to which the economic entity is exposed are adequately addressed in terms of completeness;
- reviewing, improving and/or developing (where appropriate) corporate risk management processes and tools, and periodically reviewing and/or recalibrating/adjusting risk management tools (e.g. internal procedures, algorithms and models, rating scales, risk profile, risk tolerance limit, operational and information flows);
- increasing the level of knowledge of the company's personnel on risk management, in particular by conducting training sessions for **SMART** - executive personnel and the 8 branches;
- Improving the flow of risk information within the organisation, both for better risk management in locations where exposure exists and for better application of the principle of Risk-Informed Decision Making (RIDM);
- developing an internal Business Continuity Management (BCM) framework.

OPCOM

The non-financial indicators used in **OPCOM** are:

- share of transactions on the various administered electricity markets (Quantity traded during the reference period on the respective market/Net national consumption);

- return on participation in transactions on the various administered electricity markets (No. of participants who submitted bids in the reference period on the respective market/No. of participants registered on the respective market);
- **OPCOM** customers' satisfaction with the quality of service provided for the administration of the markets/instruments made available to market participants (expressed in scores from 1-5);
- **OPCOM** employee satisfaction (expressed in ratings: very satisfied, satisfied, dissatisfied and neutral);
- the level of information security incidents (expressed in number of incidents recorded during the reference period);
- number of reporting services provided by **OPCOM** out of the total services for which ACER registered reporting mechanisms are qualified, **OPCOM** being among the top RRM's in terms of the diversity of services for which it has been qualified by ACER and which it currently reports; number of beneficiaries of REMIT reporting services (expressed in number of beneficiaries per year).

In terms of the targets set, both the general quality objectives and the more than 100 specific quality objectives, broken down by relevant levels of the company's organisational structure, were almost 100% met, with some aspects not being achieved for reasons beyond **OPCOM**'s control.

FORMENERG

In order to achieve sustainable performance by harmonising economic, social and environmental objectives, **FORMENERG** uses a performance evaluation system that must capture the following aspects: the entity's objectives, its strategy, the effectiveness and efficiency of the activities carried out, **FORMENERG**'s ability to adapt to the requirements of the market in which it operates.

In terms of efficiency, the activity must be planned and approached from a global perspective, taking into account the four types of development capital: human, economic, social, environmental.

In order to determine whether and how the objectives are being achieved, it is necessary to *monitor the implementation of the activities as a whole* and to *assess the degree of achievement of the objectives* on the basis of *performance indicators* by comparing the expected target result with the actual result achieved at the time of the assessment.

Performance indicators are defined as quantitative or qualitative variables that provide simple and reliable information for measuring results in the dynamics of the processes and activities carried out. At the same time, indicators are basic analytical tools for assessing a specific result (with previously established achievement targets) or for comparing similar results.

Non-financial performance indicators measure:

- quantity - the direct result of the activity (e.g. number of training sessions);
- quality - the quality of results (e.g. number of mistakes made, employee satisfaction, customer satisfaction);
- duration - the duration varies according to the nature of the outcome (the period within which the effects are to be produced);
- efficiency - maximising the results of an activity in relation to the resources used;
- effectiveness - the degree to which the planned objectives for each of the activities are achieved, the ratio of the intended effect to the actual outcome of that activity.

For **FORMENERG**'s specific activity, relevant non-financial indicators include:

- training services
Indicators:
 - Number of training courses series
 - Number of trainees
 - Revenue from training services

- hostel accommodation services
Indicators:
 - Hostel occupancy rate
 - Hostel accommodation services revenues

- customer satisfaction (external and internal)
Indicators:
 - Level of student satisfaction with the quality of services provided
 - Employee satisfaction

- monitoring the health status of employees
Indicator
 - Medical check-ups according to the legal provisions in force

- waste monitoring
Indicator
 - No. of types of waste collected/ No. types of waste collected separately*100.

TELETRANS

For 2023, **TELETRANS** has not established non-financial performance indicators.

6. Environmental management system

SMART

The identification and assessment of environmental aspects is carried out whenever there are changes in the structure of processes, activities, products or services; legislative changes; development of new activities, services or works; significant changes in facilities and processes; relocation of facilities. They are reviewed with a view to updating them annually.

Elements relating to working conditions are taken into account to identify environmental aspects:

- emissions under normal operating conditions;
- emissions under abnormal operating conditions, i.e. emergencies, breakdowns or accidents;
- frequency of emissions;
- the environmental and health impacts of emissions;
- the risk of emissions;
- regulatory compliance;
- public or neighbour complaints;
- use of raw materials and natural resources;
- other issues relating to the material and spiritual values of the local community.

Based on the score obtained in the environmental aspect assessment, this results in the list of environmental aspects with significant impact and the list of possible emergency situations. For each emergency situation an emergency prevention plan is drawn up and simulated annually.

The purpose of this plan is to respond to real emergencies, to take action to prevent or mitigate the consequences of an emergency, appropriate to the magnitude of the emergency and the potential impact on the environment, to provide relevant information and to conduct training related to emergency preparedness.

Please note that possible emergency situations, i.e. incidents, failures or accidents that may have a particularly serious impact on the environment, are only likely to occur as a result of abnormal operation.

Emergencies that require immediate intervention to limit the effect on the environment will be taken into account when establishing emergency preparedness and response capacity plans.

The following possible emergency situations have been identified within the Society:

- oil spills during the application of oil treatment/regeneration technology (at the beneficiary's site);
- oil/fuel leakage in case of failure of an automotive subassembly or accident;
- possible oil leaks when handling oil containers.

For these situations, the enforcement personnel is equipped with biodegradable absorbent soil.

SMART holds environmental permits issued by the Territorial Environmental Agencies (where deemed necessary) and carries out the reporting required by legislation.

There are also Environmental Management Programmes, approved by the beneficiaries, which contain Environmental Impact Mitigation Plans and monitoring plans.

Examples of environmental issues with reduction measures:

- environmental protection measures and restoration to baseline condition after completion (Natural resources and biodiversity conservation);
 - Measure - Ecological reconstruction, filling in gaps, landscaping, planting trees and grass and restoring the natural setting after completion;
- emissions of conventional pollutants or greenhouse gas emissions (air quality protection).
 - Measure - Prevent dust release during excavation work by spraying with water in case of dry ground and/or wind. Gas emissions from 16 means of transport and the machinery used must not exceed permitted limits. Normal operating means of

transport and machinery must be used. Unnecessary operation of machinery shall be avoided.

OPCOM

OPCOM is constantly concerned with environmental protection elements, one of the directions pursued being the reduction of electricity consumption. To this end, all IT equipment used in daily operations is Energy Star certified. Another technology that ensures low electricity consumption is virtualisation technology, the widespread use of which has enabled the company to grow with reduced electricity consumption. In order to reduce electricity consumption, **OPCOM** has also taken the measure of replacing the lighting lamps equipped with neon tubes with LED tubes, thus reducing consumption by about 40%.

OPCOM also has a selective waste collection policy, which is applied to WEEE waste, starting with used toner and ending with used IT equipment, which is collected by specialised companies.

From an industry perspective, **OPCOM** is fully engaged in national efforts to implement market services and specific products and tools to help increase the share of low-carbon electricity.

In this regard, **OPCOM** representatives participate in the working groups set up at the Ministry of Energy with the participation of ANRE and representatives of Transelectrica and other entities as appropriate, with the objective of implementing a new support scheme to support the production of energy from low-carbon sources, a mechanism under which **OPCOM would act** as counterparty in contracts for difference concluded with investors in clean technologies supported by state aid.

OPCOM applies a separate waste collection policy for WEEE waste, i.e. used toner consumables and used IT equipment, which are collected by specialised companies.

FORMENERG

FORMENERG attaches great importance to environmental protection by integrating best practices in the field into its activities. As such, compliance with the applicable environmental regulations is carried out whenever there are changes in the structure of processes, activities, legislative changes, maintenance or repair work on the company's premises.

With regard to the scope of activities and processes carried out at **FORMENERG**, no risk elements have been identified, so they do not have a significant impact on the environment.

In terms of environmental protection, **FORMENERG is** constantly concerned with minimizing the impact of its activities on the environment, and aligning itself with the requirements imposed by the regulatory bodies in the field.

This sets benchmarks for careful monitoring of resource consumption (energy, water) and responsible waste management.

➤ **Energy consumption**

For space heating, **FORMENERG** uses a methane gas-fired central heating plant equipped with two boilers with a total heating capacity of 920 kW.

Fuel consumption per hour is 108 Nmc/h. The plant is equipped with a 24.5 m high, 0.422 m² exhaust stack.

Monitoring of air quality (flue gas from the heating plant) is carried out by submitting analysis bulletins to the requesting authorities. Measurements are carried out every six months and air quality (emissions) data will be reported annually to the environmental protection authority.

The electricity supply necessary for the operation of the equipment used in the activity and for the lighting of the site is provided by the National Energy System on the basis of the supply contract.

In order to reduce consumption and to comply with the best available techniques for the efficient use of energy, the following aspects shall be taken into account:

- proper functioning of the ventilation system;
- selecting electricity-consuming equipment with the lowest specific consumption.

The calculation of energy consumption is based on the correlation of the quantities of energy consumed with the amounts billed and paid, using the calorific value and the agreed energy conversion factors.

➤ **Water consumption**

Water supply for drinking and sanitary purposes is provided from the public network managed by APA NOVA București SA on the basis of the supply contract.

The wastewater is discharged into the city sewage network managed by APA NOVA București SA.

Monitoring of wastewater discharged into the city sewer is carried out by authorized laboratories (currently ECOIND Bucharest). Measurements are carried out monthly in control section R1 and data on the quality of the wastewater discharged will be reported annually to the environmental protection authority.

The calculation of water consumption is based on correlating the quantities of water consumed with the amounts billed and paid.

➤ **Waste management**

FORMENERG respects the waste management hierarchy and strives to prevent waste generation, constantly seeking solutions for recycling and recovery of waste generated from its own activity (paper, pet, used toner, used IT equipment, etc.).

To this end, **FORMENERG** has adopted a policy of selective waste collection, which is also applied to WEEE waste. The waste management method involves drawing up and keeping up to date the Waste Management Record. This will be submitted annually to the Environmental Protection Agency in Bucharest.

➤ **Fire protection** is another priority for **FORMENERG**

On this line, in accordance with the legal provisions in force, the FIRE INTERVENTION PLAN was drawn up at the administrative headquarters of the company in Gheorghe Sincai Boulevard, no. 3, sect. 4 - Bucharest. Fire protection implies a permanent monitoring and assessment of fire risks (identification, assessment and risk control) at company level and the provision of appropriate measures for fire prevention.

In order to comply with the legal provisions specific to the field and to prevent unforeseen situations, **FORMENERG** has purchased portable extinguishers with carbon dioxide, type P6,G2, which cover the need for technical means of fire protection according to the rules in force. In addition, the water intervention installation, in case of fire, is periodically checked, signalled and secured according to the standards in force.

➤ **TELETRANS**

TELETRANS' top management shows a special concern for pollution prevention and environmental protection, expressed and communicated to all stakeholders through the General Manager's Statement on Quality, Environmental, Occupational Health and Safety Policy, and an Integrated Quality, Environmental, Occupational Health and Safety Management System has been implemented, certified and maintained in **TELETRANS** since 2009, in accordance with the international environmental standard ISO 14001 - Environmental Management Systems. Requirements with user guide.

The environmental issues identified at **TELETRANS** mainly relate to waste management and are kept under control in the Agencies and Centres in accordance with the legal provisions in force, the existing decision-making framework and the specific internal environmental

procedures/instructions, which set out the duties and responsibilities of the **TELETRANS personnel** designated as responsible for environmental protection.

Thus, **TELETRANS** does not highlight and does not foresee any environmental aspects with significant negative impact on the environment generated by its activities and processes.

Given the nature and the high quality of the products and services resulting from the Company's processes/activities, as well as the management's concern for the environment and for the occupational health and safety of employees, manifested throughout the Company, which owns, maintains and is constantly striving to update the certifications required by the latest international standards in the field of quality, environment and occupational health and safety, no consequences on climate change and sustainable development are estimated to result from the Company's activities.

7. Social and personnel issues. Eliminating discrimination and promoting gender equality

SMART

SMART's Internal Rules contain a specific chapter entitled Rules regarding observance of the principle of non-discrimination and the elimination of any form of violation of dignity - which defines and regulates the framework of employment relations within the company.

Thus, each **SMART** employee benefits from working conditions appropriate to the work carried out, social protection, occupational health and safety, as well as respect for their dignity and conscience, without any discrimination.

All employees have the right to equal pay for equal work, the right to collective bargaining, the right to protection of personal data and the right to protection against unfair dismissal.

In determining and awarding wages, any discrimination on grounds of sex, sexual orientation, genetic characteristics, age, nationality, race, colour, ethnicity, religion, political choice, social origin, disability, family status or responsibility, trade union membership or activity is prohibited.

OPCOM

With regard to the social and personnel aspects of the relationship between employer and employee within **OPCOM**, these were carried out in accordance with labour legislation, as well as with the provisions of **OPCOM's** Collective Labour Agreement, in force in 2023, the Internal Regulations, **OPCOM's** Organisational and Functioning Regulations, the Regulations on the organisation and conduct of competitions to fill vacancies, the Code of Ethics and Professional Conduct, etc.

The following measures are applied to ensure appropriate working, occupational health and safety conditions:

- ergonomic workplace design is ensured through the use of ergonomic, adjustable chairs, correct positioning of office furniture and computer in relation to the worker, lighting, air conditioning systems;
- the health of employees is monitored through the employer's subscription-based health service;
- ensuring a clean working environment through the action of our own personnel, as well as by working with professional firms for: the removal of household rubbish, the cleaning of the outside surfaces of windows, the maintenance of air-conditioning units, regular pest control, the supply of containers and the maintenance of drinking water dispensers;
- ensuring a safe working environment to protect employees against the COVID-19 virus by establishing strict measures, such as: screening at the entrance to the company by taking the temperature and daily completion by each employee physically present in the company's premises of a questionnaire on the assessment of the degree of risk among **OPCOM** personnel, placing disinfectants at the entrance to the company and on each floor, ensuring the daily requirement of protective masks for each employee physically present at the company's premises, etc.;
- the necessary electronic equipment is provided for employees working on telework;
- the condition of personal protective equipment for activities requiring such equipment (e.g. maintenance/cleaning personnel, electricians) is constantly checked and renewed periodically or whenever premature wear is detected.

The computing technology available to employees is at a high professional level both in terms of performance and in terms of protecting their eyesight.

Professional training is provided in accordance with current labour legislation and internal regulations, both as an action taken to ensure opportunities and to address/eliminate any possible lack of technical expertise in certain areas.

Accordingly, the training of employees in 2023 had the following main objectives:

- the adaptation and full integration of the employee to the requirements of the job;
- updating knowledge and improving professional training;

- acquiring advanced knowledge, modern methods and procedures necessary for carrying out professional activities;
- developing communication skills in professional situations;
- stimulating innovation capacity with applicability within the limits of the assumed responsibility;
- development and implementation of new projects, which led to the diversification of the core business.

The successful implementation of these objectives has required a sustained effort by project personnel throughout the year, including the application of new knowledge, skills and competences acquired through training and professional development courses.

As regards the employees' right to be informed, in the first quarter of the year, the executive management informed the employees about the estimated fund for the year 2023 for social expenditure, and a protocol was concluded with the social partner on how to allocate the financial sources by type of social expenditure.

The meetings between the Employer and the Trade Union in 2023 were characterised by the willingness of the parties to dialogue. The parties negotiated the granting of wage rights in compliance with the legal provisions. During 2023, protocols and an Additional Act to the Collective Labour Agreement were negotiated and signed. Trade union rights have always been respected within the company.

With regard to the fight against discrimination and the promotion of diversity, the principle of non-discrimination and the elimination of any form of violation of dignity is respected and applied within **OPCOM** in accordance with the legislation in force, the Internal Regulations or the Code of Ethics and Professional Conduct.

In accordance with the Code of Ethics and Professional Conduct, **OPCOM** respects and guarantees equal and non-discriminatory treatment in its dealings with employees, participants in managed markets, partners and collaborators.

In the performance of their duties, **OPCOM** employees are required to conduct themselves in a professional manner and to ensure the transparency, impartiality and effectiveness necessary to gain and maintain the trust of market participants, partners and collaborators. At the same time, the Company's employees are obliged to ensure equal treatment and to refrain from acts of discrimination on grounds of nationality, gender, origin, race, ethnicity, disability, age, religion or political beliefs.

Moral harassment in the workplace is prohibited through any kind of behaviour which, by its systematic nature, may harm the dignity, physical or mental integrity of an employee or group of employees, endangering their work or degrading the working climate.

OPCOM's Internal Regulations contain rules on compliance with the principle of non-discrimination and the elimination of any form of violation of dignity, and the employer has the prerogative to impose disciplinary sanctions, in accordance with the law, on employees who commit direct or indirect discrimination in the workplace or sexual harassment.

FORMENERG

FORMENERG applies the principle of non-discrimination and the elimination of all forms of violation of dignity in accordance with the legislation in force, the Internal Regulations and the Code of Ethics, respects and guarantees equal treatment in the relationship with employees, partners and collaborators of the company.

FORMENERG's internal regulations contain a chapter entitled - Rules on compliance with the principle of non-discrimination and the elimination of any form of violation of dignity governing the framework of labour relations within the company. Thus, all employees of the company are provided with working conditions appropriate to the work carried out, social protection, occupational health and safety, as well as respect for dignity without any discrimination.

The principle of equal treatment of all employees operates in employment relations. Any direct or indirect discrimination against an employee based on sex, sexual orientation, genetic characteristics, age, nationality, race, colour, ethnicity, religion, political opinion, social origin, disability, family situation or responsibility, trade union membership or activity is prohibited.

Employees are always informed about changes in legislation that impact them. **FORMENERG** recognizes and respects the privacy rights of its employees by limiting the collection, access and use of personal data related to employment. Meetings between the employer and the trade union are characterised by the parties' willingness to engage in dialogue, resulting in amendments and additions to the Collective Labour Agreement. Trade union rights are always respected within **FORMENERG**. All employees have the right to payment, the right to collective negotiations, the right to protection of personal data and the right to protection against unlawful dismissal.

FORMENERG complies with the legal provisions in the field of Occupational Health and Safety, acting in this regard to protect the life and health of employees. The organisation of the occupational health and safety activity is laid down in the Internal Regulations, including the specific mandatory rules to be observed.

The Director-General has issued a provision for the appointment of a technical officer with responsibility for occupational health and safety, which covers the following aspects:

- ensuring a pleasant and clean working environment through collaboration with companies in the field;
- organisation of workplaces in such a way as to guarantee the Occupational health and safety of employees (ergonomic chairs, air-conditioning systems, natural/artificial lighting, etc.)
- the condition of the equipment used in the work of employees for the purpose of ensuring the health and safety of employees;
- training employees in occupational safety and health;
- regular organisation of occupational health checks;
- ensuring conditions for the provision of first aid in the event of occupational accidents;
- evacuation of employees in special situations of imminent danger.

TELETRANS

With regard to social and personnel issues, actions taken to ensure gender equality, working conditions, occupational health and safety, **TELETRANS** carries out the recruitment and selection processes of personnel in compliance with gender equality, working conditions, as well as the requirements of the posts in terms of skills and specialist training required and in accordance with specific internal procedures (Operational Procedure - Recruitment and Hiring of Personnel).

8. Combating corruption and bribery

SMART

SMART's Code of Ethical Conduct presents the set of rules on which the company was developed, rules of ethical business conduct and how to prevent illegal and unlawful actions that may occur in the course of doing business within the company.

The Code of Ethical Conduct identifies ethical practices and accepted standards and is defined as a set of rules that determine what is right and wrong in employee conduct, a systematic reflection on the moral consequences of a company's decisions. The development of the Code of Ethical Conduct is a core component of the company's transparency, authenticity and accountability to shareholders, the community and the environment. It is not a guarantor of such, but it is a good prerequisite for the formation and implementation of ethical values, responsible behaviour and operations.

The Code of Ethical Conduct and Internal Rules are binding and apply to all **SMART** structures.

The Code of Ethical Conduct is made known to employees, suppliers and partners of the company.

In terms of optimising and streamlining the organisational structure of SSMRET SMART:

- Optimisation is about implementing an organisational structure that maximises the company's capabilities as a fundamental element of sustainable competitive advantage;
- creating an internal resource allocation system that maximises, streamlines and aligns uses with a direct effect on achieving cost-effective structures;
- in the context of strengthening the security culture we propose to implement an organisational structure based on clearly defined roles, elimination of inappropriate redundancy of roles, cascading of objectives, alignment of skills with current changing requirements, based on good corporate governance rules, with a fluid system of vertical and horizontal communication;
- aligning the organisational structure with the other 3 dimensions of the organisation: human resources, process system and technology.

In terms of compliance with corporate governance principles and the code of ethics and integrity:

- compliance with all legal provisions and recommendations of Romanian capital market institutions;
- Regular benchmarking with international entities and adoption of international best practices;
- zero tolerance for deviations from **SMART's** code of ethics.

In terms of responsible and active involvement in corporate social responsibility actions:

- Involvement in social responsibility actions at local and national level in the following areas: educational and research, humanitarian and cultural.

In terms of retaining/attracting highly qualified personnel in a specialised labour market:

- adopting a human resources strategy for attraction, training and retention;
- implementation of cooperation programmes with the Politehnica University of Bucharest and technical faculties at national level, especially in **SMART's** areas of operation, tailored to **SMART's** medium and long-term personning needs, for the award of scholarships;
- implementation of information campaigns at national and local level in high schools to attract young people both for enrolment in the relevant faculties (energy specialisation) and for attracting vocational school graduates;
- developing internship programmes for students and individual mentoring programmes for young employees;

- Adopt HR-specific measures to increase the satisfaction of highly qualified personnel and their retention in line with **SMART**'s current and long-term needs;
- implementing a system of remuneration based on individual performance through the analysis of individual performance indicators.

OPCOM

In accordance with **OPCOM**'s Code of Ethics and Professional Conduct approved by the Directorate, **OPCOM**'s executive management is responsible for adopting an anti-corruption policy and measures to ensure the implementation of this policy. **OPCOM** employees shall not solicit or accept gifts, services, favours, invitations or any other advantages, which are intended for them personally, their family, parents, friends, etc. and which may influence their impartiality in the exercise of their office.

If the **OPCOM** employee is offered gifts during the performance of their duties, they have the obligation to declare it.

In 2023 the "Regulation on goods received free of charge on the occasion of protocol actions in the exercise of mandate or function within **OPCOM**" was developed and implemented.

OPCOM develops an organizational culture of social responsibility based on ethics, respect for the rights of market participants, social and economic equity, high quality information technology, fairness, transparency in compliance with legal requirements, integrity and investment in resources.

In accordance with Law no.176/2010 on integrity in the exercise of public functions and dignities, for the modification and completion of Law no.144/2007 on the establishment, organization and functioning of the National Integrity Agency, as well as for the modification and completion of other normative acts, the persons with management positions within **OPCOM** submit, since 2010, and update annually, declarations of assets and declarations of interests. In 2023, these declarations were submitted and transmitted electronically via the National Integrity Agency's e-DAI system.

OPCOM continued to apply in 2023 the measures set out in the "Integrity Plan of **OPCOM**" drawn up in accordance with H.G. no.1269/17.12.2021 which approved the National Anti-Corruption Strategy for the period 2021-2025.

The Integrity Plan of the Electricity and Natural Gas Market Operator **OPCOM** has been structured around three general objectives:

- preventing corruption;
- educating **OPCOM** employees and customers;
- fighting corruption.

These general objectives have been broken down into specific objectives and specific objectives have been assigned measures for their achievement. The measures set out in this Plan, with a deadline of 2023 and those of a permanent nature, have been achieved.

Two other important documents developed and implemented in 2023 are the "**OPCOM** SA Corruption Risk Register" and the "Regulation on the assessment of integrity incidents within **OPCOM** SA".

To ensure transparency, documents are published on the company's website:

- Commitment Statement Operational Integrity Agenda 2021-2025
- **OPCOM**'s NAS 2021-2025 Integrity Plan
- Corruption risk register at **OPCOM** level
- List on the receipt of goods free of charge in the framework of protocol activities by **OPCOM** personnel in 2023
- Report on the assessment of integrity incidents at **OPCOM** level for the year 2023

FORMENERG

A Code of Ethics has been implemented within the company, which is useful to promote ethical professional conduct and avoid situations that could affect the company's reputation. The existence of the Code of Ethics protects the company and its employees from dishonest or opportunistic behaviour, as people who do not adhere to the company's values and violate the provisions of the Code of Ethics are not welcome in the company.

The Code of Ethics defines the ideals, values, principles and moral rules that employees agree to respect and apply in their work within the company, the responsibilities, obligations and conduct of employees in inter-institutional relations and in their relations with society.

FORMENERG's Code of Ethics presents the set of basic rules of ethical behavior of employees and how to prevent illegal and unlawful actions that may occur during the course of business.

Regarding the protection of personal data and the right to privacy (GDPR), employees at **FORMENERG** have been informed about the measures taken by the company to comply with the provisions of Regulation 2016/679.

In this regard, the provisions of Regulation 2016/679 are transposed in:

- FORMENERG Privacy Policy;
- Procedure for **FORMENERG** compliance with the EU Regulation;
- **FORMENERG** Code of Conduct.

TELETRANS

TELETRANS implements the requirements of Law 544/2001 on access to public information and Law 176/2010 on integrity in the exercise of public functions and dignities.

TELETRANS has adhered to the core values, principles, objectives and monitoring mechanism of the National Anti-Corruption Strategy 2021-2025, developing an Integrity Plan for the implementation of the National Anti-Corruption Strategy 2021-2025.

Corruption prevention activity is coordinated by the Compliance Committee, which assists **TELETRANS** departments in implementing measures related to anti-corruption objectives by taking the following steps:

1. Internal management control activities, managed by the Monitoring Committee of the MIC, have been intensified. All standards have been implemented and procedures updated in accordance with the legislation in force (SGG Order 600/2018).

2. With regard to ensuring transparency and access to information of public interest, the Company's website is updated and structured in accordance with the legal provisions, and there is a page dedicated to the information requested by the Company.

The declaration of assets, interests and property received free of charge is carried out by all the parties concerned, in accordance with the provisions of the law, the data being published on the website within the time limits stipulated by law.

3. The updated Code of Ethics is posted on the Company's website and can be consulted by its employees, and there is an internal Ethics and Integrity procedure containing all relevant information in this area. An Ethics Adviser has been appointed to monitor compliance with the rules of conduct at Company level and to assist employees on ethics and integrity issues.

4. **TELETRANS** has both an internal audit structure and external auditors, in accordance with applicable legislation.

The Internal Audit Department evaluates and verifies the Company's structures in accordance with its own control plans, and is in turn audited by the parent company's counterpart structure, National Power Grid Company Transelectrica S.A..

5. With regard to risk management, an internal procedure is in place dedicated to risk identification and management, on the basis of which a Risk Register and Risk Management Plan is drawn up annually.

6. Procurement activity is carried out in compliance with public procurement legislation, on the basis of an internal procedure, regularly updated.

7. The IEC development programme is regularly updated and annual planning and reporting is carried out in accordance with the law. Self-assessment of the internal management control system is carried out annually, based on the assessment questionnaires established by law.

8. Through the implementation of the Code of Professional Ethics, **TELETRANS** wishes to lay the foundations for a harmonious development of the organisational culture, based on fairness and responsibility towards employers, employees, customers and society.

9. The consequences of climate change resulting from the Company's activities and use of the goods and services it produces, as well as for its commitments to sustainable development, combating food waste, combating discrimination and promoting diversity

SMART

The main health impacts of climate change are related to extreme weather events, changes in the distribution of climate-influenced diseases, and changes in environmental and social conditions. Over the last decade, river floods have affected a large part of the Romanian population. Health effects include injuries, infections, exposure to chemical hazards and mental health consequences. Heat waves have become more frequent and intense, causing tens of thousands of premature deaths. This trend is expected to increase and intensify unless appropriate adaptation measures are taken. The integration of climate change adaptation into other policies is progressing but there is room for further improvement. Further possible actions include improving policy coherence between different policy areas and levels of governance (EU, transnational, national and sub-national), more flexible adaptive management approaches, and combining technological solutions with ecosystem-based approaches and 'soft law' measures. Increased knowledge in different areas would be useful, for example on vulnerability and risk assessments at different levels and on monitoring, reporting and evaluation of adaptation actions, their costs and benefits, as well as synergies and trade-offs with other policies.

In this respect, more attention should be paid:

- emission-free energy sources that will help achieve the target of at least 32% of all energy produced coming from renewable energy sources;
- electricity grids connecting new low-carbon energy sources;
- innovation in energy production, storage and use.

A climate-friendly energy policy can benefit society. Sustainable development must support and encourage green projects that help to meet sustainable development goals. Investing in the environment and tackling climate change can increase people's incomes, improve their living conditions and ensure sufficient food, clean water and sanitation.

FORMENERG

In order to reduce the **consequences on climate change** that the company's activity produces, by 2023, **FORMENERG** management has taken a series of measures in terms of the use of goods and services, as follows:

- To avoid climate change caused by **decreasing forest cover**:
 - reduced paper consumption for course documentation (course materials, applications, etc.) by delivering information for some courses in electronic format (CD or memory stick);
 - Also for this purpose, but also at the request of the trainees, **FORMENERG** has run *online* courses using dedicated platforms (Zoom, Microsoft Teams);
 - recycled paper was purchased to run the company's business.
- To avoid climate change caused by **environmental pollution**:
 - the annual overhaul of the three company cars used to transport personnel to delegations was carried out;
 - parking space for bicycles used by employees or customers has been expanded;
 - Most employees use the nearby metro to get to work.
- To avoid climate change caused by **resource consumption**:
 - careful monitoring of resource consumption (energy, water) and responsible waste management;

- work was carried out to optimise electricity consumption in the hotel (replacement of incandescent bulbs and fluorescent tubes with economical alternatives);
- also for the Hotel TINERETULUI, refrigerators and coolers of class A consumption were purchased;
- the Pro Natura message was displayed in the accommodation to encourage tourists to minimise energy and resource consumption.

In terms of **food waste**, **FORMENERG** has acted indirectly on people's consumption behaviour by purchasing small refrigerators and coolers that have been made available to employees and customers.

More careful management of shopping generated by limited fridge/freezer space has resulted:

- avoid purchasing food beyond consumption needs;
- to keep products in optimal conditions and avoid waste by throwing them away.

FORMENERG, through its Internal Regulations and Code of Ethics, applies the **principle of non-discrimination and the elimination of all forms of violation of dignity in** accordance with the legislation in force, respects and guarantees equal treatment in the relationship with employees, partners and collaborators of the company.

With regard to the targets assumed at European level through Fit for 55, PNRR, we mention that, in terms of specific activity, **FORMENERG** does not implement for the moment new projects that bring elements of sustainability.

FORMENERG is a responsible company, directly involved in the protection of the environment, resources and population, which by the nature of its activity promotes sustainable development and includes in its offers courses on this theme.

TELETRANS

Given the nature and the high level of quality of the products and services resulting from **TELETRANS** processes/activities, as well as the management's concern for the environment and for the occupational health and safety of the employees, manifested throughout **TELETRANS**, which holds, maintains and is constantly concerned with updating the certifications required by the latest international standards in the field of quality, environment and occupational health and safety, no consequences on climate change and sustainable development are estimated to result from **TELETRANS** activities.

In line with the provisions of the revised National Recovery and Resilience Plan (NRRP), the investment package under Component C16, REPowerEU includes an investment dedicated to the national electricity transmission network, namely Investment 5. *Digitalization, efficiency and modernization of the national electricity transmission grid*, which in turn includes 3 sub-investments:

1. Sub-investment 5.a - Installation of photovoltaic power plants (PPS) and electricity storage facilities to supply internal services installed in NPG CO. Transelectrica S.A. stations;
2. Sub-investment 5.b - Upgrading **SMART SA** - subsidiary of NPG CO. Transelectrica S.A.;
3. Sub-investment 5.c - Optimisation of the communication network and creation of a data centre - **TELETRANS**, subsidiary of NPG CO. Transelectrica S.A.

Sub-investment 5.c to be implemented by **TELETRANS** consists of:

-Data centre - purchase of equipment and software needed to equip a data centre in the Sibiu-Braşov area, at Transelectrica headquarters,

-Network traffic analyzers - purchase of L2-7 traffic analyzer, 4 SFP ports; SFP multimode and SFP singlemode - will be used in the diagnosis and testing of ethernet circuits within Transelectrica's IP communication network,

-IT&C network security - purchase of equipment: storage system; firewall; internal links switch; infrastructure switch; PoE switch; server; distribution router.

The Data Centre will ensure the security of the physical elements through which the National Energy System is coordinated by the National Energy Dispatching (Transelectrica's Operational Unit), and which will ensure all the security elements according to the required standards. The Centre will manage the **TELETRANS** equipment, ensuring the continuous and uninterrupted operation of IT equipment and a constant backup of data transmitted and stored for the National Energy System.

GLOSSARY

ANRE - National Energy Regulatory Authority

CNCAN - National Commission for the Control of Nuclear Activities

GEO - Government Emergency Ordinance

SDH - synchronous digital hierarchy

SLA - service-level agreement

