

2020 Transelectrica

Non-Financial Consolidated Report



Statement of responsible persons

The information provided in the 2020 Non-financial Consolidated Report, elaborated in accordance with the provisions of European Directive 2014/95/EU transposed in the Romanian legislation by Ministry of Public Finance's Order no. 1938 of August 17, 2016, provides an accurate image, consistent with true facts about the non-financial aspects, part of performed activities that impact the Group's development and sustainability.

This report provides only the new issues compared to the 2020 Sustainability Report, issues coming out from the detailed non-financial activities of subsidiaries Co. Electricity and Natural Gas Market Operator OPCOM SA, Co. FORMENERG SA, Company of Maintenance Services of the Electricity Transmission Grid Smart SA and Company of Telecommunication and Information Technology Services to Electricity Transmission Grids TELETRANS SA.

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Chairman
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Andreea Mihaela
MIU

Member
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STANCIU

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General presentation

As of the date of this report Transelectrica includes five subsidiaries, as follows:

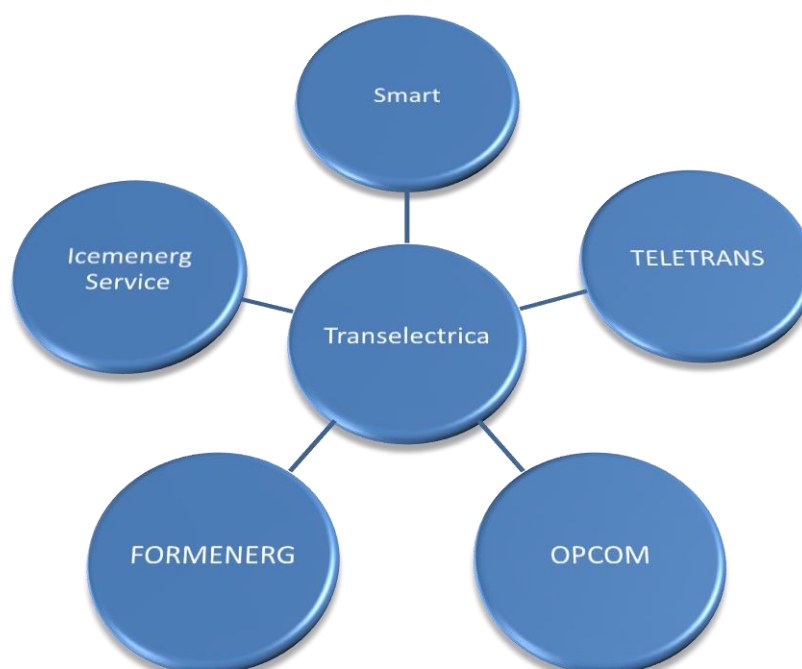
- Trading Company Electricity and Natural Gas Market Operator OPCOM SA (hereinafter OPCOM);
- Trading Company for Maintenance Services in the RET SMART SA (hereinafter SMART);
- SC FORMENERG SA (hereinafter FORMENERG);
- SC TELETRANS SA (hereinafter TELETRANS);
- ICEMENERG SERVICE SA (hereinafter ICEMENERG-SERVICE).

Only four of them (OPCOM, FORMENERG, SMART and TELETRANS) are included in the consolidated non-financial report of the Group. ICEMENERG

Transelectrica's annual consolidated reports (hereinafter National Power Grid Company Transelectrica SA, the Company, Transelectrica).

Consequently, only the four important companies of the Group will be taken into consideration further, except for this presentation section.

It should also be mentioned that this consolidated non-financial report provides only the new topics compared to the 2020 Sustainability Report, which come out when detailing the non-financial issues specific to OPCOM, SMART, TELETRANS and FORMENERG. At the same time, the detailing level of the information provided for each company separately is directly proportional with the company size and the extent of its activities, about the topic under discussion.



SERVICE has not been taken into consideration since its impact is deemed insignificant, being also omitted from

• **OPCOM SA**

Trading Company Electricity and Natural Gas Market Operator OPCOM SA

(hereinafter OPCOM) was established in August 2000, based on the Romanian Government Decision no. 627/13.07.2000, being a joint-stock company, a subsidiary with legal personality of National Power Grid Company Transelectrica SA (Romanian transmission system operator).

- **Smart SA**

Smart SA was established in 2001, by GD no. 710/19.07.2001 - Decision on the establishment of the subsidiary Trading Company for Maintenance Services in the RET SMART SA by reorganising some activities within National Power Grid Company Transelectrica SA. The company's registered office is Bd. Magheru no. 33, Bucharest 1, Romania. The company's correspondence address is Bd. Ghe. Șincai, no. 3, Bucharest 4.

- **FORMENERG SA**

FORMENERG engages in personnel training in the energy sector, namely initiation, qualification, refresher courses, specialisation, re-qualification in various domains. As a secondary core activity, FORMENERG SA provides accommodation services in its own Hostel, authorised by the National Tourism Authority as a 3-star hostel (***) by Classification Certificate 9596/6526 of 19.02.2018, both for its own trainees and for tourists, having contractual relations with different beneficiaries and travel agencies.

- **TELETRANS SA**

TELETRANS is the main provider of communication and IT services, providing specific services for National Power Grid Company Transelectrica SA and the telecommunication market. The main categories of provided services are:

- Process information services, which consist in the administration and maintenance of the company's IT systems (data collection through

RTU or CCP, EMS/SCADA system, tele-protection, ENTSO-E node, balancing market).

- Telecommunication services which primarily serve the activity of the System Operator - National Dispatch Centre (process information data related transmissions, operative telephony) and provide the communication infrastructure (data - voice) related to the managerial activities of Transelectrica, as well as other IT systems;
- IT services that provide the full range of administration, maintenance, cyber security, Internet, networking related to all IT systems that are not part of the process information category.

- **ICEMENERG SERVICE SA**

In 2004, Governmental Decision 2294/2004 on the reorganisation of the National Power Grid Company Transelectrica SA and of ICEMENERG SERVICE SA by absorption merger, approved reorganising ICEMENERG SERVICE as subsidiary of Transelectrica, fully owned by it. ICEMENERG SERVICE manufactures instrumentation for electricity distribution and control. At present, the company is under bankruptcy procedure. On 31.12.2017, the company's special administrator was Mr Nicolae Dulă, while the judiciary administrator was Solvendi SPRL.

1. Brief description of the entity's business model

Smart SA

SMART's main activity is the repair of electrical equipment according to CAEN code 3314.

Such code includes activities relating to the design and manufacture of electrical installations; making reviews, repairs and

remedies of incidents to primary and secondary equipment from 0.4 kV – 750 kV electric networks; provision of energy services; micro-production of electrical equipment;

SMART also carries out other activities such as:

- Technical expertise, diagnosis and analysis;
- Configurations, controls and parameter setting for command-control systems;
- Refurbishment and modernisation of electrical substations and overhead lines;
- Live work;
- Rehabilitating the transformer insulation;
- Special measurements;
- Design, consultancy and assistance, etc.

SMART has designed, documented and implemented an Integrated Management System for quality, environment, labour security and health 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. Specifications and utilisation guide” - for environment;
- OHSAS 18001:2007 “Occupational health and safety management systems” - for labour security.

The Integrated quality-environment-labour security & health Management System has been certified by SRAC and IQNet.

Smart SA is authorised by CNCAN to provide services for nuclear installations and construction-assembly activities. It is certified by the National Regulatory Authority for Energy for all types of works subject to certification. It owns authorisations issued by MAI-IGSU for the

installation and maintenance of fire-fighting systems and limitation installations, except those containing certain fluorinated greenhouse gases; installation and maintenance of signals, alarms and fire alarm systems and installations; design of signals, alarms and fire alarm systems and installations. Smart SA owns a RENAR accredited multi-site trial laboratory.

The share capital of Smart SA on December 31, 2019 was 55,036,300 lei, divided into 5,503,630 registered shares, each share having a value of 10 lei.

The share capital of Smart SA on December 31, 2020 was 38,528,600 LEI, divided into 3,852,860 registered shares, each share having a value of 10 LEI.

The shareholding structure at December 31, 2020 was as follows:

- shares from no. 1 to no. 3,852,860, namely 100% of the shares are held by the sole shareholder NPG Co. Transelectrica SA, headquartered in Bucharest 1, Bd. Ghe. Magheru, no. 33, registered with the Trade Register under number J40/8060/2000, CUI 13328043;

Smart SA encompasses the Internal Audit Service, the Financial Management Control Compartment and the Integrated Management Compartment – Quality, Environment, OHS – Internal Managerial Control.

These services and compartments have implemented the company's internal managerial control. The company's internal control's role is to verify the compliance with applicable law, enforcement of decisions taken by the company's management, proper functioning of the company's internal activity, reliability of financial information, efficiency of the company's operations, efficient use of resources, prevention and control of risks regarding the achievement of set objectives. Internal control shall include a clear definition of appropriate

responsibilities, resources and procedures, information methods and systems, appropriate tools and practices, as well as the internal dissemination of relevant, reliable information, their knowledge enabling everyone to exercise their responsibilities.

Also, Smart SA obtained the authorization, from **CNCAN**, for the quality management system in the nuclear field, namely: **Authorization no. 19-045 on the provision of services for nuclear installations**, valid until 03.11.2021 according to the Orders of CNCAN president no. 65, 66, 71, 72/2003.

Smart SA must prioritise the provision of the necessary resources for RET's maintenance, according to the mission set when Smart SA was established. In this context, it is important to emphasize that the additional

contracted activity, in order to best cover the available resources, also brings a series of restrictions in the resource allocation. The company's additional activity must be carried out in such a way that the allocated available resources do not affect the core business.

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

The volume of activities requiring outage in RET is limited by compliance with SEN-specific safety conditions. Thus, the condition of prioritising the provision of necessary resources for the minor maintenance of RET can be more easily fulfilled if most of the complementary activities that are also carried out in RET.

FORMENERG SA

FORMENERG SA was the leading provider of personnel training in Romania's energy sector, with a 50 year-experience in this field of activity and, in recent years, it has expanded both its customer portfolio and the service range, currently offering over 300 courses in various fields to about 400 trainees every year: MBA, management, marketing, finance, accounting, legislation, informatics, quality, environment, occupational health and safety, construction, energy strategy, communication, human resources, foreign languages, European funds, public procurement, technical courses, energy sector specific courses. This organisation functioned until 1990 within the Ministry of Electricity under the name of the Workers' Training Centre, its core activity being the improvement of the professional training of all the employees in the National Power System. FORMENERG's core activity is personnel-training services, namely initiation, qualification, refresher courses,

specialisation, re-qualification in various domains.

As a secondary core activity, FORMENERG SA provides accommodation services in its own Hostel, authorised by the National Tourism Authority as a 3-star hostel (***) by Classification Certificate 9596/6526 of 19.02.2018, both for its own trainees and for tourists, having contractual relations with different beneficiaries and travel agencies.

The European Employment Strategy sets as target: in the European Union the average participation rate for lifelong learning should be at least 12.5% of the working age adult population (age group 24 - 64 years).

The vocational training market is the main influencing factor of an organization's income. As we know, Romania has many paradoxes. One of them is that we have a lot of professional training programs, seminars, organised workshops and many diplomas awarded. However, the number

of professionals confirming the value generated by these trainings is very small, and the skills level obtained by them is far below the desired level. If we analyse the actual results in the business environment regarding the quality of the recruited people, we find significant differences between estimates and results in terms of the added value generated by the people specialized in different fields of activity. The following question obviously arises: "Why, despite the abundant supply of training programs, are we so deprofessionalized?".

FORMENERG SA's client portfolio includes over 300 institutions and companies, both from the energy sector and from other sectors of national economy. In general, FORMENERG SA targets institutional clients, who, based on an annual training budget, send their own employees to professional training programs. The most important clients are: national companies (HIDROELECTRICA SA, ROMGAZ SA, TRANSGAZ SA, ELECTRICA SA, CNTEE TRANELECTRICA SA and its subsidiaries, ANRE); Ministries (Ministry of Economy, Energy and Business Environment, Ministry of Internal Affairs, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Transport, MDRAP etc.); Public institutions (County Councils, Prefectures and City Halls); Private companies (E-ON MOLDOVA SA, MITTAL STEEL SA, ENEL SA etc.).

In 2020, the professional training services offered by FORMENERG SA were at a high quality level, especially the

training programs with the Ministry of Economy and Business Environment. Regarding new courses, FORMENERG SA will focus especially on established courses but also courses adapted to the permanent needs of the market, following: authenticity, development and communication of a vision, the ability to "sell ideas", to tell a story and convince people, curiosity and creativity. Also, business simulations (in appropriate forms of development), experiential programs and self-knowledge, etc. will be considered.

FORMENERG SA's aim is to enable access to vocational training courses for as many participants as possible, giving them the opportunity to be involved in their own careers in the future. The demands of tomorrow's world have transformed knowledge and efficiency into the sole purpose of vocational training programs. In the light of rapid change and fierce and accelerated competition in the labor market, training becomes a prerequisite for performance. The challenge of adapting the course topics to novelty lies precisely in this dynamism imposed by the sharp demand for information, both at a theoretical and especially practical level, society increasingly demanding well-trained and efficient specialists in their activity field. The success rate of vocational training programs strongly correlates both with the personal resources of learners and with the way in which they are structured and customised according to these resources.

OPCOM SA

OPCOM operates in accordance with the provisions of the Electricity and natural gas law 123/2012, with later amendments and additions, of Law 220/2008 republished, establishing the promotion system for electricity generation from renewable energy sources, with later amendments and additions, of the secondary legislation issued and approved by the National Energy Regulatory Authority (ANRE), as well as in accordance with the provisions of the licenses granted by ANRE - License for the administration of centralised electricity markets no. 407 and the License for the administration of centralised natural gas markets no. 2270, namely with the provisions of Decision no. 2085/11.12.2019 (formerly Decision 2515/14.12.2015) of ANRE President according to which OPCOM SA was nominated as "designated electricity market operator" (OPEED) for the exercise of coupling tasks on the DAM and Intraday Market, for the bidding area Romania, within the meaning of the provisions of Commission Regulation (EU) 2015/1222, laying down guidelines on capacity allocation and congestion management. OPCOM's activity and development take place so as to provide the company's achievement of the objectives and responsibilities assigned to it by the governmental plan, the national energy strategy, the governmental memoranda and decisions, the covenants assumed by the Romanian State towards international financial institutions. At the same time, the activity and development of OPCOM are in accordance with the provisions of European legislation of proper applicability for its role and responsibility (inter alia, Regulation (EU) No. 2015/1222 laying down guidelines on capacity allocation and congestion management, Regulation (EU) No. 2011/1227 of the European Parliament and the Council on

the wholesale energy market's integrity and transparency and Commission Implementing Regulation (EU) No. 1348/2014 on data reporting for the implementation of Article 8 (2) and (6) of Regulation (EU) No. 1227/2011 of the European Parliament and the Council on the wholesale energy market's integrity and transparency, and Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal electricity market, Directive (EU) 2019/944 of the European Parliament and Decision of 5 June 2019 on common rules for the internal electricity market and amending Directive 2012/27/EU, other terms, conditions and methodologies developed in accordance with relevant European regulations.

The achieved results, the gathered complex expertise and the proven achievement in its entire period of operation justify the conclusion that OPCOM SA is a fundamentally necessary component of the Romanian energy market, experienced in the application of European best practices. The continuous increase of the sustainable trust and credibility, which OPCOM SA benefits from, supports this assessment.

OPCOM SA has a specific activity profile and an area of responsibility within the energy market, during its long activity having a safe, continuous and correct operation path, as well as a dynamic, sustainable and balanced development. Diversifying the product portfolio and supporting the integration of the Romanian energy market in the European single market represent a permanent concern for OPCOM SA, applying European best practices and providing participants with high quality services, various products, in an unbiased and transparent manner, as well as in accordance with the provisions of national primary and secondary legislation, as well as European legislation.

OPCOM SA's main responsibilities are:

- Being the organiser and administrator of the Day-Ahead electricity Market, namely the electricity market operator designated by ANRE to perform tasks related to the single coupling of the day-ahead markets.
- Being the organiser and administrator of the Intraday Electricity Market, namely the electricity market operator designated by ANRE to perform tasks related to the single coupling of intraday markets.
- Being the organiser and administrator of the Centralised Market for Electricity Bilateral Contracts - through: Extended Tender and the use of products to ensure trading flexibility; Continuous Negotiation; Processing Contracts.
- Being the organiser and administrator of the Centralized Market for Electricity from Renewable Energy Sources supported by green certificates.
- Exercising the function of organizer and administrator of the Centralised market with double continuous negotiation for electricity bilateral contracts.
- Being the organiser and administrator of the Centralised Market for Universal Service.
- Being the organiser and administrator of the Centralized Market for awarding Long Term Electricity Contracts.
- Being the organiser and administrator of the Electricity Market for Large Final Customers.
- Being the organiser of the Green Certificates Market, administrator of the Green Certificates Anonymous

Centralized Spot Market and of the Green Certificates Anonymous Centralized Term Market, as well as of the Register of Green Certificates.

- Being the organizer and administrator of the Centralized Market for Natural Gas - through: Public Tender; Tender and Negotiation; through OTC contracts.
- Being the organizer and administrator of the Day-Ahead Market and of the Intraday Natural Gas Market.
- Being the Settlement Administrator, by performing the operations of receipts/payments/guarantee/compensation for the Day-Ahead Market of electricity, respectively of natural gas, as well as for the Intraday Market of electricity, respectively of natural gas.
- Establishing payment obligations/collection rights for TSOs and Balancing Market participants for transactions, determining single final prices, final deficit prices and final surplus prices, as well as establishing quantitative and value imbalances of the Balancing Parties.
- Supervising the functioning of the managed markets.
- Collecting and publishing statistical data on the market, according to the provisions of the Law on Electricity and Natural Gas, with later amendments and additions.
- Registered Reporting Mechanism (RRM).
- Active participant on the European energy market aimed at creating the European single market.

TELETRANS SA

TELETRANS operates a transmission infrastructure relying on NZDSF (ITU-T G665) optical fibre support, included in the

protection conductors of 220 kV and 400 kV overhead lines (OPGW).

The geographical coverage of this infrastructure is national, being about 5,000 km long, with more than 150 transmission nodes and access to the optical fibre network, being present in 35 county capitals, with cross-border connections in the region (Hungary, Bulgaria and Serbia) and a structured network. This network is extending both by new links due to the new transformer substations and by new crossborder connections to be built in the future (with the Republic of Moldova and Turkey).

At present, TELETRANS operates two data networks:

- A SDH backbone of about 5,000 km and national coverage, having redundant topology with 9 rings, dedicated to services for Transelectrica;
- A DWDM&IP/MPLS backbone of about 4,000 km, national coverage, of redundant topology with 4 rings. This network is the property of TELETRANS; it was designed and built by the specialists from TELETRANS, being dedicated to market services.

The most part of TELETRANS activity consists in the provision of IT&C services for Transelectrica - over 95% of the company's turnover, the other 5% being the provision of services for other clients, generically called "third party clients". Provision of services to TRANSELECTRICA is performed under contracts for the provision of computer and telecommunications services for the parent company, which regulate the provision of SLA services (ensuring the availability of computer and telecommunications systems and equipment), as well as order-based services, for non-repetitive activities, when needed.

The main categories of provided services are:

- Process information services, which consist in the administration and maintenance of the company's IT systems (data collection through 7 RTU or CCP, EMS/SCADA system, tele-protection, ENTSO-E node, balancing market).
- Telecommunication services which primarily serve the activity of the System Operator - National Dispatch Centre (process information data related transmissions, operative telephony) and provide the communication infrastructure (data - voice) related to the managerial activities of Transelectrica, as well as other IT systems;
- IT services that provide the full range of administration, maintenance, cyber security, Internet, networking related to all IT systems that are not part of the process information category.

Within the services provided by TELETRANS to TRANSELECTRICA, a special category is that concerning the activity of the National Dispatch Center/DEN. The strategic nature of DEN's activity also extended to the IT&C services, being aimed at ensuring an increased degree of availability and providing the 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 headquarters (both at the National Dispatch Center and at the Territorial Dispatch Centers), ensuring in these locations on-call shifts.

TELETRANS has constantly participated in the design, implementation and administration of process information systems and related telecommunications systems and works in close cooperation with DEN staff, who operate the

EMS/SCADA and Balancing Market systems, as well as the ENTSO-E node. TELETRANS provides services to third clients by the concluding telecom service contracts on behalf of TRANSELECTRICA, in respect of the public telecommunications network of TRANSELECTRICA/TELETRANS, through which capacity and infrastructure elements consisting of capacity and flows achieved through new telecommunications equipment and/or interfaces procured by TELETRANS for this purpose, operating on separate fibres:

- IP services: Internet services, virtual private network/VPN, e-mail;
- Tc services with added value: data transmissions, time division multiplexing/TDM (SDH) data flows;
- collocation: access facilities, emplacement and related services.

In carrying out the contracts with TRANSELECTRICA and the third clients, the performance of TELETRANS has constantly been within the requested quality parameters, providing:

- the maximum level of SLA (99.98%);
- avoiding, through appropriate backup solutions, the occurrence of major failures leading to the unavailability of major systems;
- the technical solutions ensuring the continuity of the activity in difficult situations;
- order-based development of software applications necessary in the parent company's;
- the integration of important computer systems.

2. Policies adopted to reach company objectives

Smart SA

SMART would like to consolidate its position on the service markets in the electrical installations domain, also

including those in the nuclear sector, both internally and externally, by means of activity diversification.

To this effect, the top management establishes every year the company's SIM Policy as an integral part of the general strategy which aims at planned, efficient and sustained activities, targeted towards the operation of the integrated management system within its entire structure and all its activities, including the economic ones. The policy establishes the general objectives, which specific objectives are derived from, being determined by the organisational entity. These are measurable and feasible, so that their achievement can be easily assessed. Such objectives are assessed during the annual "management analysis" meetings. Following such reviews, a new plan of objectives results, as well as a schedule to improve activities.

The priority objective and permanent concern of each employee is to satisfy the requirements and expectations of our clients, executing high quality work, under safety, promptness, efficiency terms, while protecting the environment and providing labour security and health for personnel, both in order to retain the confidence of current clients and to gain potential ones.

Smart SA's general objectives are:

- Continuous development and improvement of core business; improving financial performance;
- Ensuring the satisfaction of the most demanding customer requirements, including for the nuclear field, by providing quality services, within the deadlines established by contracts, in compliance with the technical regulations in force and by monitoring them;
- Continuous improvement of the performance and efficiency of the Integrated Management System for Quality, Environment, Occupational

Health and Safety, 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, focusing on significant environmental aspects;
- Increasing the performance of safety and security at work in order to reduce the risks of accidents and occupational diseases for all persons part of the labour process;
- Compliance with legal requirements and others;
- Improving professional training of all staff through training, education and awareness;
- SRAC and IQNet recertification of the Integrated Management System, according to standards ISO 9001 ISO 14001 2015 and OHSAS 18001: 2007;
- Maintaining ANRE certification of the company and staff;
- CNCAN re-authorisation on construction-assembly and the provision of services for nuclear installations;
- Improving the internal managerial control system. General objectives become specific objectives within organisational entities (branches, divisions, centers, workshops, departments, offices, compartments, etc.), quantifiable and measurable, so as to streamline their contribution to meeting Smart SA's global indicators.

OPCOM SA

a. OPCOM's 2021-2022 overall development strategy

The overall development strategy for 2021-2022 of OPCOM relies on the following general principles:

i. Carrying out the necessary actions in order to achieve OPCOM's mission to provide the reference electricity prices and the signals of future prices for electricity and natural gas, meant to enhance the general transparency and integrity of Romania's wholesale electricity market, supporting the market liberalisation process and its integration in the single European market.

ii. Developing those market mechanisms used in order to transact electricity, natural gas and associated market products, as well as improving the current market mechanisms for all transaction time horizons, so that they can sustain the objectives of national energy strategies, as they are established in the specific national legislation.

iii. Integrating electricity in the European single market mechanisms, an objective for which OPCOM, together with the other national entities involved, should undertake the necessary steps to implement the provisions of European legislation and decisions dedicated to the creation and operation of the single European power market, including participation in bilateral, regional and panEuropean cooperation processes dedicated to the coupling of power markets on the day-ahead and intraday crossborder horizons.

iv. Continuing the corporative, technical and technological development so that OPCOM can permanently, reliably and safely perform the responsibilities devolving to it in accordance with the legislation and in full conformity with the provisions from the national primary and secondary legislation and from the European applicable legislation, while also supervising the harmonisation of its own development process with the commercial evolution of market mechanisms, its trends and risks, as well as the market maturity level.

v. Continuing to apply the modern management measures under higher quality terms and ensuring company administration while fully observing the applicable legislation under efficient effective terms.

vi. Furthering the corporative development in view of maintaining the stable sound company operation, while achieving all its responsibilities at high continuity and performance levels and providing efficient implementation of development programmes.

vii. Implementing the necessary changes to establish the payment obligations and collection rights for TSOs and Balancing Market participants for the transactions made, determining the final deficit and surplus prices, as well as establishing the quantitative and value imbalances of BRP, in order to implement the provisions of Regulation (EU) 2019/943 and Regulation (EU) 2017/2195, in accordance with the provisions of the applicable secondary legislation.

viii. Implementing 15-minute local contracts and subsequent 15-minute trading within the European Single Market on the Intraday Horizon (SIDC) following the requirements of European regulations and correlated to the norms and implementation programme of measures necessary to ensure settlement conditions at 15 minutes, approved by ANRE.

b. Quality policy and the general objectives in the quality domain

OPCOM focuses all its efforts and resources to provide qualitative activities, to which effect the company decided to maintain operational the Quality Management System at designed updated parameters, as an integral part of its business.

Principles used in the company policy from the quality domain:

- Complying with the primary and secondary legislation as well as with

the requirements of competent authorities;

- Permanent improvement and diversification of services provided to market participants;
- Defining and updating the responsibilities under the quality system management;
- Tailoring and increasing the personnel training in view of achieving their tasks and attributions in accordance with the responsibilities defined by applicable regulations;
- Analysis and implementation of opportunities to improve the activity resulting from internal and external audits and other quality insurance check-ups;
- Permanently assessing the results of the Quality Management System and the compliance with the policy in the quality domain.

OPCOM SA's director general takes full responsibility for the implementation of the Quality Management System and its continuous improvement.

OPCOM SA's entire personnel must be aware of and observe the responsibilities assigned in the quality field and implement the Quality Management System in the activities they carry out.

The 2020 general objectives in the quality field were:

- Safe and efficient administration of centralised markets, within the national, regional and European framework, through the services provided to market participants and through supervision and reporting activities;
- Secure administration and permanent updating of integrated IT platforms for centralized markets managed by OPCOM SA, within the national, regional and European framework;

- Diversifying the range of products and services offered at national, regional and European level;
- Monitoring, maintaining and continuously improving quality management and information security systems and maintaining their certification according to ISO 9001:2015 and ISO 27001:2013 standards;
- Improving communication within OPCOM SA and the communication with clients;
- Increasing the satisfaction level of OPCOM SA clients and employees;
- Ensuring the professional representation of OPCOM SA and the proper promotion of its image.

c. Security policy and the strategic security objectives

OPCOM permanently aims at carrying out its responsibilities on the national and European electricity and natural gas markets, while providing the security of information at the highest standards by implementing and operating an Information Security Management System in full conformity with ISO/IEC 27001:2013 international standard, continuously monitoring the organisation's improvement and certification.

OPCOM is aware that the attributes of the Information Security Management – confidentiality, integrity and availability – constitute integrant parts of managerial functions. Top OPCOM management considers such attributes as main fundamental responsibilities for the good organisational practice regarding application of proper security measures, tailored to the other requirements from the ISO/IEC 27001:2013 international standard.

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 security of networks and information systems, a law transposing EU Directive 2018/1148 of the European Parliament and the Council of 6 July 2016 on measures for a high common level of security of networks and information systems in the European Union (NIS Directive).

OPCOM will take action to:

- Comply with primary and secondary legislation as well as with the requirements of the competent authorities;
- Organise, configure and fulfil the functions assigned to OPCOM SA within the European common markets and maintain the necessary infrastructure for the provision of coupling services to customers, including the security requirements of the related information;
- Continuously improve information security in the context of services provided to participants in the administered markets;
- Ensuring a high-performance working environment with a high level of computer security in the light of remote activity increasing, in order to reduce personnel health risks during an epidemic/pandemic;
- Analyse and implement continuous improvement opportunities, including the implementation of risk assessment and management strategies, effectively using management resources to best meet the requirements of Information Security;
- Establish and communicate security objectives and accomplishments obtained following their achievement in the organisation;
- Monitor and maintain an Information Security Management System that provides clearly defined Information Security directions, guidelines, and

responsibilities in relation to its own personnel, clients, suppliers and stakeholders that come into contact with the organisation;

- Adopt a proactive attitude in future business decisions, including its ongoing review;
- Training and awareness for the personnel according to the needs and responsibilities arising from the Information Security Management System.

Responsibility to sustain and enforce this policy lies with the entire organisation, under the guidance and support of top management, which encourages the commitment of all personnel to approach Information Security as part of their professional skills.

In this regard, OPCOM SA's management has appointed a representative of information security management, as well as a team of NIS (Network and Information Security) managers, who together with the information security work team and the Security Incident Response Team, coordinates the organisation's activities in terms of information security and represents OPCOM SA in relation to consultants, the certifying body and interest groups or other expert forums or professional associations in information security.

OPCOM's 2020 strategic information security objectives were as follows:

- ✓ Safe efficient administration of centralised markets by means of services placed at the disposal of participants on the respective markets;
- ✓ Permanent monitoring, maintenance and improvement of SMSI and SMSI certification as per the international standard ISO/IEC 27001:2013;
- ✓ Integrating the new products and services placed at the disposal of market participants in the SMSI;
- ✓ Carrying out the RRM role according to REMIT and providing data reporting services to ACER in accordance with REMIT;
- ✓ Providing coupling services for OKTE within the PCR project;
- ✓ Increasing the confidence in SMSI of participants on managed markets and of OPCOM employees;
- ✓ Implementing measures complying with GDPR requirements while integrating them in SMI;
- ✓ Maintaining a minimum (0) level of security incidents which involves confidential information.

d. The policy of protecting OPCOM prices and indices as registered EUIPO trade marks, the European Union Intellectual Property Office

OPCOM's policy is to protect its activity aimed at the safe efficient administration of centralised markets by means of services placed at the disposal of participants on the respective markets, as well as its marks by ensuring their protection at EU level (all EU Member States), registering them at EUIPO and permanently monitoring them.

FORMENERG SA

FORMENERG SA carries out a wide range of activities of professional training services and tourist services that influence the educational, social and environmental aspects, these being the main components defining sustainability.

FORMENERG SA's commitment is to provide high-performance solutions based on new knowledge and technologies in order to fully satisfy clients and reasonably meet the expectations of all stakeholders by seeking and opening new avenues in adult and business education - strategic steps to follow - in order to keep high the efficiency of company's activity.

In achieving its objectives – “*Success in performance and competition*” - FORMENERG SA ensures:

- Building, development and dissemination of defining values for a modern society;
- Building general, specialised skills, compatible with the the company's modernisation stage;
- High quality of the professional training process;
- Adequate climate for the personal development of community members;
- Logistical and professional base for continuous professional training;
- Conditions for promoting partnerships at national level;
- Development of relations with graduates of public institutions and entities;
- Transparency of institutional management;
- Promoting scientific and ethical values in the national community.

The mission is to train specialists – “*Success in performance and competition*” - which aims to transform society into a continuous training system, transparent and flexible, which contributes to increasing workforce employability, adaptability and mobility and meets the needs of companies regarding skilled workforce. We know what a society needs to achieve success: valuable human resources. That is why, firstly, FORMENERG SA is concerned with the worth of the speakers, the quality of the information they provide, the close relationship with the clients. FORMENERG SA wants to be the first option coming to mind when new skills are needed! FORMENERG SA knows how to achieve excellence and what it takes - to keep going, to anticipate, to be competitive.

The vision is built around the success of FORMENERG SA's clients. The professional performance of the companies and institutions it works for represents the only real tool to evaluate its efforts. The great advantage comes from the long-term collaborations. FORMENERG SA has many clients that can be called “traditional” for its activity. At the same time, FORMENERG SA believes in change. Because without change, there would be no future! FORMENERG SA strongly believes that in order to achieve excellence, *you must feel and transmit energy!*

The Romanian labor market has undergone significant changes in the lighth of the economic transition process, including in particular a shrinking working and employed population, keeping the unemployment rate at relatively constant values and the increase long-term unemployment, being particularly impacted by the limited capacity to create new jobs. This context justifies the need to shift the focus to investments in vocational education and, in particular, in continuous vocational training. Continuous vocational training is important for supporting workforce transformation, being the main tool through which it can adapt to new requirements, thus facilitating mobility between different business sectors. Building knowledge and skills helps improve the position on the labor market, leading at the same time to productivity increase. Thus, FORMENERG SA, following the established vision, works to change this situation, contributing to the implementation of the lifelong learning concept, used and promoted European-wide. Through well-trained human resources, always up-to-date on new skills in their field of activity, companies will function better, they will be more competitive, more prepared for market competition and changes in the economic environment. This change will be based on well-structured and documented training

programmes, designed to improve employees' knowledge and skills, contributing step by step to creating a viable economy.

FORMENERG SA's **values**, promoted and communicated inside and outside the company, are respect, client focus and quality. Because FORMENERG SA builds careers! FORMENERG SA has a team of professionals in the service of performance.

Respect - shapes behavior and for our trainees means respect for ourselves, cherishing the diversity of opinions and the right to individuality, respect for clients, colleagues and work;

Client focus - behaving with clients as we would like to be treated and as they expect to be, we pleasantly surprise our clients with everything we do, we simplify things;

Quality - we say what we do and we do what we say, we take responsibility for our own actions, we act in the interest of society.

The values that define and shape FORMENERG SA's identity and organisational culture are the following:

- **Creativity:** the company is innovative and keeps applying the latest information, technologies and the most appropriate solutions;
- **Business ethics:** is the foundation of business relationships, characterised by honesty, integrity, communication and mutual trust;
- **Collaboration:** proactive attitude towards the client's needs, offering him quality services that bring him added value through direct and indirect long-term benefits;
- **Responsibility:** acts responsibly for the personal development of employees, for the creation of a sound, competitive business environment, the social and cultural development of the community;
- **Self-confidence:** stands for teamwork along with maximising experience and own resources, thus obtaining the

necessary strength for fulfilling the mission and the sustainable development;

- **Adaptability:** permanent adaptation to market requirements, looking for and discovering new opportunities, while staying constantly focused on client needs and expectations;

- **Discipline:** focus is on self-discipline in order to organise the way of thinking and acting towards the well-being;

- **Evaluation:** repeated, regular and continuous evaluation helps to achieve the proposed goals, and depending on the results it is clear if everything is going according to plan, if there are realistic deadlines, if there is room for improvement and so on;

- **Taking into account unforeseen events:** more time is allocated for planning, meetings, launching a new training programme, entering a new market etc.

TELETRANS SA

The business strategy's point of reference is the purpose for which TELETRANS was established, namely to be an economically viable trading company, providing IT&C services for National Power Grid Company Transelectrica SA. At the same time, there is still concern about the development of the third-party segment (other than Transelectrica and/or other utility companies), in order to supplement the revenues of the company and the parent company.

The strategic options are aimed at developing the TELETRANS portfolio of services and clients, as well as assuming the role of *center of excellence* for IT&C solutions and process information for utility companies, focusing on the energy segment, based on the experience as a provider of this type of services of Transelectrica.

The main axes of the strategy are:

1) *Strengthening the position of TELETRANS as a key partner in the IT&C segment in the national management and protection of critical infrastructures and essential services in the energy field.*

The segment operated by TELETRANS - IT&C for national electricity transmission infrastructure and system services - represents, according to current EU approaches, a critical infrastructure in itself, which must be protected as a key element of national security. Placing the energy field (including the IT structure serving it) in the area of national security and critical infrastructure requires its management in a unitary way, in which the state, as security guarantor, benefits from the margin of freedom of decision and control, which accommodate both security and free market requirements.

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

The potential strategic role of TELETRANS is additionally revealed at present, in the context of the transposition 13 into the national legislation (Law 362/2018) of the EU NIS Directive 2016/1148 - regarding measures for a high level of security of the networks and information systems in the Union, highlighting the energy sector as an essential service provider, which must be protected from threats to the security of the IT systems serving them.

Identifying the technical solutions necessary for the provision of new services adapted to the standards imposed by the legislation, but also of the market, will determine the implementation of a Human Resources Policy that will promote the Company's *pro-excellence option* by coopting specialists, who

besides the involvement in the delivery of the optimal technical solutions, shall contribute to the training of employees (new and existing).

2) *The sustainable development of the company, respecting the criteria of economic-financial performance established by the applicable law and maintaining the quality standards assumed.*

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

Increasing the company's capacity to achieve profitability indicators must be accomplished in the case of TELETRANS, whose activity is also of strategic importance, observing first and foremost the parameters of continuity and quality, without neglecting the development prospects following the partnership with TRANSELECTRICA, as well as the thirdparty market.

Also, TELETRANS, as an IT&C provider of the Transmission Operator and the Electricity System, has the duty to build a business profile that meets the national and European requirements regarding the efficient management of resources, business ethics and social responsibility in order to establish a sustainable development.

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

3. Risk management system

Smart SA

When the integrated risk management system is planned, Smart SA takes into consideration the determined elements during its analysis on the organisational context and the stakeholders' requirements, thus determining risks and opportunities pertaining to:

- Relative risks in the operation of the Management System that can impact its planned outages;
- Elements and requirements determined during the analysis on the organisational context and stakeholders' requirements;
- Environmental aspects;
- Hazards associated to labour security and health;
- Compliance obligations;
- Other risks determined by organisational entities, resulting from their activities.

Smart SA has established a uniform framework to identify, analyse and manage the risks and opportunities pertaining to achieved objectives, environmental aspects and compliance obligations.

Manners of approaching risks may include: avoiding the risk, taking the risk into account when exercising an opportunity, eliminating the source of the risk, sharing the risk or maintaining the risk through conscious decisions.

Within Smart SA, there is a risk management team appointed by the Director General's decision. A Risk register recording risks and keeping them under control has been structured by:

- Operational risks - resulting from basic activity, namely from operational processes;

- Environmental risks – identified during assessment of environmental aspect and impacts;
- SSM (labour security&health) risks – identified during assessment of accident and professional illness risks;
- Other risks – resulting from the activities of organisational entities.
Examples of detected risks:
- Incomplete identification of acceptance requirements for the procured product/service;
- Incomplete documentation in the work/service file provided by Smart SA teams or when drafting offers;
- Association (during execution offering and contracting stages) with partners, subcontractors, service providers that subsequently no longer comply with contractual requirements;
- High personnel fluctuations, loss of qualified employees;
- Using obsolete equipment;
- Fines, costs for cleaning the polluted areas because large amounts of harmful substances were spilled in the environment (electro insulating oil) – fire hazard;
- Failure to observe the compliance obligations when defects occur in the used water discharge installations to the drainage system;
- Risk of incompliance with the obligations, possible fines and additional costs for decontamination in case of accidental fuel leaks (gas oil, petrol) or other dangerous substances (good or used oil, paints, storage batteries acid from the test lab);
- Financial losses caused by late collection of payments for invoiced executed work, providing unsecured down payments to third parties.

OPCOM SA

Given the specific activities, a very important risk component that threatens the company's current operation is represented by the risks which might be generated by the provision of information security.

For the time being, the main risks identified in the information security domain are as follows:

- Absence of proper space to provide continuity of OPCOM SA in case the main location (Blvd. Hristo Botev 16-18, Bucharest 3) becomes unusable after a major disaster. However, the experience gained through teleworking following the Coronavirus pandemic, leads us to another way to solve this problem, namely by using this type of activity together with the quantitative and qualitative improvement of equipping the secondary location with servers. Currently, OPCOM SA analyses the necessary facilities to completely cover each area of activity through this model;
- Wrong application of the provisions from the Regulation regarding protection of personal data;
- Cyber-attacks, with increasingly complex methods;
- Wrong application of the provisions of Law 362/2018 on the provision of a high common security level for networks and information systems.

To deal with all of them, OPCOM SA uses an Information Security Management System (SMSI), approved according to the provisions of ISO/IEC 27001:2013 standard ("Information technology. Security techniques. Information security management systems. Requirements") which also includes the risk management system. Information security risks have been assessed upon initiation of the SMSI (2015) and they are annually revaluated or whenever deemed necessary; the SMSI

compliance with 27001:2013 standard being recertified in 2018. The methodology used for assessment is taken from ISO/IEC 27005:2011 standard ("Information technology. Security techniques. Information security risk management"), and risk management processes include the following main stages:

- Inventory of information resources and their classification according to their importance in terms of information security;
- Risk identification;
- Risk analysis and assessment (consequences, event occurrence likelihood);
- Risk treatment (selection of security measures, Risk treatment plan).

In accordance with the provisions of ISO 9001:2015 standard and of Order 600/2018 of the Secretariat General on the application of the Internal managerial control code for public entities, the risks associated to the specific objectives of OPCOM SA in 2020 were assessed and treated.

The "Risk management methodology" was used to this end, as elaborated by the Secretariat General of the Government for the internal managerial control of public entities, by transposing the provisions applicable to OPCOM SA in a working procedure

Thus a company-wide Risk Register was constituted, which includes the risks specific for department objectives; such risks were assessed and a Plan of control measures was elaborated in order to treat them.

The implementation of risk control measures was reviewed in each department on the occasion of the internal audit on quality management performed in December 2020, and residual risks were assessed at the beginning of 2021.

In the operation of centralised electricity/natural gas/green certificates

markets, managed by OPCOM SA, there is the regulatory risk, because of the delayed enforcement of regulations by the National Regulatory Authority in the Energy domain and/or by ANRE's adoption of rules that can subsequently entail different interpretations by the participants on the respective markets and by ANRE and even lead to major difficulties and/or ANRE's determination of very short deadlines for OPCOM SA implementation of requirements from the approved regulatory framework or of amendments made in the existing regulatory framework, such ANRE approaches also leading to major difficulties for OPCOM SA in complying with its obligations, derived from the final forms of published norms approved by ANRE.

To prevent such circumstances as much as possible, OPCOM SA elaborates regulations necessary for the good operation of its centralised markets and actively participates to the improvement of the regulatory framework subjected to public consultation by elaborating and submitting its observations/additions/amendments, as deemed necessary.

As regards the development projects/programmes performed by OPCOM SA in Europe, the following activities are carried out in order to provide viable participation of OPCOM SA: the institution's project portfolio is identified and established; project teams are determined by internal decisions to carry

out activities in cooperation with the representatives of the other companies involved in multiple party European projects, including the management of, whenever all involved parties agree in this effect to the greatest extent possible, the juridical risk that a certain contract elaborated in European/regional context, is not recognised by the contractual party and, consequently, contractual obligations cannot be fulfilled. European projects also pose the regulatory risk, which involve the possibility of unpredictable changes in the regulations regarding the single European market. This might lead to circumstances when, even if preliminary technical documentations were rigorously prepared with a certain interpretation of a particular moment, the details regarding some general phrases/requirements/clauses of European regulations can lead to different interpretations and to the need to give up some directions, including additional expenses or costs which had already been incurred and cannot be recovered.

In accordance with applicable legislation, accident and professional illness risks have been assessed in OPCOM SA (following which the company's risk level was determined at 2.97, which places the company in the category of entities with low accident risks) and prevention & protection measures were provided as necessary to treat such risks.

FORMENERG SA

The risk management process is managed within FORMENERG SA based on the System Procedure regarding risk management CODE: PS - 01 of 20.09.2018.

Risk management represents the measures taken to reduce the probability (possibility) of risk occurrence and/or to reduce the consequences (impact) on the

results (objectives), should the risk manifest. Risk management is risk mitigation if it is a threat.

In 2020 FORMENERG SA undertook the risk analysis and identification measures, through a participatory situational management.

Risk management aims at identifying, evaluating, managing and establishing a plan of risk mitigation

measures, regular review, monitoring and establishing responsibilities.

FORMENERG SA shows a low tolerance for risk, following appropriate strategies to treat them, so as to keep them within acceptable limits or to eliminate their consequences.

Quality - risks are kept under control by: implementing and complying with the analysis procedures performed by the company's management and internal audit; monitoring and measuring client satisfaction; implementing and observing the authorization procedures of courses; fulfilling the training programme. The following risks have been identified:

- Risks with high initial impact: the risk of concluding quality audits with major non-compliances, which could lead to suspension or cancellation of certifications and loss of contracts; activity may be affected by decreased client satisfaction, loss of competitiveness, loss of tenders.
- Risks with average initial impact: decrease in the effectiveness of the Integrated Quality Management System; designing and launching services that do not meet client expectations, legal requirements or reasonable expectations of stakeholders; the executive management not being involved in increasing the competence of personnel responsible for quality management.

Environmental protection and OHS - following the measures taken in 2020, these risks have been kept to a low level of impact. This effective control of environmental and OHS risks was possible by: implementing and complying with waste management procedures, implementing and complying with emergency procedures, standardising and optimising them, a contract with a medical practice and regularly conducting specific medical tests. The following risks have been identified:

- Risks with high initial impact: emergencies with environmental and OHS impact; unsafe waste management; unpreventive behavior and increasing the impact on the environment through equipment wear;
- Risks with average initial impact: unjustified increase in consumption of natural resources; lack of measures to monitor the employees' health, to prevent accidents and occupational diseases; imposing sanctions on violations of environmental regulations, endangering the health security of employees and stakeholders, reducing the number of services by reducing the number of employees fit for work.

Social and personnel policy - measures were taken to motivate personnel through financial incentives and create a pleasant working environment, the implementation of the annual training and vocational training plan, the involvement of employees in the decision-making process by involving a union representative in the management board, maintaining the budget for solving special social situations, carrying out a plan for induction and integration of new employees. The following risks have been identified:

- Risks with average initial impact: decrease in the retention rate of existing personnel or new employees, allocation of insufficient training hours, budget cuts impacting the improvement of working conditions and employee health prevention, deficiencies in correctly informing employees about the company's situation, decrease of the quality of services provided, decrease of labor productivity, trade union conflicts, demotivation of employees.

Business ethics and integrity policy - in 2020, no cases of intimidation or assault or discrimination based on sex/age/race/religion/political beliefs were

reported to the Disciplinary Board. The risk of human rights violations has an average initial impact, but through control measures, these risks have been kept to a low level. Provisions on observing human rights have been included in the internal regulations and in the collective labour agreement.

TELETRANS SA

The risks related to TELETRANS are managed according to the internal procedure and Order 600/2018. In 2020, the main risks were related to the technical activity and particularly refer to the degree of wear of the telecommunications equipment and infrastructure of TRANSELECTRICA, which we must

operate, according to the contracts in force. Providing spare parts, replacing equipment or investments do not depend on the decision of TELETRANS, being exclusively the responsibility of the parent company. The second category of risks are commercial ones, mainly related to certain specific activities for which level 2 support is contracted.

In 2020, an additional commercial risk was registered, amid the blocking of the activity of selling telecommunications services following the delay in the operationalisation of C75 contract with CNTEE Transelectrica SA and the termination of contracts with third party clients.

5. Key non-financial performance indicators relevant for specific activity

Smart SA

In general, indicators are established together with specific objectives and with the elaboration of operational processes. They are analysed on the occasion of management reviews. From among such indicators we can mention:

- Client satisfaction, feedback for work executed under ANRE certificate
- Indicator: Annual client satisfaction degree (arithmetical mean of satisfaction degree values from contracts completed in the reference period) – calculated according to ANRE Order 45/07.09.2016;
- Monitoring employees' health; Tests and medical examinations according to GD 355
- Indicator: No. of monitored employees / No. of employees * 100 [%];
- Bidding and contracting - Indicator: Accepted offers completed by order,

contract/offers sent to the client * 100 [%];

- Degree of non-conformity settlement
- Indicator: solved non-conformities/nonconformities identified x 100 [%];
- Performance of the audit plan
- Indicator: audits performed/audits planned x100 [%];
- Performance degree of various control programmes
- Indicator: controls made/controls planned x100 [%];
- Global achievement of training programmes
- Indicator: programmes achieved/programmes approved x 100 [%];
- Standardised metering & monitoring equipment, verified in this period
- Indicator: standardised EMM verified /planned EMM for standardisation, verification * 100 [%];
- Effectiveness of risk and opportunity treatment
- Indicator: Global risk level ≤ reference value;
- Waste management

- Indicator: No. of collected waste types/No. of selectively collectable waste * 100.

OPCOM SA

The non-financial indicators used by OPCOM SA are as follows:

- Transaction quota on the various managed electricity markets (Amount transacted on the respective market in the reference period/Net national consumption);
- Efficiency of transaction participation on various managed electricity markets (No. of participants that submitted offers on the respective market in the reference period/No. of participants registered on that market);
- Satisfaction degree of OPCOM SA clients with respect to the quality of services provided in managing the markets/instruments placed at the disposal of participants on the markets (1-5 degrees);
- Satisfaction degree of OPCOM SA employees (using qualifying terms: very content, content, discontent and neutral);
- Level of information security incidents (as number of incidents registered in the reference period);
- Number of reporting services provided by OPCOM SA; OPCOM SA is in the first 11 RRM-s (of 117) in terms of diverse services for which ACER certified it and which it reports currently.

When it comes to the targets set, both the quality general objectives and the more than 100 specific quality objectives, broken down by relevant levels in the company's organisational structure, have been achieved almost 100%; some aspects cannot be achieved for reasons beyond OPCOM SA.

FORMENERG SA

To obtain 'sustainable' performance by harmonising the economic, social and environmental objectives, FORMENERG SA uses a performance assessment system that should point out the following items: the entity's objectives, its strategy, effectiveness & efficiency of activities, capacity of FORMENERG SA to adapt to the requirements of the market it operates on.

In terms of efficiency, activities should be scheduled/approached in global terms taking into consideration the four types of development capital: human, economic, social and environmental. Thus, we can state FORMENERG SA has a responsible mode of operation, providing high competitiveness in the long run.

Non-financial performance indicators measure:

- quantity – direct result of activities (e.g. number of training sessions);
- quality – of results (e.g. number of mistakes made, employees' satisfaction, clients' satisfaction);
- period – time intervals vary depending on results (during which effect should be obtained);
- efficiency – maximising results of a certain activity in relation with the resources used;
- effectiveness – achievement degree of planned objectives for each activity, ratio between the planned effect and the actual result of such activity.

In terms of specific activities of FORMENERG SA, mention can be made of certain relevant non-financial indicators:

- Professional training services
Indicators:
 - Number of course series
 - Number of trainees
- Hostel accommodation services
Indicators:
 - Hostel occupation degree

- Revenues from hostel accommodation services
- Clients' (external & internal) satisfaction
Indicators:
 - Trainee's satisfaction with the quality of provided services
 - Employee's satisfaction
- Monitoring employees' health
Indicator
 - Medical examinations as per GD 355
- Waste monitoring
Indicator
 - No. of collected waste types/No. of selectively collected waste * 100

TELETRANS SA

For 2020, TELETRANS SA did not establish non-financial performance indicators.

6. Environmental management system Smart SA

The manner to identify and appraise environmental aspects is regulated in the system procedure SMART-PSM-07.00 „Identification of environmental aspects and of associated impacts”.

Environmental aspects are identified and assessed every time changes are made in the structure of processes, activities, products or services; legislative changes; developing new activities, services or work; significant changes in installations and processes; placing some installations in different places and reappraising them for update annually.

Working conditions are taken into account when environmental aspects are detected:

- emissions under normal operation;
- emissions in case of abnormal operation, namely emergency situations, failures or accidents;
- frequency of such emissions;

- consequences over environment and health;
- risk of emission occurrence;
- compliance with regulations;
- public or neighbours' complaints;
- use of raw materials and natural resources;
- other aspects of the local community's material and spiritual values.

Depending on the scores obtained after environmental assessment, a list is obtained of environmental aspects of significant impact and a list of possible emergency situations. A prevention plan is drawn up for each emergency situation, which is annually simulated.

The purpose of such plan is to respond to actual emergency situations, to take measures to prevent or reduce the consequences of such emergency situation, corresponding to the size of the emergency and to its potential environmental impact; to provide relevant information and training about the response preparation capacity to emergency situations.

Mention should be made that possible emergency situations, namely incidents, failure or accidents which can have significant environmental impact are likely to occur only following some abnormal operation.

Emergency situations requiring immediate intervention to limit the environmental effect will be taken into consideration when plans are established to prepare for emergency situations and the response capacity.

The company has identified the following possible emergency situations:

- oil leaks during oil treatment/regeneration (at the beneficiary's);
- oil/fuel spills in case of car component defect or accident;
- possible oil spills during oil recipient handling.

In case of such occurrences, the executive personnel has got absorbent biodegradable soil. Smart SA has obtained environmental permits issued by territorial Environmental agencies (where it was deemed necessary) and makes the lawrequired reporting.

There are also Environmental Management programmes approved by beneficiaries, which contain plans to mitigate environmental impacts and monitoring plans.

Examples of environmental aspects with reduction measures:

- Developments for environmental protection and restoration to initial condition when work is completed (natural resources and preserving biodiversity);

Measure - Ecologic reconstruction, filling the gaps, arranging the impacted ground, planting trees and grass and restoring the natural landscape when work is finished;

- Emissions of conventional pollutant agents or of greenhouse gas (protecting air quality).

Measure - Preventing dust releases while digging by spraying water in case the soil is dry/there is wind; gas emissions of motor cars and used machines cannot exceed admitted limits; transport cars and machines should be used that provide normal operation; useless operation of equipment will be avoided.

OPCOM SA

OPCOM SA is highly concerned with environmental protection, one of the targeted lines being reduction of electricity consumption. To this effect, all IT equipment used for daily activities has got Energy Star certification. Virtualising is another technology that enabled company development while also reducing electricity consumption. With the same purpose of reducing electricity consumption, OPCOM SA replaced the lighting led tubes with

neon tubes, thus getting about 40% consumption drop.

OPCOM SA also applied selective waste gathering, used also for DEEE waste beginning with used toner cartridges up to decommissioned IT equipment, which is collected by specific companies.

When it comes to the field of activity, OPCOM is fully involved in the efforts undertaken at national level to implement market services and specific products and instruments that contribute to increasing the share of electricity generated from low carbon sources.

In this sense, we mention that OPCOM representatives participate in the working groups set up in the Ministry of Economy, Energy and Business Environment and ANRE having the following objectives:

- implementing a new support scheme to support the production of energy from low carbon sources;

- implementing a market mechanism for investors in generation capacity of electricity from renewable sources, in order to contract electricity to be generated, with long delivery times;

- monitoring the fulfillment of the objectives provided in the Integrated National Plan for Energy and Climate Change 2021-2030.

FORMENERG SA

FORMENERG SA pays particular attention to environmental protection and has integrated the best practice in the domain in its activities. Consequently applicable environmental regulations are complied with every time changes are made in process structures or in cases of legislative changes, maintenance work or repairs to the company's building.

As regards the activity domain and processes performed by FORMENERG SA, no risk items were identified, therefore

they have no significant environmental impact.

In terms of environmental protection, during its activities FORMENERG SA has got the ENVIRONMENTAL PERMIT 57/30.01.2012 (valid until 2022), issued by the National Environmental Protection Agency Bucharest based on documents issued by competent authorities.

The permanent concern of FORMENERG SA with minimising the environmental impact of its activities comes out from the compliance with the requirements of the ENVIRONMENTAL PERMIT no. 57 issued by the National Environmental Protection Agency Bucharest. It establishes milestones for careful monitoring of resource consumption (energy, water) and for responsible waste management:

➤ **Energy consumption**

For space heating FORMENERG SA uses a thermal plant using methane gas, endowed with two boilers of 920 kW total thermal capacities.

The hourly fuel consumption is 108 Nm³/h. The plant has 24.5 m high stack discharging pollutants and 0.422 m² area.

Air quality (flue gas from the thermal plant) is monitored by submitting test bulletins to requesting authorities. Determinations are made quarterly and air quality data (emissions) will be annually reported to the environmental protection authorities.

Electricity supply for the operation of equipment used and to light the location comes from the National Power System based on the supply contract. Electricity consumption calculations rely on the correlation of consumed amounts with the sums invoiced and paid, using the heat capacity but also the agreed energy conversion factors.

In order to reduce consumption values and comply with the best available

energy efficiency techniques the following issues are taken into account:

- proper operation of the ventilation system;
- selecting electricity supply equipment with specific consumption as little as possible.

Electricity consumption calculations rely on the correlation of consumed amounts with the sums invoiced and paid, using the heat capacity but also the agreed energy conversion factors.

➤ **Water consumption**

Water supply for drinking and hygienic-sanitary purposes comes from the public network managed by Co. APA NOVA BUCHAREST SA based on the supply contract.

Used water is discharged into the city's drainage network managed by Co. APA NOVA BUCHAREST SA.

Used water discharged into the city's drainage is monitored by certified laboratories (currently - ECOIND Bucharest). Determinations are made each month in the control section R1 and the data about used & discharged water quality will be annually reported to the environmental protection authority.

➤ **Waste management**

FORMENERG SA complies with the hierarchy of waste management and strives to prevent its generation, permanently searching recycling solutions, namely capitalisation of waste generated from its activities (paper, pet, used toner, decommissioned IT equipment etc.).

Underlying the environmental and occupational health and safety policy is the identification and control of environmental issues and risks associated with all activities within the organisation, to ensure compliance with legal and other applicable requirements to which the organisation subscribes, pollution

prevention and accidents at work, occupational diseases, but also respect for the right of stakeholders to live in an unpolluted environment.

The company's policy in this area aims to:

- minimise the amount of waste generated and managing it safely when it cannot be avoided;
- reduce consumption of natural resources;
- reduce the impact on the environment associated with the company's activities and products, present and future, by gradually replacing some technologies and raw materials with others featuring a low environmental impact;
- the design and development of ecological and economical products which, during their use, diminish the environmental footprint of consumers;
- the supply of raw materials and sales of products for training and hotel services, a positive influence on sustainable development;
- prevent emergencies impacting environment and occupational health and safety, by establishing and implementing coherent and effective measures to prevent major accidents involving dangerous substances;
- behaving preventively with regard to environmental pollution in order to continuously improve environmental performance;
- an ongoing analysis of risks and elements of major importance in processes;
- ensure an optimal working environment for employees in order to maintain, primarily through preventive activities, employees' health and safety;
- continuous monitoring of the employees' health and taking action

to improve their health and prevent accidents and occupational diseases;

- the respect for the right of stakeholders to live in safe environmental conditions.

TELETRANS SA

The top management of TELETRANS takes special care of the prevention of pollution and protection of the environment, expressed and communicated to all shareholders by the Director General's Declaration on the policy in the quality, environment, labour health and security field, within TELETRANS being implemented, certified and maintained since 2009 an Integrated Management System of quality, environment, labour health and security, in accordance with the provisions of the environment international standard ISO 14001 - Environmental management systems. User guide requirements.

The environmental aspects identified within TELETRANS mainly refer to waste management both at the Executive and at the Agencies and Centers of TELETRANS, being kept under control in accordance with the legal provisions in force, the existing decision-making framework and with the specific environmental internal procedures/instructions, establishing the attributions and responsibilities of TELETRANS personnel, designated responsible with environment protection, selective waste gathering and waste management.

Thus, within TELETRANS no environmental aspects with significant negative impact on the environment, resulting from the activities/processes of TELETRANS are highlighted or expected.

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

Smart SA

Smart SA's Internal Regulation includes a specific chapter called: Rules regarding observance of non-discrimination principles and removal of all dignity violation – which defines and regulates the work relations in Smart SA.

Thus each employee of Smart SA benefits of working conditions proper for his/her activities, social protection, labour security and health and observance of his/her dignity and conscience with no discrimination.

All employees are recognised the right of equal pay for equal work, the right of collective negotiations, the right of personal data protection, as well as against illegal dismissal.

When salaries are established and paid no discrimination is allowed for gender, sexual orientation, genetic characteristics, age, nation, race, colour, ethnic, religion, politic option, social origin, handicap, family circumstances or responsibility, trade union affiliation or activity.

OPCOM SA

As far as social and personnel issues are concerned in OPCOM SA, or the employer – wage earner relationship, they are provided in accordance with the labour legislation and with the provisions of the Collective Labour Agreement of OPCOM SA applicable in 2020, of the Internal Regulation, Operation Regulation of OPCOM SA, Regulation with respect to organising contests to occupy vacancies or the Ethical and Professional Conduct Code.

To provide proper working conditions, safety and health on the job the following activities are carried out:

- ergonomic arrangement of working places using ergonomic adjustable chairs, proper positioning of office furniture and of the computer in front of the user depending on lighting sources and air conditioning appliances;
- employees' health is monitored by permanent provision of specific assistance;
- clean working environment is provided by the care of one's own personnel and by cooperating with specific companies for: domestic garbage disposal, outside window cleaning, air conditioning appliance maintenance, periodical pest fighting, procuring water recipients and maintaining the drinking water fountains;
- safe working environment is provided for the protection of employees against COVID-19 by establishing strict measures such as: temperature screening when entering the company and a survey filled in daily by each employee, physically present at the company headquarters, regarding the evaluation of the risk level among OPCOM SA personnel, the location of disinfectants at the entrance and on each floor, the provision of the daily necessary protective masks for each employee physically present at the company's headquarters etc.;
- the necessary electronic equipment is provided for the employees working from home;
- permanently checking the condition of individual protection equipment for activities requiring such equipment (e.g. maintenance-cleaning personnel, electricians) and renewing them periodically or every time it is worn out.

Computation techniques provided to employees is of high professional level both in performance terms and as regards eyesight protection.

As the pandemic was a characteristic of 2020, in terms of its role and activity, OPCOM SA paid special attention to ensuring business sustainability and continuity, respectively the normal development of activity in relation to partners, market participants, authorities, other stakeholders. To this end, OPCOM SA has permanently adopted a proactive attitude, for all actions and projects not just to complying with the authorities' provisions and recommendations, but, quickly and intensively, implementing measures to maintain a healthy, stable and reliable environment both within the company and for partners (we mention, for instance, the Plan of measures on the prevention and management of Covid-19 cases within OPCOM SA, taking the necessary measures for specific documents to be sent via e-mail, without handwritten signature, the proper updating of the working procedures and instructions regarding centralized markets administration etc.).

As regards professional training both in order to provide chances and to treat/remove any absence of technical expertise in certain domains, it is provided in accordance with applicable labour legislation and internal regulations.

Consequently in 2020 employees' professional training aimed at:

- full employee adaptation and integration with job requirements;
- updating the knowledge and improving professional training;
- acquiring advanced knowledge, modern methods and procedures necessary for professional activities;

- developing the communication capacity in professional circumstances;
- stimulating the innovation capacity applicable within the limits of assumed liability;
- developing and implementing new projects, which led to diversifying the main business.

Successful implementation of such objectives meant intense efforts from involved employees throughout the year, including by using the new knowledge, abilities and competence acquired after professional training and improvement courses.

As regards the employees' right to be informed, at the beginning of 2020 the executive management informed the employees about the social expenditure fund, and a protocol was concluded with the social partner for expense allocation and settlement of some quotas of the holiday expenses, spectacles etc.

The 2020 employer/trade union meetings were characterised by parties' willingness to discuss, and such reunions were always finished by concluding protocols.

The meetings aimed at negotiating a new Collective Labor Agreement as well as granting salary rights while adaptating them to legislative changes. Trade union rights have been always observed in the company.

As regards fighting discrimination and promoting diversity, OPCOM SA complies with the non-discrimination principle and fights any dignity violation forms in accordance with applicable legislation, the Internal Regulation or the Ethical and Professional Conduct Code.

In accordance with the Ethical and Professional Conduct Code, OPCOM SA observes and guarantees equal nondiscriminating treatment of employees,

market participants, company partners and co-workers.

In exercising their positions, OPCOM SA employees are obliged to observe professional behaviour and to provide transparency, impartiality and efficiency a necessary to gain and keep the confidents of participants on the managed markets, of partners and co-workers. They are also obliged to equal treatment and refrain from any discrimination for nationality, gender, origin, race, ethnic, handicap, age, religion or political convictions.

Chapter 3 of the Internal Regulation of OPCOM SA provides structured rules with respect to observing the nondiscrimination principle and removing any dignity violation, the employer has the prerogative to apply disciplinary sanctions as per legal terms to employees that perpetrate direct or indirect discrimination at their working place or sexual harassment.

FORMENERG SA

With regard to social and personnel issues, actions taken to ensure gender equality, working conditions, social dialogue, respecting the right of workers to be informed and consulted, respecting trade union rights, occupational health and safety, dialogue with local communities and/or actions taken to ensure the protection and development of these communities.

The internal regulations of FORMENERG SA contain a chapter called - Rules on observing the principle of non-discrimination and the removal of any form of dignity violation that governs the framework of labor relations in the company. Thus, all company employees benefit from proper working conditions, social protection, occupational health and safety, as well as respect for dignity without any discrimination.

The principle of equal treatment for all employees works in labor relations. Any direct or indirect discrimination against an

employee based on sex, sexual orientation, genetic characteristics, age, nationality, race, colour, ethnicity, religion, political choice, social origin, disability, family situation or responsibility, affiliation or trade union activity is prohibited.

FORMENERG SA applies the principle of non-discrimination and eliminates any form of dignity violation in accordance with the legislation in force, the Internal Regulations and the Code of Ethics, respects and guarantees equal treatment in relation to employees, partners and company collaborators.

All employees have the right to payment, the right to collective bargaining, the right to personal data protection, as well as the right to protection against illegal dismissals.

FORMENERG SA takes all necessary measures to protect the life and health of employees. In order to ensure proper working conditions, occupational health and safety, the company provides a pleasant clean working environment, adjustable ergonomic chairs so that employees have a proper posture towards the computer and air conditioning systems during summer.

Employees are always informed of changes in legislation that affect them. The meetings between the employer and the union are characterised by readiness for dialogue; consequently, the Collective Labor Agreement is amended. Trade union rights have been always observed in FORMENERG SA.

FORMENERG SA's management develops and implements a system of internal regulations through which it organises the activities within the company so that they are efficiently performed, by allocating the necessary resources, identifying the risks and taking the necessary measures to cancel/reduce them to an acceptable level.

The most important resource to achieve the goals comes from well-trained, motivated, righteous and well-suited

employees. From a social point of view, we aim to maintain a beneficial collaboration relationship with employee organisations and other stakeholders, based on the legislation on the subject, by:

- supporting a constructive trade union activity and concluding a Collective Labor Agreement specific to FORMENERG SA employees;
- permanent communication on all major aspects regarding the evolution of the organization and business with trade unions, considering employees as a third party interested in the business's success;
- establishing and implementing methods to help underprivileged people and/or in particular domestic situations;
- establishing and implementing different facilities for all employees, depending on the potential of the organization and the identified needs;
- monitoring the health of employees by regularly performing specialised checks;
- supporting employees and their families in case of health predicament;
- granting meal vouchers;
- supporting underprivileged people and/or communities through sponsorships and at the request of FORMENERG SA employees, directing the 2% percentage of the income tax paid by employees to the Red Cross and/or NGOs.

FORMENERG SA grants equal opportunities to its current or potential employees by:

- transparent recruitment and promotion of staff, taking into account the necessary skills and professional experience, as well as the integrity of candidates;

- ensuring the conditions for continuous training and improvement, but also for environment protection and occupational health and safety;
- evaluation of activity and skills only based on objective, sustainable, measurable, purpose-appropriate performance criteria, monitored consistently and transparently, of all employees;
- creating optimal working conditions for staff stabilisation.

TELETRANS SA

With regard to social and personnel aspects, the actions taken to ensure gender equality, working conditions, health and safety at work, TELETRANS S.A. provides personnel recruitment and selection while observing the equality of gender, working conditions and job requirements with respect to the abilities and specific training necessary in accordance with specific internal procedures (Operational procedure - Recruitment and hiring of personnel).

8. Fighting corruption and bribery

Smart SA

The Ethical Conduct Code of Smart SA provides a set of rules by which the company has developed ethical behaviour rules for business and prevention of illegal unlawful actions that might occur during business in the company.

The Ethical Conduct Code provides ethical practice and standards accepted one-sidedly, being defined as a set of rules determining whatever is right and wrong in employees' conduct, systematic reflection over the moral consequences of a company's decisions. The Ethical Conduct Code was developed as basic component of the company's transparency, of its authenticity and

responsibility towards shareholders, community and the environment. It does not guarantee them but constitutes good premise to create and implement ethical values, responsible behaviours and operations.

The Ethical Conduct Code and the Internal Regulation are obligatory and apply to all SMART structures.

The Ethical Conduct Code is notified to all company co-workers, suppliers and partners.

OPCOM SA

In accordance with the Ethical and Professional Conduct Code of OPCOM SA approved by the Board of Administration, the executive management of OPCOM SA is responsible to apply a corruption fighting policy and measures to secure it is implemented. OPCOM SA employees do not seek or accept presents, services, favours, invitations or any other advantage dedicated to them personally, to their family, parents, friends, etc. and might influence their impartiality in exercising their position.

In case an OPCOM SA employee is offered gifts during the exercise of his/her position he/she is obliged to declare it.

OPCOM SA develops organisational culture based of social responsibility based on ethics, respect for the rights of market participants, social & economic equality, high quality information technology, fairness, and transparency in accordance with legal provisions, integrity and investments into resources.

In accordance with Law 176/2010 regarding integrity when exercising public positions and dignities, amending and adding Law 144/2007 on the establishment, organisation and operation of the National Integrity Agency, as well as amending and adding other norms, persons holding managerial positions in OPCOM SA submit, beginning with 2010,

and update each year their statements of wealth and interests.

In accordance with GD 583/2016 approving in accordance with the 2016-2020 National Anticorruption Strategy the sets of performance indicators, the risks associated to objectives, the strategic measures and verification sources, the inventory of institutional transparency measures and corruption prevention, the assessment indicators and the standards to publish information of public interest, OPCOM SA signed in November 2016 the adhesion Statement to the fundamental values, principles, objectives and the monitoring mechanism of the 2016-2020 National Anticorruption Strategy, and in January 2017 it elaborated the Integrity plan of OPCOM SA for 2017-2020. This plan was approved by the Management Board of OPCOM SA and transmitted to the Ministry of Justice in February 2017.

The Integrity plan of OPCOM SA is structured by three general objectives: preventing corruption, educating the employees and clients of OPCOM SA and fighting corruption. The fore-mentioned general objectives are broken down into specific ones, and such specific objectives are associated with achievement measures. Measures with deadlines in 2020 and the permanent ones have already been completed.

FORMENERG SA

The Ethical Code of FORMENERG SA represents ethical conduct norms establishing and regulating the employees' values, responsibilities, obligations and conduct in interinstitutional relations, as well as in their relationship with the company.

The Ethical Code defines the moral ideals, values, principles and norms which the employees agree to observe and apply in the activities performed in the company.

The ethical code is implemented in the company since it is useful in promoting ethical professional behaviour and avoiding situations that might impact the company's reputation. An Ethical Code protects the company and its employees from dishonest or opportunist behaviours since persons not applying company values that violate the Ethical Code's provisions are not welcome in it.

The Ethical Code of FORMENERG SA provides a set of basic rules for employees' ethical behaviour and to prevent illegal unlawful actions that might occur during activities.

FORMENERG SA guarantees the observance of human rights, in accordance with the legal provisions, for its employees and collaborators, but also for the interested parties through:

- the provision of working conditions that respect the dignity of the individual and appropriate workplace in terms of occupational health and safety;
- prohibition of any form of intimidation through language, attitude, gestures, any other form of personal attack;
- eliminating any form of discrimination based on sex /age/race/religion/political beliefs;
- firm rejection of child labour;
- rejection to collaborate with organisations that don't respect human rights.

TELETRANS SA

Legal transparency requirements are implemented in TELETRANS SA, the Memorandum to increase transparency and standardise the display of public interest information (GD 583/2016 approving the National Anticorruption Strategy, Law 544/2001 regarding access to public information, Law 176/2010 28 regarding when exercising public positions

and dignities), anti-corruption, ethics and integrity.

Corruption prevention activities are coordinated by the Working Group to apply GD 583/2016 in TELETRANS SA, established by Decision 311/17.11.2016.

The Statement on adhesion to the fundamental values, principles, objectives and monitoring mechanism of the 2016-2020 National Anticorruption Strategy was elaborated and published on the company's site, as well as the *Integrity Plan to implement the 2016-2020 National Anticorruption Strategy*.

The working group assisted the departments of TELETRANS to apply the measures associated to anticorruption objectives by applying the following steps:

General objective I – Preventing corruption

1. Internal managerial control activities were intensified, managed by the Monitoring Commission of CIM. All standards were implemented and the procedures were updated in accordance with applicable legislation (SGG Order 600/2018).

2. As regards providing transparency and access to public interest information, the company's site has been updated and structured in accordance with Annex 5 of GD 583/2016, with a page dedicated to the information required by it.

Stating the wealth, interests and goods received for free will be received from all targeted factors, the data being published on site within the law-provided deadlines.

General objective II - Enhancing the educational level of anticorruption fight for company employees

The Ethical Code is posted on the company's site and can be consulted by its employees, as there is also an internal procedure on *ethics and integrity* containing all relevant information in the domain. An ethical counsellor was

designated to monitor the company-wide compliance with conduct norms and to assist the employees in ethical and integrity issues.

TELETRANS SA also uses the procedure on *Notifying irregularities*, which provides a framework to prevent corruption risks and identify them by any employee.

Procedures are posted on the company's site and are accessible to all employees

General objective III – Fighting corruption through administrative and criminal measures, strengthening administrative control mechanisms

TELETRANS SA has got both internal audit structures and external auditors, in accordance with applicable legislation.

The internal audit compartment assesses and verifies company structures in accordance with one's own control plans, in its turn being audited by the counterpart structure of the parent company, National Power Grid Company Transelectrica SA.

General objective IV – Companywide approval of the plan and identification of specific risks and vulnerabilities within the company

Company planning activities are performed in accordance with the internal managerial control and corporate governance legislation while observing the integrity & ethical recommendations and

standards and including them in the assessment of employees and activities.

As far as risk management is concerned, corruption ones included, there is an internal procedure for risk detection and managing, used in order to elaborate each year's Risk Registry and Risk management plan.

General objective V – Strengthening integrity, reducing vulnerabilities and risks of corruption within TELETRANS SA

Procurement activities are performed observing the public procurement legislation based on an internal procedure, periodically updated.

General objective VI – Enhancing the implementation degree of anticorruption measures by approving the integrity plan and periodical selfvaluation within TELETRANS SA

CIM development plan is periodically updated and annual plans and reports are made according to legal provisions.

Each year the internal managerial control system is auto-assessed using the valuation questionnaires from the law. The implemented Professional Ethic Code help TELETRANS SA to lay the bases of a harmonious organisational culture, based on fairness and responsibility to employers, employees, clients and the society at large.

GLOSSARY

ANRE – National Regulatory Authority in Energy

CNCAN – National Commission for Nuclear Activities Control

FORMENERG SA - Company FORMENERG SA

OPCOM SA - Electricity and Natural Gas Market Operator Company OPCOM SA

OUG – Governmental Emergency Ordinance

SDH – digital synchronous hierarchy

SLA – service-level agreement

Smart SA - Company for Maintenance Services in the Electricity Transmission Grid Smart SA

TELETRANS SA - Company for Telecommunication and Information Technology Services in Electricity Transmission Grids TELETRANS SA