Transelectrica®

Sustainability Report of Transelectrica 2021

Statement of responsible persons

The information provided in the Sustainability Report of Transelectrica for 2021, elaborated in accordance with the Global Reporting Initiative standard, while observing the provisions of European Directive 2014/95/UE transposed in the Romanian legislation by Order 1938 of 17 August 2016 of the Ministry of Public Finance provides fair accurate image consistent with true facts of the non-financial aspects, part of ongoing business, which impacts the Company's development and sustainability.

Directorate
Chairman
Gabriel ANDRONACHE

Member	Member	Member	Member
Florin Cristian TATARU	Stefanita MUNTEANU	Marius Viorel STANCIU	Catalin Constantin NADOLU

Contents

Directorate message (102-14)

Sustainable premises for a green future

Dear shareholders, investors and partners,

In the fifth consecutive year when the Sustainability Report is published, devised according to GRI standards, Transelectrica shows it calibrates its activities in sustainable manner, targeting the climatic neutrality objectives assumed Europe-wide.

In the current context, climatic neutrality is a true challenge and involves serious efforts from the business environment. The dynamics of climatic changes requires condensed attitude of all stakeholders in the energy sector. In this respect Transelectrica, in its capacity of Transmission System Operator assumes responsibly its role of national regional strategic partner as regards mitigating the climatic change impact by accomplishing the energy transition. We further adapt the objectives agenda so as to expedite sustainable investments in energy.

These last years the specialists of Transelectrica have searched for sustainable solutions to enhance the electricity transmission infrastructure during the research stages meant to develop innovation and facilitate the transition to green energy. We are aware the electricity transmission system represents an important pillar in the transition to a clean economy. This is the reason why our projects in progress and future initiatives are aimed at achieving the energy efficiency target.

Transelectrica is further preparing the transmission system infrastructure by means of investments which will enable to massively integrate renewable sources in the near future. Thus, the Company's investment plans will get aligned with the objectives Romania assumed at European level in this respect.

While passing through the second pandemic year, which maintained a different pace in the operations of the business environment, Transelectrica performed activities taking measures and applying good corporative governance practice which contributed to reaching objectives and attaining the Company's fundamental mission. In terms of non-financial performance, in 2021 Transelectrica improved its rating granted by Moody's Investors Service International Agency (Corporate Family Rating), from Ba1 to Baa3, and the outlook was changed from positive to stable.

The commitment that Transelectrica assumed both by its corporative social responsibility strategy and its sustainability policies will further pass through important stages in order to provide sustainable development of the energy sector.

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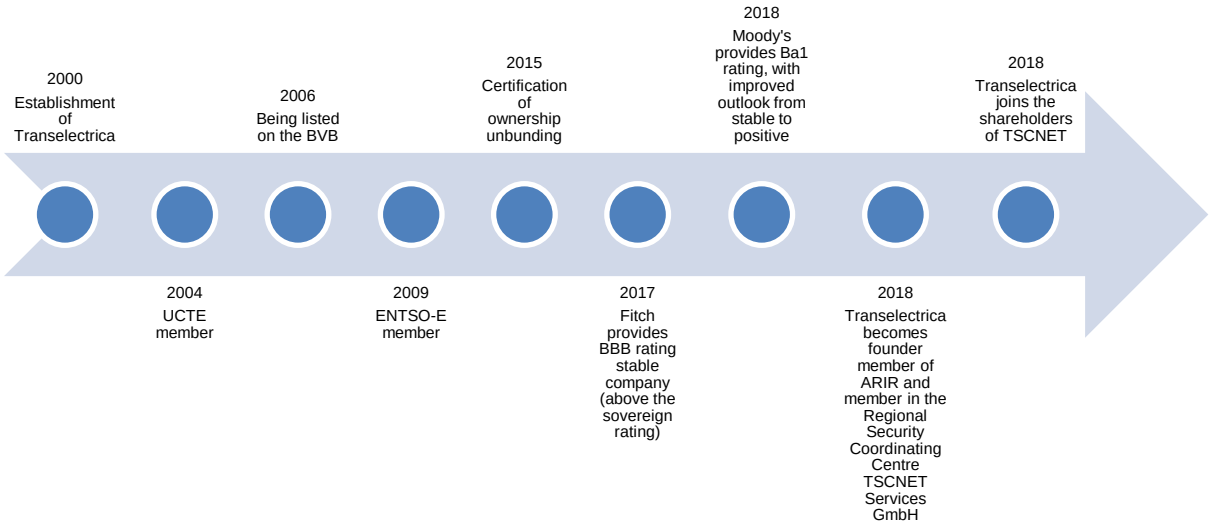
Company Presentation



Company identification in national and European context (102-1)

In the value chain of electricity activities Transelectrica holds the central position of transmission system operator, regulated natural monopoly, with the mission to provide public electricity transmission services while maintaining the operational security of the national power system under non-discriminatory access conditions for all users.

A strategic Company in national and regional context, Transelectrica also performs the functions of balancing market operator, metering operator and the operator allocating interconnection capacities.

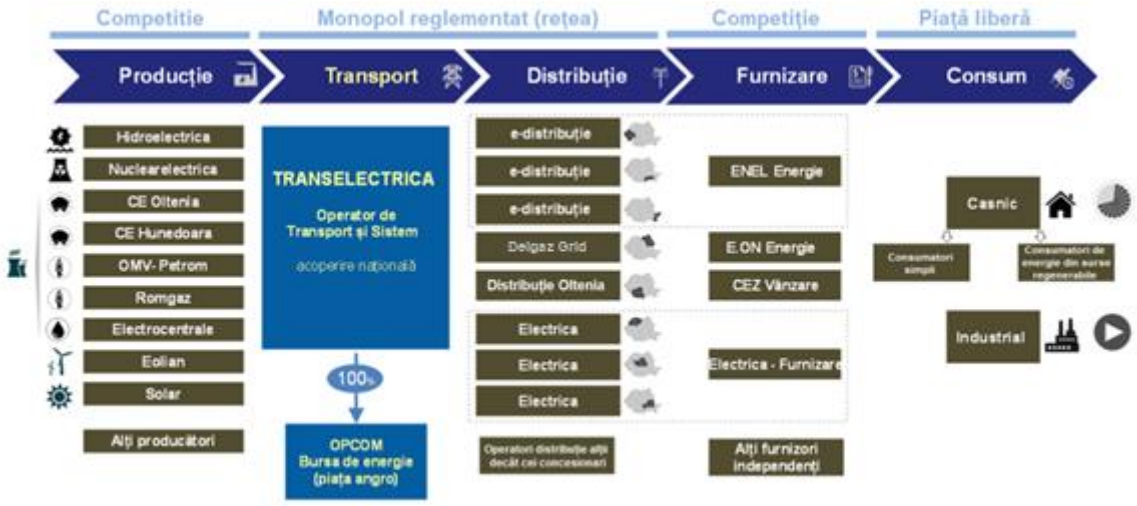
The business model corresponds to the standard profile of a Transmission System Operator (TSO), a model projected uniformly Europe-wide in the European strategy and energy legislation, being applied in all community countries and transposed as such in the legal national framework.

A strategic energy Company, Transelectrica has passed from national size to a pan-European approach of its activities

The European energy sector is undergoing deep transformation.

Emphasis is laid on the transition from a prevailingly national development model of the energy sector to an integrated development coordinated at European level, which shall provide unitary continental development but can also enable tailoring national specificities and following the legitimate interests of European states.

Under this transition from the national to the continental model, the regional integration represents an intermediay stage necessary with a view to reach the final target of trans European integration.



As integrant part of the European interconnected system Transelectrica is responsible not only for the safe operation of the Romanian power system and supply of national consumers but, next to the other Transmission System Operators has extended its competence and responsiblity all over Europe (36 countries, 532 million consumers).

Transelectrica, member in the European family of Transmission System Operators

The Romanian power system has been integrated into the European electricity transmission system a long time before Romania has joined the European Union.

As of October 2004, Transelectrica has become partner of electricity transmission companies all over Europe, as member of UCTE, ETSO associations and, beginning with 2009, of ENTSO-E.

ENTSO-E promotes important energy policy issues with a view to provide the completion and operation of the internal electricity market and cross-border trades, as well as best management, coordinated operation and sound technical development for the European electricity transmission network.

Transelectrica belongs in the following European configurations:

- CCR (Capacity Calculation Regions) – SEE region (RO-BG border) and CORE region (RO-HU border);
- SOR (System Operation Regions) – Central European region (RO-HU border);

Transelectrica, member of TSCNET and JAO from 2018 onward

Beginning with August 2018 Transelectrica has become member in the Regional Security Coordination Centre TSCNET Services GmbH, joining also the centre shareholders, and the European Joint Allocation Office JAO SA as well in December 2018.

TSCNET has been constituted in order to serve the Transmission System Operators in the eastern-central-western region of Europe with a view to have coordinated implementation of European network codes, while JAO coordinates auctions made for the allocation of long-term capacities, being designated as Operator of the Single Allocation Platform (SAP).

Transelectrica, partner of European institutions in performing the legislative packages Green Deal & Fit For 55

European policies in energy and environment, instrumented by successive legislative packages approved Europe-wide are centred on higher supply safety of load, higher energy efficiency, decarbonising the electricity generation mix by integrating renewable sources and implementing efficient storage solutions.

Being part of the European family by its ENTSO-E membership Transelectrica is valuable partner in the elaboration and negotiation of legislative packages applicable in the energy sector.

European network codes are documents regulating operational issues of the synchronously interconnected power systems and the harmonisation and integration of national electricity markets, thus facilitating the implementation of the single European one.

By means of its technical operational expertise and in capacity of Transmission System Operator Transelectrica has been active partner both in codes elaboration under ENTSO-E structures and in the negotiation stages within the European Commission and, through the specific ministry, in the European Parliament.

The effectiveness of the European Energy - the Climatic Change legislative package has led to taking the standards from ENTSO-E's coordinated operation manual, developing and approving them as European regulation. Thus, 8 (eight) European regulations were approved, which establish sets of rules for system connection of generators, consumers and direct current systems; regulate the allocation of short- and long-term cross-border interconnection capacities, the operational rules of the balancing market as well as the coordinated operational rules for normal operations, but also for disturbed running. As regards 6 (six) of these codes UNO-DEN was attributed the coordinator responsibility, and for the other two the Energy Markets Division collaborates with UNO-DEN for their implementation.

Transelectrica, strategic partner in the elaboration of the Development Plan for the European electricity transmission network

Electricity transmission networks play a crucial role in reaching the European desiderata, especially as regards safe supply of consumers, constitution of the internal electricity market and integration of renewable sources.

Within ENTSO-E there is integrated coordinated planning of pan-European transmission infrastructures (TYNDP: 10 years' European masterplan of the transmission network, comprising also assessed adequacy of pan-European power systems), and main corridors and priority projects are found (list of PCI) which Regulation (EU) 347/2013 provides stimulative mechanisms for their expeditious implementation (competent authority responsible to facilitate and coordinate the licensing procedure for projects of common interest, communitary technical assistance, e.g. Connecting Europe Facility).

Transelectrica, valuable partner in European projects

In parallel to the negotiations for adopting the energy regulatory framework, there are projects developed by Transmission System Operators aiming at implementing the single European electricity market, applying European

network codes or investigating specific challenges of the new legislative pack: Clean Energy Package. This completes the previous legislative package in domains such as single / internal electricity market, system integration of renewable sources, aggregation of generators, of consumers and of storage facilities, increasing cross-border capacities, changing the regional security centres (RSC) into regional coordination centres (RCC).

Integrating the Romanian electricity market into the internal European one is a major objective for Romania, confined within the strategic objective to establish the European internal electricity market (IEM), priority target of Europe, and this requires coherent measures together with conjugated efforts of all entities involved: specific Ministries, Regulatory authorities, Transmission System Operators, and Energy Exchanges.

Having operated since 2014 in the 4M MC coupled market (Romania, Hungary, Slovakia and Czech Republic) Transelectrica has become partner in the projects performed in the eastern-central-western European region (CORE), being active at the same time in south-eastern European region (SEE), thus enlarging its involvement and competence area Europe-wide.

While performing in the market-coupling project and coordinated allocation of cross-border transmission capacities Transelectrica is also participant in projects that develop and operationalise platforms providing trans-European transaction of balancing electricity.

Such platforms will contribute to optimising electricity systems balancing all over Europe, generating economic and social welfare as well as contributing to greater safey in the electricity supply of European consumers.

Licences and certifications

Concession and Licence

Transelectrica has got concession over the goods belonging in the state public domain, namely the national electricity transmission network (RET), being a public utility Company.

The concession over RET and the lands it is located on was granted for 49 years under concession contract 1/29.06.2004, concluded between the Ministry of Economy and Trade as conceder authority and Transelectrica, in capacity of concessionnaire.

The Company performs as Romania's transmission system operator according to Licence 161/2000 to provide electricity transmission services, system services and balancing market administration, granted under Decision 865 of 22.12.2000 of the president of the National Regulatory Authority in Energy, with later amendments and additions.

The Licence holder is the single provider of public electricity transmission services for all users of the electricity transmission network, as well as the system service provider for all SEN users. Such licence was granted for 25 years, being valid until 22.12.2025. To maintain it valid, the holder should take into account the compliance with the Specific and General conditions associated to the licence.

Specific conditions are established in the latest update of ANRE Decision 865/22.12.2000, namely **ANRE Decision 758/21.04.2021**. This is available online and on Transelectrica's internet page (https://www.transelectrica.ro/web/tel/licente-si-autorizatii).

The general conditions associated to the licence are approved by **ANRE Order 104/22.10.2014**, in accordance with the

provisions of article 8 para (2) and of article 10 para (2) let. c), d) and f) from the Electricity and natural gas Law 123/2012 with later amendments and additions. This is integrant part of the licence and it contains information about the licence's holder's rights and obligations, control and sanctions, licence suspension or withdrawal, licence change, communication paths, rates and contributions.

Certification

In accordance with the provisions of article 31 from the Electricity and natural gas Law 123/2012 with later amendments and additions, the transmission system operator (TSO) of the National Power System is certified by ANRE, according to a certification procedure which ends by the Authority's issuing a final TSO certification decision.

In accordance with the final Notice 7053 / 12.10.2015 of the European Commision, in accordance with article 3 para (1) of Regulation (EC) 714/2009 and article 10 of Directive 2009/72/EC, ANRE ascertained Transelectrica has complied with legal requirements of certification as transmission system operator of the National Power System, according to the ownership unbundling model, while ANRE's Regulatory Committee approved the certification of the National Power Grid company Transelectrica SA, issuing ANRE Order 164/07.12.2015 in this respect.

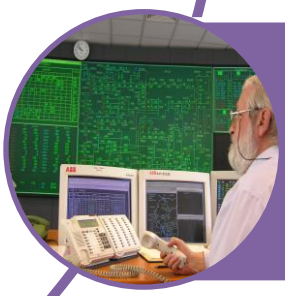
The transmission system operator should comply with certain certification conditions. They are provided in article 34 of Law 123/2012 and according to ANRE Order 104/2014 approving the general conditions associated to the licence, Chapter III, Section 11, articles 46-49.

Mission

In its capacity of transmission system operator and playing a key role on Romania's electricity market, the main mission of Transelectrica consists in providing public services of electricity transmission under non-discriminatory conditions for all RET users, and in developing a safe reliable sustainable accessible transmission network for a successful energy transition.

Vision

Transelectrica proposes to efficiently contribute to the sustainable development of the national energy sector by putting to use innovation, new technologies and Company's abilities, while operating under interconnection with ENTSO-E and providing electricity transit on the regional market.



Values

A company with sound strong organisational culture is represented by its employees who hold and share the organisation's fundamental values, which enables loyalty to the company and enhances commitment. Thus, the employees' trend to leave the organisation is diminished.

The values which sustain all activities are: professionalism, performance, integrity, transparency, and cooperation.

Investment strategy and development plan

Transelectrica is planning the development of the Electricity Transmission Grid (RET) taking into account the current stage and forecasted development of the load, the generation fleet and electricity exchanges; every 2 years it elaborates a Development Plan for the following 10 successive years, submitted for approval of ANRE and of the network owner. At present we watch RET's Development Plan for 2020-2029, as it includes all updated information for this interval.

The RET Development Plan is a public document providing the main issues with respect to the current state and the forecasted development of RET in the following ten years, which is placed at the disposal of all stakeholders.

The RET Development Plan takes into account the requirements and priorities provided in the National Energy Strategy and Policy. They represent determining references when finding out the priority guidelines and forecasting the development trends of the energy sector considered for planning.

Being an integrant part of the European electricity system Transelectrica elaborates the RET Development Plan in correlation with the European Ten-Year Network Development Plan (TYNDP).

The Company's development strategies are aligned with and complement

the European ones. Thus, major projects for the European network are developed in the electricity transmission grid operated by Transelectrica, which were included in the list of projects of common interest (PCI).

Main activities (102-2, 102-4, 102-5, 102-6)

Key transmission system operator on the electricity market of Romania and of the region, Transelectrica has among its attributions the administration and operation of Romania's electricity transmission system and provision of electricity exchanges between Romania and the countries it is interconnected with from Central and Eastern Europe, in its capacity of ENTSO-E member.

In accordance with the Licence terms Transelectrica performs the following main regulated activities:

- Providing electricity transmission services as well as electricity metering on the specific wholesale electricity market, in capacity of metering operator;
- Providing system services by means of the dispatch management tiers, using specific systems and installations;
- Organising and managing the balancing market in capacity of its administrator;

Beginning with 2006 Transelectrica has been listed on the Bucharest Stock Exchange.

Once being listed on the Bucharest Stock Exchange Transelectrica laid the bases of a long-lasting relation with Company shareholders. The shares the Company issued are transacted on the regulated market managed by the Bucharest Stock Exchange, Premium category, under TEL symbol.

- **Company shareholder structure on 31-12-2021***

SHAREHOLDER	SHARES	PERCENTAGE (%)
Romanian State	43,020,309	58.689
Pavel Holding	4,753,567	6.484
Private Administration Pension Fund NN/NN Pensions SAFPAP SA	4,007,688	5.467
Other legal person shareholders	16,172,331	22.62
Other natural person shareholders	5,349,247	7.297
TOTAL	**73,303,142**	**100**

* Shareholder Register and the history of holdings is found with the Central Depositary SA

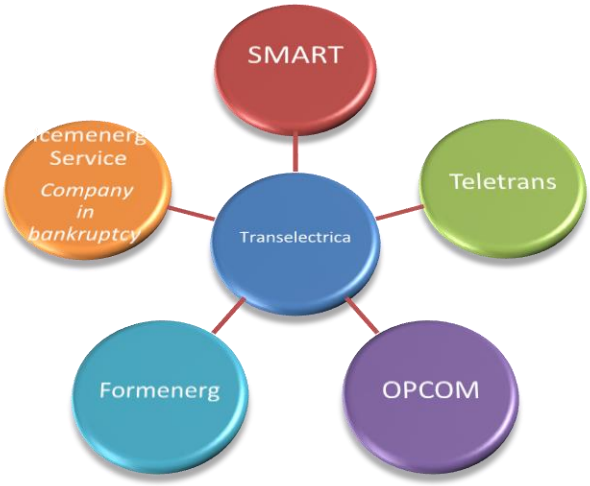
In the context of its implementing good practice and corporative governance rules, Transelectrica is committed to active communication with shareholders and investors, using in this respect dedicated communication channels and interfaces. The Company is aware of the responsibility

it has in capacity of publicly transacted company.

The diversity of shareholders and its inclusion in the main indexes published by BVB point out the transparency exigent requirements, the relevance of information and its fast dissemination, as well as maintaining an uninterrupted dialogue with the investor public.

Group structure (subsidiaries) (102-45)

On the date of this report Transelectrica includes five subsidiaries, Romanian legal persons organised as joint stock companies, four of which it is single shareholder of: Company FORMENERG SA (Formenerg), the Company providing Telecommunications and Information Technology to Electricity Transmission Networks TELETRANS SA (Teletrans), the Company for Maintenance Services in the Electricity Transmission Grid SMART SA (SMART) and Company ICEMENERG-SERVICE SA (which is under bankruptcy procedure).



In case of the Electricity and Natural Gas Market Operator OPCOM SA (OPCOM), after the share capital increase made on 13.02.2018 by AGA of OPCOM with the value of one land which previously ownership certificate was obtained for, the Company is majority shareholder with 97.84% of the subsidiary's registered capital.

Risk management (102-11, 102-30)

The strategic requirements with respect to safe uninterrupted operation determine the Company to approach risk management in proactive manner with a view to detect and treat potential losses before generating events could occur, while preparing beforehand specific technical, operational and financial solutions for possible losses, as the risk management system represents a fundamental prerequisite for sound internal managerial control.

Risk management in the Company complies with the applicable legal and regulatory requirements to have risk control capacities adequate to the Company's risk profile in order to identify, evaluate, manage, monitor, communicate, consult on and report risks:

- While complying with the applicable legal requirements to develop managerial control systems – Order 600/2018 of SGG approving the Code of internal managerial control for public entities;
- While complying with the listing requirements of the Bucharest Stock Exchange – including the provisions of the Corporative Governance Code of the Bucharest Stock Exchange; and
- While complying with other regulatory requirements, of the rating agency's, of the auditors';

The set of risk management solutions used by Transelectrica aims at supporting

the organisation to reach its objectives and contribute to improve planning by means of the risk mitigation measures comprising, under optimised structure, the organisational and financial solutions.

Thus, in organisational terms risks are kept under control at acceptable level with reasonable costs, diminished or even transferred by means of activities such as:

- Organisation, design, planning, structuring activities, communication, including measures for business continuity after occurrence of a risk; procedures have been also elaborated with principles which should be observed by all employees while labour security and safety measures were enhanced in order to reduce risks;
- Insurance contracts aiming at risk transfer; bank letters of indemnity, financial securities requested from Transelectrica's counterparts; financial solutions which include offers of shares, bond issuance and other instruments provided on the capital, insurance and other financial markets;

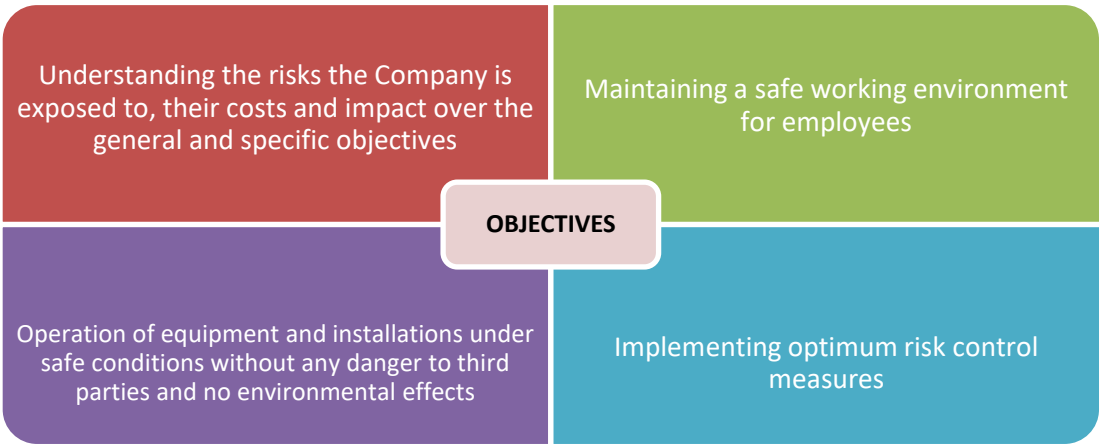
Transelectrica's risk management policy and objectives

Transelectrica's policy consists in providing directly and by means of its territorial transmission units or under service contracts with special suppliers the continuous operation and operational management of the National Power System (SEN), in accordance with the quality, security and efficiency norms provided in RET's Technical Code, providing priority and paying particular attention to the safety and health of its employees, as well as to protecting and safeguarding property and the environment.

The continuity of strategic functions for Romania's SEN - of system operator and electricity conveyor - should be maintained, even under the worst circumstances.

Risk management facilitates efficient effective achievement of Transelectrica's objectives. Knowing the threats – the strategic, operational and financial risks and hazards which the Company is exposed to enables their treatment according to hierarchy, depending on the likelihood of their occurrence, their impact over objectives and the costs of measures meant to reduce the occurrence probability or to limit the undesired effects.

The Company's management established the following strategic objectives for risk management:



Specific objectives established include:

- Improving the Company's risk profile by managing the overall risk detection, analysis, estimation, treatment, communication, monitoring and review with a view to maintain risk exposure to acceptable levels;
- Eliminating or reducing to minimum the conditions and practice that can lead to incompliance with general objectives, to interrupted or limited Company activities;
- Reducing the total risk cost within Transelectrica in order to contribute to providing the financial resources necessary for operational expenses, liability payment and investments;

Organisational framework of risk management (102-33)

In accordance with applicable legislation: SGG Order 600/2018 approving the Code of internal managerial control in public entities, Company-wide the Risk Management Team (EMRC) was constituted in Transelectrica, as well as the Monitoring Commission to implement the Internal / Managerial Control System and the Technical Secretariat of the Monitoring Commission to implement the Internal / Managerial Control System (CM SCIM), with specific attributions and responsibilities.

All over Transelectrica risks that might have substantial impact over Company objectives are managed according to internal procedures, so that each organisational entity is obliged to systematically analyse, at least once a year, the risks related to its activities (including the Company's significant risks, if any), to elaborate proper plans limiting possible risk consequences, to nominate responsible people to apply such plans and draw up forms for risk supervision and monitoring, every time it is considered necessary.

The internal mode of operation for risk management provides an important instrument, which facilitates risk management in methodical efficient manner in order to carry out the objectives of the Company. To this effect each year the risk management documentation is elaborated, which might impact the activities of Transelectrica, containing also and describing the manner in which control measures are established, implemented and monitored with a view to limit possible threats and consequences in case risks do occur.

To this effect the management of each organisational entity nominates a risk responsible person that provides annual elaboration of documentations such as Risk Register, Action Plan, and annual Report, filling in the risk monitoring forms every time it is deemed necessary and executes risk alert sheets, every time a new risk occurs.

The Commisison monitoring the internal / managerial control coordinate the update of general and specific objectives, procedural activities, risk management, performance monitoring, the procedures and the monitoring & reporting system, and ultimately inform the Company's Directorate.

In entire CNTEE Transelectrica SA there is periodical analysis of centralised implementation and the development of the internal managerial control system, elaborating the self-assessment Questionnaire for the implementation of internal managerial control standards, the synthetic results of such self-assessment and the Report on the managerial control system itself.

The mission of internal managerial control is to provide administrative inspection in Transelectrica, with a view to achieve Company attributions at proper quality, established according to its own mission, under regular effective legal economic and efficient conditions.

Risks associated to objectives and/or activities are detected and assessed by each organisational entity of the Company according to the elements of the *Risk Register*. Company-wide significant risks are centralised by the Critical Infrastructures Department – Risk Management, in the *Risk Register 12 / 07.01.2021*.

Each year the monitoring commission examines significant risks and classifies them, as they might impact Company objectives, establishing the risk profile and the risk tolerance limit.

The chairman of the Company's Risk Management Team from the Critical Infrastructures Department, member în the the Technical Secretariat of the Monitoring Commission elaborates each year the *Plan to implement control measures for the Company's significant risks*; such *plan* is analysed by the Monitoring Commission and approved by the Company's Directorate.

Keeping risks under control

Actions established in order to keep risks under control in 2021 were included in the *Plan to implement control measures for significant risks,* elaborated by every organisational entity. With this document all over the Company a *Plan to implement control measures*, 13/07.01.2021, was elaborated and used in order to supervise its application, included in the guidance and control activities of the Risk Management and Control Group.

Measures that were applied to keep risks under control in 2021 diminished in the main their occurrence likelihood and risk impact in comparison with the level of inherent risks.

Risks that have occurred were treated in accordance with the adopted strategy, required by the circumstances that facilitated risk occurrence.

Establishing the risk management strategy means:

* Each organisational entity (unit, division, department, territorial transmission unit) has made it, by identifying the most appropriate risk treatment activities in accordance with risk administration responsibilities, so that risk exposure values can be as low as possible in the current internal and external context.

In the main strategies consisted of:

1. Risk treatment in order to remove / diminish it at acceptable level by means of measures, and
2. Risk monitoring;

Mention should be made of the following internal control instruments:

- Measures in the procurement / maintenance / investment / personnel professional training programmes;
- Elaboration or revision of procedures;
- Changing the processual and structural organisation;
- Performance indicators attached to the objective;
- Personnel redistribution;
- Constituting or updating databases;

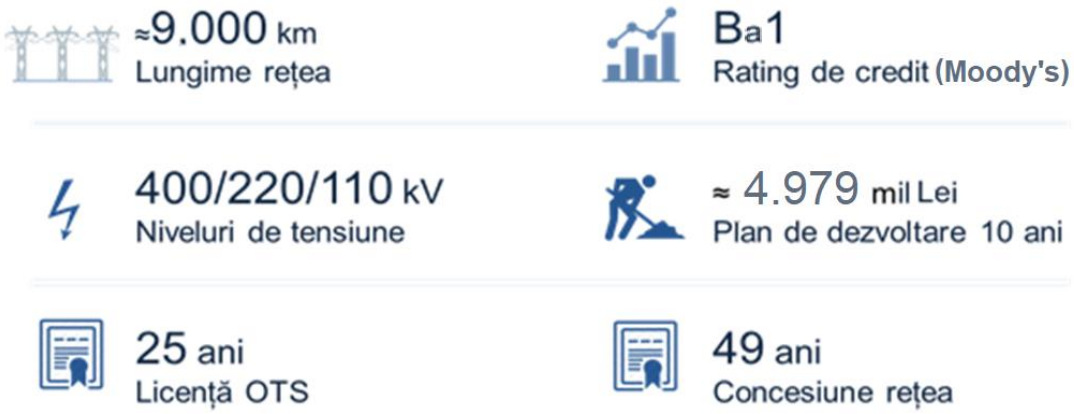
Whenever risks have occurred control / check-up measures have been intensified in similar circumstances, in order to prevent such risk occurrence or the likelihood of new ones.

Control measures of organisational entities (unit, division, department, territorial transmission unit) have been fully implemented or under implementation.

In 2021 risk management was performed in proper manner in all the Company, complying entirely with legal requirements and internal regulations in due time.

Relevant indicators

Key figures



** The amount associated to the 10 years' development plan represents the total investments planned in the 2020-2029 edition of the RET Development Plan*

Rating

In 2021 Moody's confirmed the Ba1 rating with positive outlook, granted in 2020, showing very strong stable predictable financial values, a path characterised by consistent implementation of regulatory norms. Maintaining this rating has been justified by:

- Low business profile, given the strategic importance and natural monopoly of Transelectrica, as owner and fully regulated operator of the electricity transmission grid;
- Sound financial profile and low indebtedness;
- Permanent improvement of the regulatory framework;
- Governmental support in case of financial difficulties;

Estimations are such trend should further continue in the years to come, given the stability shown by the Company.

Relevant financial indicators (203-1, 302-1)

479.7 million Lei **One's investment expenses in 2021**	3,756 million Lei **Total revenues in 2021**
937.5 GWh / 1088.80 GWh **2020/2021 One's Technological Consumption (gross values)**	450 thousand Lei **Net profit, 2021**
55.629 GWh/53.021 GWh **Electricity load / generation in 2021 (net values)**	96 million Lei **Total minor & major maintenance in 2021**
94% **Achievement of minor & major maintenance planned in 2021**	146.5 million Lei **Amounts paid in 2021 to the State Budget**

Type of Transelectrica's contractor partners in 2021

CONTRACTS SIGNED IN 2021	231	Percentage, against the TOTAL
CONTRACTS SIGNED WITH CONTRACTORS OF ROMANIA:	228	98.70%
CONTRACTS SIGNED WITH EU CONTRACTORS:	2	0.87%
CONTRACTS SIGNED WITH NON EU CONTRACTORS:	1	0.43%

Investments in 2021 *(203-1)*

Main investment objectives which contracts were concluded for and began in 2021

No.	Objective	Value *mill Lei*

1	Upgrading the 220/110 /20 kV substation Arefu *(Work completion after the End Agreement C964/27.11.2019 of contract C 216 /15.11.2016 with provider SMART SA);*	38.6
2	Consolidating the servers and data storage network (private cloud)	4.7
3	Refurbishing the 220/110 kV substation Filesti	37.5
4	Upgrading the electricity supply of UNO-DEN offices	8.8
5	Procuring and installing 21 monitoring systems for the transformer units of Company substations	10.7
6	Refurbishing the 400/110 kV transformer substation Pelicanu	96.4
7	The 400 kV double circuit Gutinas - Smardan	247.8
8	Increasing the transmission capacity of the 220 kV OHL Stejaru-Gheorgheni-Fantanele	43.1
9	The 220 kV double circuit OHL Ostrovu Mare - RET, *stage II - Installing OPGW protective conductor to the existent 220 kV OHL Portile de Fier I - Cetate circuit 1+2*	3.7

Difficulties met

Taking into account the epidemiologic context generated by COVID-19 (coronavirus) spreading, a great number of general contractors under work execution contracts transmitted notifications about slowing down the pace or even suspending the works.

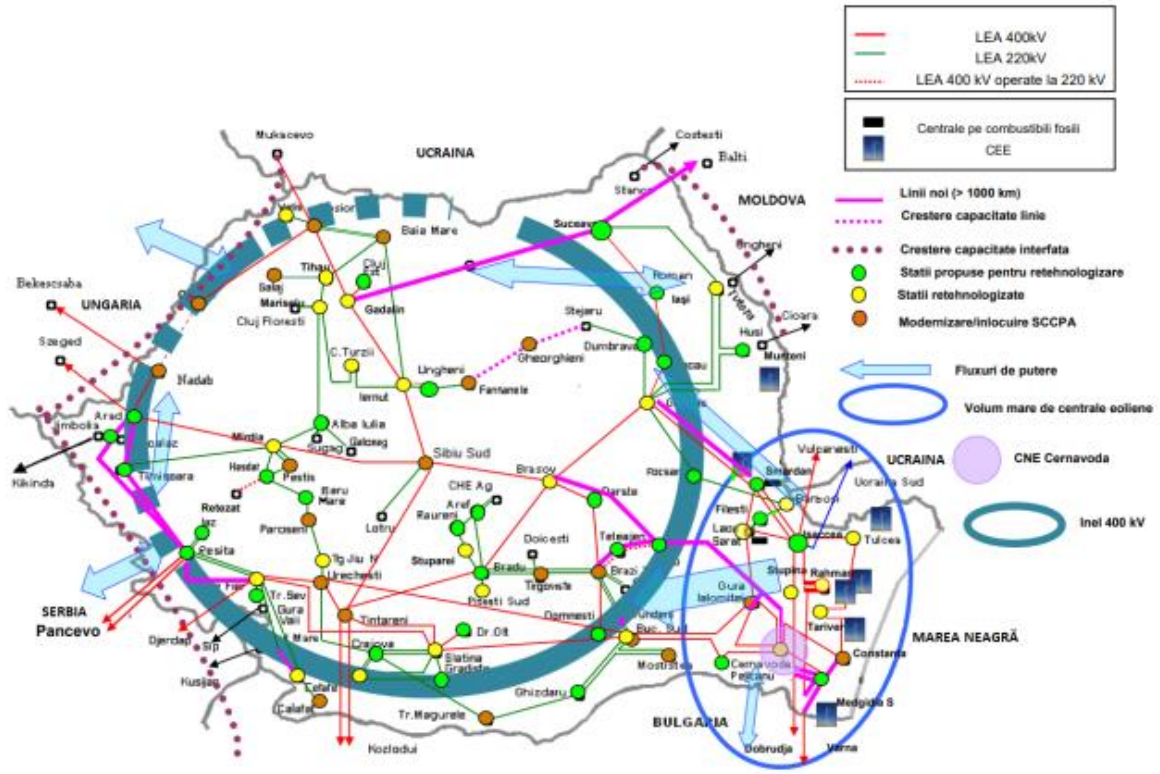
Consequently addendums were concluded to extend 2 ÷ 6 months the execution contracts.

However, analysing the value of achievments in the studied time (January – December 2021) it follows such epidemiologic crisis had no negative impact on the 2021 Annual Investment Plan.

Benefits of achieving this wide-scale investment programme

- Sustainable development of one's infrastructure;
- Enhancing RET & higher operational security of RET;

- Higher response capacity in case of events occurrence with particular impact over RET security and operation;
- Facilitating electricity transmission from excess generating areas to load zones;
- An economic operation of RET;
- Higher interconnection capacity with ENTSO-E neighbouring countries and non EU ones – Moldova, Serbia; closing the national 400 kV ring;
- Reducing operational & maintenance expenses;
- Increasing electricity quality, improving performance indicators;
- Reducing the technological consumption of RET, higher energy efficiency;
- Introducing new technologies, implementing smart grid concepts;
- Digitalising the transmission & system infrastructure, as well as the operation of the electricity markets managed;



Transparency, relation with stakeholders and material topics - dialogue between the Company and society

We strongly believe that an important part of Transelectrica's progress is represented by consolidated relationships between the Company and society, by means of permanent dialogue and commitment. Transelectrica maintains a sound commitment towards society, facilitating access to relevant information.

Communication and transparency represent the key to constitute a trustful relation with one's partners

Transelectrica fulfils the obligations it has assumed towards investors, shareholders and the other stakeholders by providing transparent constant dialogue with them.

Instruments by which the Company complies with such obligations:

- Information posted on the Company's website;
- Current reports transmitted to BVB;
- Periodical meetings with investors and financial analysts;

Identification and selection of stakeholders (102-40, 102-42)

The management's approach to sustainability should take into consideration a series of stakeholders with expectations from the organisation that have impact over the organisation's objectives or can be influenced by the organisation's activity. In essence the main role of Transelectrica's stakeholders is to establish support for the organisation, to provide its long-term viability as well as the Company's strategies and plans, provided their interests and expectations can be satisfied in the least, so as to have a functional support and cooperation mechanism and the Company can benefit of it.

Ignoring stakeholders and the information, neglecting the power and interests they hold and exercise might have negative impact over Company activities. Thus, the capacity to pay well-weighted attention to stakeholder groups, with their information and manifest power represent an important pilone in the strategic thinking and actions of Company management, which contributes to obtaining strategic performance.

The strategic management of Transelectrica rely on a comprehensive set of proper stakeholder analysis and as such it it likely to succeed, namely to accomplish the Company's mission to generate added value.

Using specific instruments of qualitative and quantitative analysis the most important 16 stakeholders have been identified depending on their need of information as against that provided by Transelectrica (shareholders; employees; partners / other European TSO-s; ANRE; ASF/BVB; suppliers / contractors; management; government; electricity market participants; electricity producers, distributors; international organisations / institutions - ENTSO-E; European Commission; Regional security centres where the Company is member or shareholder -; trade unions; banks, financial institutions; mass-media; NGO-s; population / end consumers).

At the same time the most relevant topical issues for stakeholders have been identified by which the central subjects of this report have been formulated.

Approach regarding the involvement of stakeholders (102-21, 102-43)

From its very listing on the Bucharest Stock Exchange Transelectrica has prioritised the involvement of stakeholders into Company activities, especially as regards turning specific actions transparent. In this respect Transelectrica has oriented its quarterly, half-yearly and annual presentations towards an ever higher proximity to the stakeholders' needs

and to permanently acquire efficiency in its communication with them.

Their opinions were expressed on the occasion of periodical meetings with Company management. The measures applied afterwards took into account such opinions and the feedback obtained on their behalf as far as the 2021 report is concerned has permanently supported the improvement of our activities.

Transelectrica has established among its objectives to improve its communicative relationships with stakeholders and to get them permanently involved into Company steps, up to the level of strategic actions.

Last but not least, the stakeholders identified in the previous report were consulted throughout 2021 in order to enable us provide future information in compliance with their expectations.

Defining the report content and list of material topics (102-31, 102-32, 102-44, 102-46, 102-47)

The content of Transelectrica's sustainability report has been established following a complicated qualitative and quantitative analysis, but information has been also used because it was obtained from stakeholders as feedback. The report has been devised taking into account the recommendations of the Global Reporting Initiative with respect to the detailing degree of each individual topic, but most importantly the topical issues we have identified from stakeholders.

Each topic approached aims at explaining the specific aspects not included in other reports as well as to outline the Company's perspectives in sustainability terms.

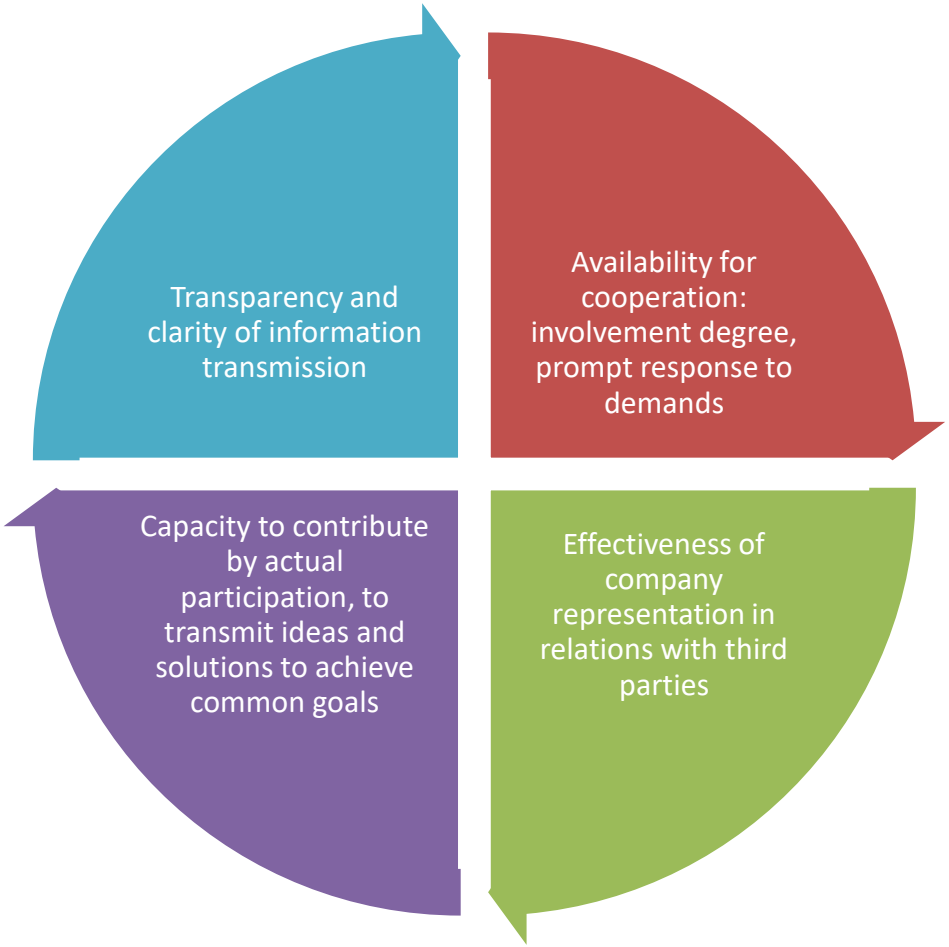
Each category of the previously mentioned ones is approached in the report and new information is added in every reporting session, with direct reference to the requirements stated by stakeholders and their important topics.

List of material topics

Domain	Material topic	GRI indicator / one's own	Related chapter
Corporative Governance	Governance system	102-18	1
	Assuming the corporative governance principles	102-16	1
	Delegation of competence	102-19	1
	Ethics in business	102-16, 205-1, 205-2, 205-3, 206-1, 418-1	1
Strategy, innovation and financial development	Financial indicators	203-1	1
	Technical indicators	One's indicator	1
	Risk management	One's indicator	1
	Energy efficiency	302-1, 302-4	7
	Objectives of the research & innovation strategy	302-4, 302-5	8
Social responsibility and towards employees	Training and qualification	404-2,	2
	Diversity, promotion of parity, removing gender discrimination and promoting women in managerial positions	401-1, 401-3, 405-1, 405-2, 406-1	2
	Safety and security on the job	One's indicator	3
	Corporative social responsibility policy	One's indicator	5
	Dialogue between Company and society	One's indicator	1
	Community needs	413-1	5
	Involvement into society	203-2	5

	Employee information, consultation and trade union relations	403-4	2
Environment	Environmental management system	308-2	4
	Risks, opportunities and environmental costs	One's indicator	4
	Water, energy and waste management	One's indicator	4
	Prevention and limitation of environmental impact	One's indicator	4

Communication, collaboration, representation



Ethics in business (102-17)

Conformity management system (102-25, 103-1, 103-2, 103-3, 205-1, 205-3)

Throughout 2021 measures were implemented which were included in the National Anticorruption Strategy (SNA), which means there will be further emphasis placed on their application and improvement. Mention should be made that no violation was recorded of applied norms according to the SNA, nor any complaints or notification thereof.

Also, the Company has paid particular attention to getting acquainted with the applicable norms for activities, which has led to a year with no disciplinary trespass from employees and no

circumstances of conflicts of interests, in accordance with SNA specifications.

Taking into account the epidemiologic context existent in 2021, limits were applied to travels or meetings, in relation with the National Anticorruption Strategy.

Code of conduct and ethics (205-2)

The Code of Professional Ethics and Conduct for Personnel from Transelectrica, updated in 2021, is the general document including the internal regulatory frameworks for all Company employees and provides information with respect to the manner in which they are supposed to behave in moral and professional terms, both during professional activities and beyond. At the same time it provides a guarantee that Transelectrica holds all the information necessary for the provision of an ethical behaviour, but also proof of the seriousness the Company is treating its partners with. The review applied was meant to clear up certain aspects of corruption fighting, professional obligations but also to comply with the legal framework and internal regulations.

The Code of Professional Ethics and Personnel Conduct is available on the Company's internet page.

Protection of personal data (418-1)

Taking into account the legal provisions with respect to personal data, most particularly as regards the application of Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016 regarding protection of natural persons, namley the processing of personal data and the free circulation of such, named GDPR, mention should be made in 2021 Transelectrica has permanently endeavoured to comply with applicable provisions.

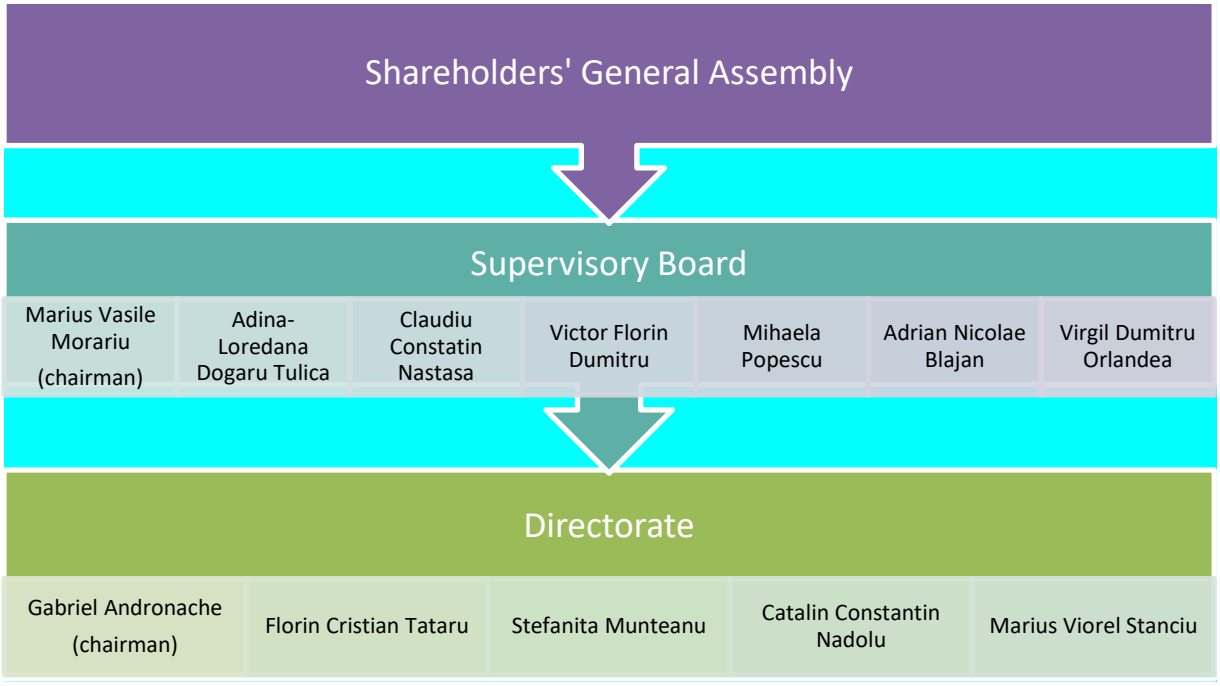
Consequently, there have been no confirmed complaints with respect to such trespassing of personal data potection or to losing them.

Anti-competitive or anti-trust behaviour (206-1)

Taking into account the specific activities of Transelectrica but also its special nature of company holding natural monopoly position on the electricity transmission market there have been no circumstances of anti-competitive or anti-trust behaviour. Consequently, in 2021 there were no legal suits in this respect.

Corporative governance (102)

Governing system (102-7, 102-18, 102-19, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28)



* On 21.03.2022

Primordial for corporative governance is to find balance between the company's bodies for enhanced protection of shareholders, majority but more especially the minority ones with a view to get constant economic growth, efficiency, profitability and trust in the competitive market economy.

Company Law 31/1990, republished, with later amendments and additions has transposed the corporative governance principles in the Romanian law on the occasion of the 2006 change, in line with the harmonisation required by the community acquis in company matters, but also according to the adaptation of internal legislation to OECD's corporative governance standards.

In accordance with legal provisions the company has three classes of bodies: deliberative and decisional (shareholders' general assembly), executive and managerial (administrator, administrators, board of administration, directorate or supervisory board) and managerial control (censors or financial auditors).

Consequently, the Shareholders' general assembly (AGA) is the deliberative and decisional body of Transelectrica, with competence expressly provided by applicable legislation and the Articles of Association. AGA can be ordinary or extraordinary, its specific attributions being provided both in applicable legislation and in the Articles of Association. All shareholders are entitled to participate to AGA and to cast their vote.

The Company is managed under a two-tier system, according to the Company law 31/1990, republished, with later amendments and additions, by a Directorate under monitoring of a Supervisory Board. In accordance with the Company's Articles of Association, the Supervisory Board has seven members, appointed after a selection procedure, for a term of four years. The Supervisory Board chairman is appointed by its members. Supervisory Board members are appointed by the Shareholders' General Ordinary Assembly, while observing the provisions applicable to companies admitted for transaction and are selected in accordance with the provisions of OUG 109/2011 on the corporative governance of public enterprises. Nevertheless, for the time

being the Company's Supervisory Board members are appointed in accordance with article 641 para (3) & (4) of OUG 109/2011 for a provisional mandate of 4 months, which AGA extended by 2 more months, namely until 24.04.2022.

In accordance with OECD principles an effective corporatist governance regime should lead to markets transparency and efficiency, be compatible with the lawful state and clearly define the distribution of responsibilities between competent supervision, regulation and legal application instances. A corporatist governance regime should protect and facilitate the exercise of shareholders' rights and to provide equitable treatment to all shareholders, including the minority and foreign ones. In previous years substantial changes were made in the Articles of Association with a view to increase the effectiveness of corporative governance Company-wide by resorting to the applicable legal framework, and also regarding the separation between Company management from the control over the management, so that each company body can carry out its specific tasks according to legal terms and avoid potential confusion with respect to the attributions of a Supervisory Board and of an Administration Board. At the same time consideration was provided to the principle regulation by statutory documents to delegate some competences and specific coordination of certain domains, while maintaining liability for the Directorate.

Assuming the governance principles

Once its shares have been listed on the Bucharest Stock Exchange (BVB) the Company has appropriated the principles from the Corporative Governance Code of the BVB. In accordance with BVB requirements Transelectrica made public the Company's reviewed Corporative Governance Regulation to the investors.

The compliance with the corporative governance principles is reflected in the conformity statement with the Corporative Governance Code of BVB, which the Company elaborates and publishes together with the Annual report.

Also, the Company's Supervisory Board comprises the Nomination and remuneration committee, the Audit committee and the Energy security committee. During their entire mandate term in the Company's Supervisory Board / Directorate, the appointed persons should meet the eligibility criteria and not be found in the incompatibility circumstances established in the applicable law or applicable statutory provisions. In correlation with such obligation the Company is entitled to ask Board members for reasonable assurance as necessary to comply with such obligations.

Delegation of competence (102 – 19)

In view of providing efficiency to the managerial attribution of the Company and to achieve the established objectives under effective economic conditions Transelectrica has developed a system of competence delegation.

Competence delegation pertains to, for instance:

a) Approving certain kinds of operations;
b) Approval / endorsement of documentation preliminary and/or subsequent to the approval of certain types of operations, and necessary according to legal terms or internal regulations;

c) Approval of operations with inventory effect up to a certain maximum cap;
d) Approving / endorsing the documentation preliminary and/or subsequent to the approval of operations with inventory effect up to a certain maximum value, documentation necessary according to legal terms or internal regulations;

Such kind of delegation observes the Directorate's limits of competence in terms of operation content and value, establishes in express manner the limits of competence and the responsibilities which the Directorate delegates and complies with the rule regarding Company representation by means of joint signature.

National and international affiliations (102-12, 102-13)

Taking into account the important role of Transelectrica in managing the National Power Sysem and the electricity market, activities of strong national and international sides, the Company is member in national and international organisations and specific bodies in view of participating to their activities.

As member, the Company by its representatives is involved in these organisations' committees and working groups, participates to decision making, to the elaboration of scientific studies and expertise. Also, Transelectrica has involved into developing projects with regional and pan European impact.

In its capacity of collective member in national associations / organisations Transelectrica intends maintaining close cooperation relationships with all important players of the energy domain and attending the events organised by such entities.

Also by means of these national associations and bodies there is a possibility to facilitate direct contacts, the exchange of information, experience and expertise, thus stating and acknowledging the Company's leader position in the electricity transmission sector of Romania.

In 2021 Transelectrica got affiliated to 9 national associations, organisations and bodies in the domain, as follows:

- **ACUE-PD** - Association of Utility Companies in Electricity Generation & Distribution (www.acue.ro);

Date of Transelectrica's affiliation: 2015

- **ALSTR** - Live Work Association of Romania (www.smarsb/ro/alstr)

Date of Transelectrica affiliation's: 2000

- **AmCham** - Association of the American Chamber of Commerce in Romania (www.amcham.ro);

Date of Transelectrica's affiliation: 2014

- **ARIR** - Association Liaising with Investors at Romania's Stock Exchange (www.ir-romania.ro)

Date of Transelectrica's affiliation: 2018

- **ASRO -** Standardisation Association of Romania (www.asro.ro);

Date of Transelectrica's affiliation: 2008

CIGRE - International Council of Large Electricity Networks - It is international technical-scientific organisation with basic objective to develop knowledge in the domain of high voltage networks and exchange information between member countries with respect to: electricity generation and transmission at high voltage, building and operating connection and transformer substations and their component equipment; building, insulation and operation of high voltage lines; systems interconnection, operation and

protection of interconnected systems. CIGRE includes more than 3500 experts of the whole world that work actively under structured working programmes coordinated by CIGRE's study committees supervised by the Technical Council. Their main objectives are design and implementation of the future power system, optimisation of existent equipment and power systems, environmental protection and access to information.

Date of Transelectrica's affiliation: 2007

- **CNR-CME** - Association of the National Romanian Committee of the World Energy Council (www.cnr-cme.ro) - non-governmental organisation member of the World Energy Council (CME) since 1924;

Date of Transelectrica's affiliation: 2000.

- **CRE** - Romanian Energy Centre (www.crenerg.org)

Projects executed by CRE in collaboration with Transelectrica:

- **RE-SERVE** – *Renewables in a Stable Electric Grid*
- **CROSSBOW** - *"CROSS BOrder management of variable renewable energies and storage units enabling a transnational Wholesale market"*
- PHOENIX – *''Electrical Power System's shield against complex incidents and extensive cyber and privacy attacks"*

Date of Transelectrica's affiliation: 2011

- **ENTSO-E** - European Association of Transmission System Operators for Electricity (www.cnr-cme.ro) - It is the cooperation structure of Transmission System Operators (TSO) of Europe both at pan-European and regional level, with essential role in promoting the internal electricity market and of cross-border trade, as well as in view of providing optimum management, coordinated operation and sound technical development of the European electricity transmission network. European TSOs participation to ENTSO-E is regulated by the applicable European legislation (Regulation 943/2019).

Date of Transelectrica's affiliation: 2000

- **LWA** - International Live Work Association

- **SIER** - Society of Power Engineers in Romania (www.sier.ro)

Date of Transelectrica's affiliation: 2000

- **IRE -** Association of the National Romanian Institute for Study on the Development and Use of Energy Sources (www.ire.ro)

Date of Transelectrica's affiliation:2019

ISSA – International Social Security / occupational Association

ISSA (International Social Security Association) is an organisation bringing together institutions, companies and administrative entities of various world countries confronted with issues of social / occupational security. Activities are performed in many sections, by activity domains. One of them, with activity coordinated by the special ISSA Commission for prevention is ''Electricity, Gas and Water Section".

Providing labour security and health on the job has been recognised long ago as fundamental humanitarian principle. For the above-mentioned section this means workers' protection against work accidents and professional illness owed to electricity and ionisant radiation.

The general objective of the Electricity Section is to reduce the number of accidents, to improve labour security standards, adopt correct practice in terms of labour security and health.

Prizes and distinctions obtained by the Company

Throughout 2021 the Company or Transelectrica representatives were awarded prizes and distinctions as follows:

- ***Event:*** The 10th edition of ***ENERGY CEO FORUM & AWARDS 2021*** organised by The Diplomat - Bucharest on 18 May 2021.

CNTEE Transelectrica SA was awarded the ***Prize for the best collaboration in the economic - universities environment – equipping the SCADA Laboratory of UPB, Energy Faculty***

- ***Event: CONAF Gala Women in Economy***, organised by CONAF - National Confederation of Feminine Entrepreneurship on 19 May 2021. At this edition of the CONAF Gala CNTEE Transelectrica SA was awarded the ***High voltage Prize.***
- ***Event: Ladies in Energy Gala*** organised by Focus Energetic magazine on 14 June 2021. Mrs. Andreea Mihaela Miu, Directorate Member of CNTEE Transelectrica SA was awarded the ***Excellence Diploma for her contribution to developing the Company's strategic projects.***

- ***Event: Gala Bursa 2021,*** organised by Bursa publication on 25 November 2021. CNTEE Transelectrica SA was awarded the Prize for its ***"Sustained effort to implement the European cross-border cooperation project".***

- ***Event: Best Practice in Corporate Sustainability Conference*** organised by The Azores on 9 December 2021. CNTEE Transelectrica SA obtained the prize ***Bronze Level Recognition, being placed by The Azores in the top of the most sustainable companies of Romania***

The Azores Agency, Sustainability & CSR Services launched in 2021 the sixth edition of Romania: Corporate Sustainability & Transparency INDEX ranking, the most important valuation of sustainability and of corporative responsibility from Romania.

- ***Event: Gala InvesTenergy 2021 - Let us place the energy People into the light*** organised by InvesTenergy on 15 December 2021. Mr. Virgiliu Ivan, Director of the National Power Dispatcher received the ***Prize for professionalism, dedication and performance, destined to energy specialists.***
- ***Event: Energynomics Awards 2021 Gala*** organised by Energynomics on 16 December 2021. Mr. Bogdan Leu, senior engineer of the Technical, Energy Efficiency and New Technologies Division was ***designated Young Professionist in Energy.*** This is the recognition of a new generation of specialists in the energy industry and the involvement of mentorship of an experimented generation.

Our people – Human resources development and diversity

Human Resources Strategy

Vision	Objectives	Action lines
Developing the human resource strategy in line with the Company's strategic objectives and with the critical employee needs	Initiation, development and implementation - project to develop organisational culture	Implementation and capitalisation of the Human Resource Senior Expert (HR BP) role
	Developing a library of professional and behavioural competence both at managerial and executive level, where each competence should be defined and developed by 3 levels (junior, standard, senior)	Reorganisation of the Human Resource Department based on Company objectives and on those assumed by the Division
	Implementing the performance and career management system	Reducing bureaucry within the Human Resource Department
Developing a working environment suitable for professional evolution, based on profile competence, a personnel motivation strategy, developing the brand of successful employer, turning dynamic the personnel administration processes meant to draw new resources and motivating the professional development of existent resources (recruitment, Company integration, performance and career management)	Physical and electronic archive of employee files in order to develop a database enabling the transfer of as many Human Resource processes as possible to online	Restoring the balance between the volume of personnel administration versus personnel development activities, which rates now about 80% vs 20% in favour of administration
	Standardisation and online transfer of documents specific for personnel administration	Developing competence for the Human Resource Department so that it can sustain the proposed projects

Professional training strategy of 2021

The 2021 professional training strategy targeted providing professional qualification to employees in order to comply with the Company's operational and strategic objectives. Following complex detection of all professional training, qualification and instruction needs Company-wide a Centralising list was executed for the professional training, qualification and instruction needs, which was then used in the elaboration of the Annual maintenance, professional training and qualification for 2021, a programme taking into account both professional activities and attributions specific to Company employees, as well as the organisation's business objectives.

The epidemiologic context generated by SARS CoV-2 all along 2021, the measures applied by competent authorities with a view to limit risk cases associated to the infection with the new coronavirus, to protect health and reduce COVID-19 spreading, a cautious attitude in employees' protection and safety while maintaining business had significant impact on professional training sessions compared to last years. This is why the professional training strategy had to be tailored to the state of affairs, therefore training courses were organised as only strictly necessary in the fore-mentioned epidemiologic context.

Consequently, objectives have been reviewed and followed the following action lines:

- Providing performance of training / qualification / improvement courses for personnel that requires licensing / relicensing for professional activities but also urgent training sessions;

To this respect training programmes were devised with a view to:

- ✓ Certify the knowledge or, as applicable, extend the respective permits validity for: the person responsible with technical supervision and check-up of installations, the SSM inspector, SSM coordinator superior level, SSM coordinator for temporary and mobile sites, various electricians, energy manager, group E crane operator etc.;
- ✓ Certify competence: human resource inspector, waste management responsible person, responsible for personal data protection, internal auditor for test and standardisation laboratories;
- ✓ Acquire and certify new competence: fiscal expert, specialist on planning, control and reporting economic performance – controller;

- Adapting periodical training sessions by means of local measures diminishing the contagion risk given the present circumstances;
- Finding alternative methods to provide professional training which prevent or reduce the contamination risk: organising courses on-line;

Aiming at the main goal of providing professional training and thus enabling an accessible attractive competitive relevant training system for Transelectrica's objectives and, studying the trend of professional course trainers to provide sessions online, in 2021 for the first time debates were initiated to implement online some of the courses within the Company.

- Capitalising new action opportunities;
- Taking into account the priority objective to enhance, develop and diversify the employees' professional

competence and the need to provide efficient continuous professional training and instruction of Company personnel, in 2021 for the first time attempts were made in the Company to take the opportunity to benefit of access to certain free course categories provided under "Increasing employees' performance by continuous training";

- This project is co-financed by the Operational Programme Human Capital 2014-2020 and targets qualitative professional training of human capital from contemporary Romanian enterprises and adapt them and their organisations to the competitive domains defined in the National Research Development Innovation Strategy, as well as introducing the Lifelong learning in the entire organisation by means of specific plans for professional training and of permanent update of employees' knowledge;
- The project fully complies with the specific objective: improving the knowledge / competence / aptitudes of economic sectors / identified domains according to the National Research Development Innovation Strategy;
- Project courses were organised in the second semester of 2021 and were attended by 25 Company employees.

Promotion of parity, removal of gender discrimination and promoting women in managerial positions (102-8, 103-1, 103-2, 103-3, 401-3, 405-1, 406-1)

Through our policy we make sure there is no discrimination in any of the recruitment, hiring and promotion activities for reasons of gender, civil status, sexual identity, religion, political options, ethnic, race, nationality, genetic features, age etc. The *Company's internal regulation* comprises, among others, rules with respect to non-discriminating principles being observed and to removing all dignity trespassing forms. Thus, in 2021 no discriminating incidents were recorded and, thanks to prevention, there was no need for corrective action.

The structure of Transelectrica employees depending on age and gender is specific for the Company's domain, noticing some slight ageing for reasons pertaining to considerable loosening of vocational education, general ageing of population or intensive development of prosperous alternative domains (e.g.: IT).

In terms of removing gender discrimination women advanced considerably in professional domains in the last decades, so they benefit of higher chances to develop a successful career. Worldwide, an increasing number of women acquire managerial positions, regardless whether in large companies or even governments.

In this context the percentage of women hired in executive positions is over 27% in Transelectrica, those occupying top management in 2021 covered 35% of the total, while in middle management over 25%. At the same time mention should be made in 2021 one of the five managerial positions in the Directorate was taken by a woman.

As regards the remuneration ratio between men and women, taking into account that in the energy domain in general and in electricity transmission in particular the percentage of men is still higher than that of women, both in executive positions and in managerial ones, the revenue ratio is sub-unitary yet. Nevertheless, the difference between the revenues of women and those of men continues to diminish within Transelectrica.

Moreover the Company employs 4 disabled employees; therefore no such discriminating incident was recorded in 2021.

Structure of employees (401-1, 405-2)

33% of the top management positions were taken by women in 2021

In terms of employees' dynamics, in 2021 we hired 122 persons, while 128 left the Company, so the medium age was 47 among employees on 31.12.2020. Still in 2021, 24 women and 4 men were on leave for child rearing, benefiting of the dedicated articles thereof both in the Labour Code and in the Collective Labour Contract.

	Structure by gender categories (distinct for executive, managerial and top management positions)					
Type of function	Total number of employees	Age			Gender	
		Up to 30	30-50	Over 50	M	F
Top management personnel	86 (4.27%)	0 (0%)	48 (55.81%)	38 (44.19%)	58 (67.44%)	28 (32.56%)
Leadership (except top management)	291 (14.44%)	4 (1.37%)	156 (53.61%)	131 (45.02%)	219 (75.26%)	72 (24.74%)
Executive personnel	1638 (81.29%)	132 (8.06%)	813 (49.82%)	693 (42.31%)	1184 (72.28%)	454 (27.72%)
Total personnel	2015	136 (6.75%)	1017 (50.47%)	862 (42.78%)	1461 (75.51%)	554 (27.49%)

Performance analysis on the job and remuneration policy (102-35, 102-36)

The remuneration system applied nowadays in Transelectrica was implemented on 01 January 2017, when the basic salary was added 4 permanent indexations, namely the work seniority bonus, the uninterrupted performance in the Company, fidelity bonus and the confidentiality clause.

The criteria and principles used in the establishment of the current salary system are as follows:

- "Equal pay for equal work" principle, implemented when positions were graded using a unit instrument;
- Granting the basic salary especially according to professional criteria – depending on the role a position holds in the organisation, the complexity degree of the profession / trade exercised, on responsibility, as well as depending on the qualifications required for a position. They were determined after an objective job assessment;
- Providing internal equity by removing discrimination based on work seniority or years within the Company;
- Payment according to the job importance and attention paid to performance create premises both for retention and for drawing qualified personnel;

The remuneration system has been organised by 9 classes of positions, which are structured depending on activities performed and the kind of contribution made within the Company.

Annual assessment of professional performance takes place in the first quarter

for activities of last year, being meant to establish the annual general valuation qualification which is characteristic of employees' professional activities for 12 months. At the same time, assessments can be provided every time there is need, if useful information can be obtained by it to make certain decisions or to change one's working place.

Taking into acount the country's medical situation, the permanent development of Covid-19 pandemic, the successive alert states instituted with a view to prevent and fight the effects of Covid-19, which partially impacted Company activities, in 2021 there was no professional assessment of employees.

As regards 2021, the professional assessment of Company employees will take place in the first part of 2022, using criteria differentiated for the personnel employed in managerial positions and those employed for execution.

The leadership personnel should provide in managerial terms a series of capacities covering the planning, organisation, coordination, monitoring, guidance and control of activities, but also other managerial aptitudes.

At the same time the managerial personnel will have to provide professional competence and execution abilities, but also communication, collaboration and representation aptitudes. Last but not least, they should comply with the professional ethic principles.

As far as executive personnel are concerned, the employee's assessemnt of professional activities relies on:

In terms of employee benefits we can distinguish:

- Providing internal equity by removing discrimination based on work seniority or years in the Company;
- Providing salary increases, bonuses or promotions based on performance criteria, after an annual assessment of performance carried out according to criteria that have been established and communicated at the beginning of the assessment cycle, performed annually;

Facilities granted to employees refer especially to applying the fore-mentioned principles and are included in a collective labour contract negotiated between the executive management and unions.

- Granting jubilee bonuses depending on the seniority in the Company;
- Granting indexations on the occasion of events in the employee's life: marriage, child birth, etc.
- Granting a benefit in kind, namely the equivalent of 4,000 kWh/year;
- Granting sickness aid to employees that lost totally their labour capacity after a work accident or professional illness and were retired for invalidity;
- Compensating the difference between the basic monthly gross salary and the indemnification calculated according to applicable regulations in quantum of 100% for employees on the child rearing leave;
- Compensating the costs of tourist services for rest and treatment, within the limits of negotiated cap;
- Aid provided at the employee's death;
- The entity bears the expenses in case of professional illness, work accidents or serious deseases;
- The amount of meal tickets for Company employees;
- Granting material aid to procure looking glasses within the limits of negotiated cap;
- Company's contribution to the facultative retirement funds for employees that selected them, up to 150 Lei/month;
- Providing holiday vouchers;
- Repaying the cost of COVID tests;

Training programmes (103-1, 103-2, 103-3, 404-2)

Transelectrica takes into account to permanently develop its personnel by means of annual training and professional improvement programmes.

831 Company employees benefitted of training programmes in 2021

Employees' improvement has the purpose to provide the best training there is so that Company objectives can be accomplished in a world where success depends on performance, efficiency, quickness, and the capacity to provide quality, diversity.

Company employees participated throughout 2021 to training programmes (offered by professional training service providers) of various activity domains.

Mention should be made also about the results and benefits of professional training programmes delivered in 2021:

- Certification of knowledge or, as applicable, extending the validity of permits for colleagues (SSM coordinator, electricians of various classes, security manager) who require, during activity, certification proving theoretical and practical qualification according to requested standards as well as to Company standards;
- Specific courses on finacial, accounting and fiscality isues, human resources and protection of personal data;
- Although the epidemiologic context generated by SARS CoV-2 in 2021 required a set of restrictions impacting training activities, solutions were found to provide joint periodical training to UTTs operational personnel. Thus, such periodical joint personnel training sessions were provided to 790 persons in 2021;

All through 2021 there were no courses or other training types with respect to fighting corruption and bribe.

Total interval (no. hours) training 2021	51,051
Total number of employees (on 31.12.2021)	2,015
Number of training hours against the number of Company employees in 2021	**25**

Internships

Transelectrica sustained further in 2021 as well the professional training of young generations of specialists in the energy domain by annual internships.

In 2021 as well students from Bucharest and other country locations participated to internships in Transelectrica

Internships in Transelectrica represent the confirmation of the Company's uninterrupted concern for active support and motivation of young

generations, to orientate them towards the energy domain in general, and to electricity transmission in particular.

In 2021 students both of Bucharest and of other country locations participated to internships in Transelectrica.

A total number of 185 students and pupils attended internship stages in 2021, both in the central Company location and at the Territorial Units.

Throughout 2021 a total number of **9 private study scholarships** were granted, of which 5 in the central Company headquarters and 4 in territorial units.

At the same time 6 students who graduated in 2021 were hired in the Company, the other 3 remaining to be hired in 2022, after graduation.

Among Transelectrica's partners with respect to internship stages of last years were the University Gh. Asachi Iasi, Faculty of Electric Engineering, Energy and applied Information; Polytechnic University of Bucharest, Power Engineering Faculty; Pitesti University, Energy Faculty & Nuclear Technologies, and others.

Employee information, consultation and trade union relations (102-41, 103-1, 103-2, 103-3, 403-4)

Trade unions play an important role with respect to the labour relationship between employees and employer. The trade union promotes and protects the rights of its members, taking into account their needs and opinions. A good relation between employees and employer is constituted based on efficient communication between employees' representatives and the Company's.

Similarly to last year as regards such reporting, 99.5% of Company employees are trade union members, showing they recognise the utility of a union body established in order to promote their interests before the employer.

At the same time the absence of any labour conflict last year represents a relevant indicator of efficient mediation between employees and employer.

Taking into account the Company profile no specific writs were necessary as regards the employees' freedom to associate.

Responsibility to employees

Training programme and processes that provide labour health and safety (103-1, 103-2, 103-3)

The entire training process is developed in accordance with *article 20 of Law 319/2006* Labour security and health**,** with later amendments and additions, with Decision 1425/2006 approving the Methodological Norms to apply the provisions of the Labour security and health law 319/2006, *chapter V - Workers training*

on labour security and health and the internal Operational Procedure code TEL 18.02 “Employees’ training on labour security and health”.

Prevention and protection departments have been established, dedicated to labour security and health (in accordance with the Labour security and health law 319/2006, Section 2), under methodologic coordination of the Integrated Management Department with attributions in compliance with applicable legislation.

A person was designated responsible in this Department to provide labour security and safety that periodically manages such activities.

Training activities are unitary, periodical training is united half-yearly and SSM topics cover 3 years’ cycle.

Employee training is performed by the working place managers using topics approved by Company management and recorded in individual training forms.

In 2021 even under inauspicious circumstances - **pandemic**, activities were fully provided and maintained as technical-organisationsal measures were established and applied Company-wide to prevent, fight and limit the effects of SARS-CoV-2 virus spreading. During the entire pandemic the Company, by means of organisational entity managers provided continuity of electricity transmission. Legal provisions were applied precisely and measures were applied to find, isolate, monitor and report detected cases while activities were reorganised, so as to provide activity continuity and support for impacted personnel.

Company-wide labour safety and security activities are managed within the Company.

Workers’ instruction on labour safety and health comprises 3 stages defined by specific legislation:

Introductive - general training	is delivered by personnel from the prevention and protection departments dedicated to labour health and security
Training on the job	is provided by the working place manager.
Periodical training	is delivered by personnel from the preventive and protective departments dedicated to labour health and security or by the manager of the working place in case of monthly and half-yearly training, under guidance of personnel from prevention and protection departments dedicated to labour security and health

Prevention activities *(403-2, 403-3)*

Training topics are elaborated for each legislation-defined stage in order to carry out prevention activities, by the prevention and protection departments dedicated to labour health and security depending on the risk assessment of each working place.

Also, the risks of each working place are individually assessed and measures are applied to reduce or keep them under control by actions provided in Prevention & Protection Plans. Concrete measures are included in the Annual labour health and

security plans applied by qualified labour health & security personnel.

In view of providing proper prevention the following training sessions are delivered with frequency as follows:

- Each year, minimum one training session for each employee;
- Each semester for other technical licensed personnel from Power Dispatchers;
- Monthly for operational personnel and/or licensed in terms of labour health and security in electric substations and half-yearly upon periodical joint training sessions;

Company-wide there are 23 persons responsible in prevention and protection departments dedicated to security and health. Among them there is a labour medicine doctor and a psychologue providing support to Company personnel, both to administrative TESA and the operational personnel of electric centres and substations.

At the same time, there are annual simulations for labour health and security issues, environmental and emergency situations coordinated by specific entities (ISU, Police, etc.) as well as entirely achieved by one's personnel.

All employees are trained beginning on their first day on the job (hiring), which continues by periodical training sessions of different frequency (each month, semester and year) depending on risk assessments of each working place.

Training the personnel on labour safety and health involves means, methods and training techniques such as: exposure, demonstration, case study, movie pictures, slides, projections, computer assisted training.

Various training domains are approached such as:

Trainings are provided at different periods with all personnel about their travel to and from work. Each employee fills in a Route Form upon recruitment, which provides the travel time and route.

The employees responsible for prevention and protection offices dedicated to labour security and health make up the structure dealing also with labour accidents.

In 2021 **one work accident** was registered, followed by temporary work incapacity of at least 3 calendar days and

one route event which was not followed by days of temporary work incapacity.

In 2021 a number of 5 days was recorded for medical leaves registered after work accidents.

There has been no death caused by accidents on the job and there are no cases of employees with occupational illness or high exposure to professional disease.

Moreover, there is permanent dialogue between the executive management and unions to cover occupational health issues and the collective labour contract clearly mentions this domain.

Organising the joint (management – employee) SSM committees and relevant activities in 2021 *(403-1)*

Labour health and security committees are established in accordance with applicable legislation articles 16, 17, 18 of the Labour security and health law 319/2006 in order to consult the workers and involve their participation to discussions on all labour security and health issues. Labour health and security committees operate based on their own operational regulation.

These committees are organised in accordance with chapter IV of Decision 1425/2006 approving the Methodological Norms to apply the provisions of the Labour security and health law 319/2006**.**

The Company's Labour Health & Security Committee met three times in 2021. From among the problems debated according to the agenda of each meeting there are: endorsing the annual labour security and health programme of the Company; analysis of labour security and health issues specified by employees from branches and DEN; supervision of the application of measure plans regarding labour security and health; endorsing the operational procedures for labour security and health; the manner in which labour conditions are provided, individual protection equipment for workers, analysis of last year's labour security and health activities based on the report and endorsing such report.

Environmental responsibility

Environmental management system (103-1, 103-2, 103-3)

Environmental protection represents an important objective for Transelectrica in view of the Company's sustainable development. Thus, the environmental protection policy is an integrant part of the general one, including as objectives to maintain a performing environmental management system, to prevent and reduce pollution, to comply with the legal national and European requirements and sustainable development.

The governance team of CNTEE Transelectrica SA have established the environmental protection policy taking into account the planned effective sustained action directed towards implementing environmental management in the entire structure and in all its activities, which should lead to changed organisational culture by promoting attitudes prone to environmental protection and sustainable development.

The Environmental Management System of Transelectrica SA, certified according to the requirements of SR EN ISO 14001:2015 standard by SC SRAC CERT SRL (IQNet partner) has provided conditions necessary to provide electricity transmission and dispatch and electricity market administration according to legal and other requirements which the Company subscribed to, applicable to its environmental issues, and to prove the concern of reducing pollution and increasing the environmental performance.

With a view to reduce the negative RET environmental impact priority has to be provided to the measures set by environmental protection authorities, both included in compliance programmes being prerequisites for granting environmental or water management permits, and resulted after controls of regulatory and control authorities to Company locations.

The environmental objectives and targets have been included in the annual Environmental Management programme aimed at reduced pollution of air, water, soil, reduced noise levels and vibrations, improved waste and waste water management, restore the natural landscape after maintenance / development work, protection of flora and fauna and monitoring environmental factors.

The main directions to achieve environmental objectives

Risks, opportunities and environmental costs

High voltage electric installations mainly constituted by overhead lines and of connection and transformer substations represent equipment with significant environmental impact coming from their technical complexity, from the land areas they occupy as well as from the length of overhead lines (in the range of tens or hundred of kilometers), usually crossing the territory of several counties.

No pollutants are discharged in the environment during normal operation of RET installations. Accidental leaks can occur of certain chemical substances with pollutant impact in case of improperly tight equipment, wrong operations, and failures or during construction and maintenance.

Environmental aspects are identified and assessed for technology and construction from the very first design stage. As such they are included in the Environmental Management Plan (for installation, construction, operation and dismantling), which includes the Programme of measures to prevent pollution and reduce impacts, as well as the Environmental factors monitoring plan.

Types of impact and effects / modes of occurrence determined by activities performed during construction – installation of Transelectrica's equipment

Type of impact	Modes of occurrence (effects)
Physical	• Impact on soil by opening new access routes, topsoil removal and excavations • Land occupation by site organisation, storage places included • Impacting the flora (by tree cutting) • Impacting the fauna (by fragmenting the habitat and by noise produced by the equipment used, means of transport, etc.) • Impacting the birds (by building aerial obstacles located on their flight corridor) • Generating waste (porcelain, glass, concrete, metals, used oil, package, rubble, etc.)
Chemical	• Using various chemical products (paints, solvents, reactive substances, etc.) • Soil and/or water pollution by accidental leaks of fuel, oil and other chemical substances • Air pollution by means of: - Flue gas emissions (SO_x, CO_x, NO_x, COV, suspended powders) from heating installations or means of transport - Sulphur hexafluoride (SF_6) emissions – accidental leaks produced during gas handling or owed to untight equipment - Powder emissions owed to construction-installation - Emissions of volatile organic compounds from paints and dilluters, etc.
Socio-economic	• Disturbing social activities, including population movement

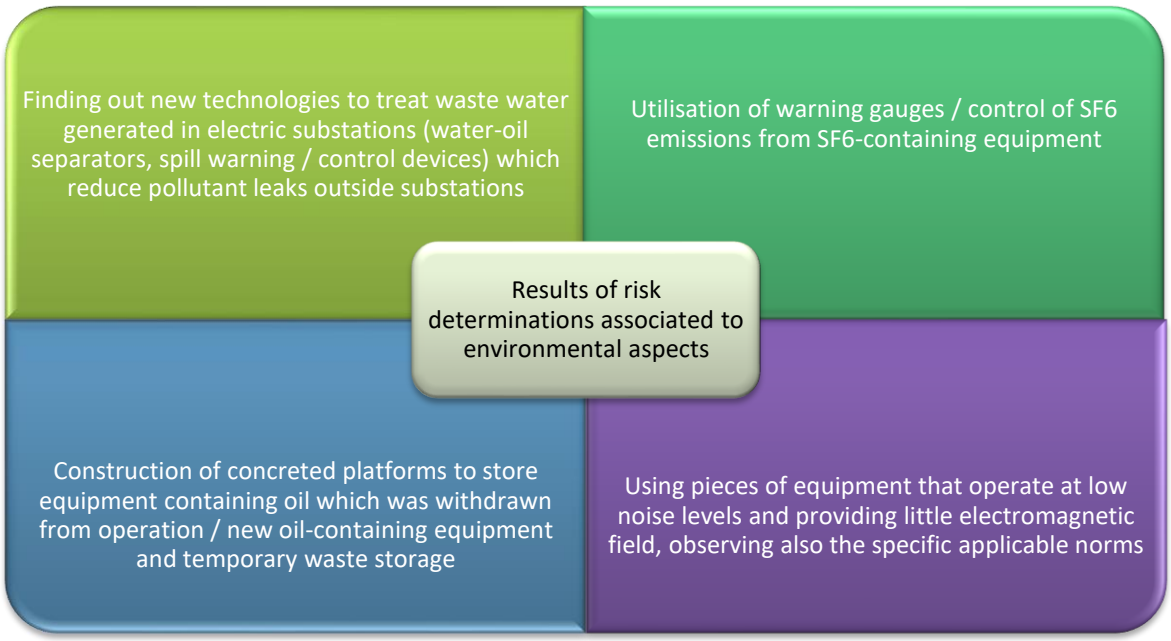
Types of impact and effects / modes of occurrence determined by activities performed during the operation and maintenance stage

Type of impact	Modes of occurrence (effects)
Physical	• Land occupation by OHL routes and substation locations • Impacting flora by systematic vegetation cutting • Impacting the fauna (habitat fragmentation, electrocution, etc.) • Impacting birds and flying apparata (aerial obstacles located on their flight corridor, collision, electrocution, etc.) • Danger of electrocution / burns when touching OHL / tower falling near or at road crossings, railroad, water, buildings, etc. • Fire hazard from deteriorated insulation or from accidental conductors' getting in touch with objects or dry vegetation • Impacting the population and fauna by the noise and vibrations from the operation of RET installations or their vibration • Impacting the population and fauna by the noise generated by corona effects from high voltage installations • Acoustic and luminous effects of corona processes • Disturbances of radio and television systems, produced by the electromagnetic field • Influences of electromagnetic fields over telecommunication installatioms or other electric networks' crossing them or getting near • Effects of the electromagnetic field over living creatures
Chemical	• Soil and/or water pollution by accidental leaks of fuel, oil and other chemical substances • Air pollution by means of:

	- Flue gas emissions (SO_x, CO_x, NO_x, COV, suspended powders) from heating installations or means of transport - Sulphur hexafluoride (SF_6) emissions – accidental leaks produced during gas handling or owed to untight equipment - Ozone and nitrogen oxydes – corona effect at high voltage - Sulphuric acid vapours from accumulator batteries
Visual	• Impact over landscapes
Psychic	• Fear caused by the proximity of RET installations and by their visual and acoustic effects
Mechanical	• Potential collision danger with flying apparatuses • Danger of falling near road crossings or exactly on them, on railroads, water courses, buildings, etc. • Fire hazard from deteriorated insulation or from accidental conductors' getting in touch with objects or dry vegetation

Transelectrica has applied proper measures to prevent pollution and reduce the environmental impact, both during operational activities and maintenance operations, as well as while making investments, which mean construction-installation work.

Such risk determination associated to significant environmental aspects for activities / processes performed in Transelectrica has led to a series of beneficial effects and opportunities.



Management of environmental factors (304-2, 304-4, 308-2)

a) Land occupation

The area taken up by electric lines and substations:

	Without safety area [m²]		With safety area [m²]	
	Substations	OHL	Substations	OHL
Total Transelectrica	3,980,544	2,992,588	7,123,765	560,996,126

b) Sources of soil, underground and terrestrial water pollution

During normal operation of RET installations no noxious substances are discharged on ground, into underground or terrestrial water. Accidental pollution can occur caused by improperly tight / broken equipment containing dangerous substances or electro insulating oil, or defects occurring to the oil regeneration / supply / discharge installations or pieces of equipment.

Similarly, oil / fuel leaks can occur from motor cars, outfits and transportation means during construction and maintenance (the oil leaking into ground was retained with absorbent biodegradable earth).

c) Air pollution sources

During normal construction, maintenance and operation activities of RET installations no significant quantities of pollutants are discharged in the atmosphere. However during construction, maintenance and operation of RET installations the following atmospheric emissions can occur: suspended powders - from construction works, or flue gas - from motor cars, electric generating sets and thermal power plants, ozone in negligible amounts (Corona effects), sulphur hexafluoride - as a result of un-tight equipment or improper gas handling.

Flue gas can occur in case of fires or explosions (SOx, COx, NOx, COV, suspended powders, etc.). High voltage OHLs generate atmospheric pollution by ozone and nitrogen oxides after Corona occurring around active conductors, especially in rainy weather. The additional contribution of such pollutant substances to the existing amount is not major and cannot lead to exceeding the legal information threshold values, beyond which there is hazard for human health.

As far as greenhouse gas emissions are concerned, the values of 2021 have not been calculated yet, their report term being June 2022. At the last count in 2020 of SF6 emissions from equipment managed by Transelectrica the amount was 72,428.52 kg, distributed according to the table below:

Type of information	**2020**								**TOTAL**
	UTT Bacau	**UTT Bucharest**	**UTT Cluj**	**UTT Constanta**	**UTT Craiova**	**UTT Pitesti**	**UTT Sibiu**	**UTT Timisoara**	
Total SF6 capacity of equipment on location (kg)	3090.2	26521.2	3058.1	14093.4	8778.82	5585.26	7521.84	3779.7	72428.52
Of which closed, pressurised equipment * (kg)	3025.2	26489.2	2981.9	14093.4	8766.22	5585.26	7521.84	3761.4	72224.42
Of which sealed, pressurised equipment ** (kg)	65	32	76.2	0	12.6	0	0	18.3	204.1
Total capacity of new equipment filled on location (not at the producer's) (kg)	0	3761	0	285	70	0	167.2	39.2	4322.4

Total capacity of dismantled equipment (kg)	36.4	157	0	484	12.3	0	0	62	751.7
Emissions at installation- SF6 quantity used to fill new equipment (closed, pressurised) (kg)	0	0	0	0	0	0	0	0	0
Emissions upon use- SF6 quantity used to refill closed- pressurised equipment during service / maintenance (kg)	0	48	1.3	0	53	0	8	0.5	110.8
Emissions upon use- SF6 quantity used recovered from closed- pressurised equipment during service / maintenance (kg)	0	12	0	0	45	0	0	0	57
Emissions upon disposal – capacity of equipment taken out of operation (kg)	0	12	13.8	0	0	0	0	0	25.8
Emissions upon disposal – SF6 quantity recovered from equipment taken out of operation (kg)	0	0	0	0	0	0	0	0	0
Beginning what year do you use SF6 containing equipment?	2002	1999	1999	1994	1995	1997	1965	1998	1965

The objective of 2022 is to reduce emissions below the previous year's and find methods to make such reduction sustainable in the long run, not only in just one studied year, especially in the context of European recommendations and requirements.

d) Sources of waste water

Electricity transmission does not generate technologically waste water. The used waters generated on the locations of RET installations are:

- Domestic waste water from human activities - which is directly discharged into urban drainage or it is emptied and carried to a station treating urban used water or it is locally treated within micro-stations and discharged on ground or into terrestrial water sources;
- Rainwater collected into the tanks of oil-containing equipment and in the manholes of concreted platforms for waste and equipment storage (it can contain oil from leaks) - it is mechanically cleaned in the water-oil separators and discharged in the city drain or it is emptied and carried to a station treating urban used water or it is discharged on ground or into terrestrial water observing the maximum admissible limits of environmentally discharged pollutants;

To perform its activities Transelectrica used 31,179 m3 in 2021, 11% smaller than last year. The water that has been used comes from local networks of each territorial unit / substation / centre or from underground (drilled wells).

For the time being Transelectrica does not use recycled water.

The sources of drinking water and quantities used depending on source are provided below (expressed in m3):

Local water grid	**21268 m3**
Underground water	8595 m3
Other sources	1316 m3

e) Generating waste

Electricity transmission activities do not generate waste directly. Waste comes from construction, maintenance operations and human activities. The quantities of waste are different from one year to another, depending on the volume of investment and maintenance work.

Waste generated in 2021 was disposed of / capitalised by means of licensed companies.

Generated waste (t)	Capitalised waste (t)	Disposed of waste (t)	Stored waste (t)	Waste management indicator: Waste disposed of, capitalised / generated waste
10,519.56	854.74	9,280.18	284.64	96.34% (compared to 76% in 2020)

f) Electromagnetic field generated by RET installations

Electric transformer / connection substations and the 220V & 400 kV OHLs provide quite low impact over their surroundings, being found only around RET installations. A great part of disturbing effects is caused by electric induction (into metallic objects or structures that are not grounded) and by interference phenomena (radio interference). The constructive solutions adopted for high voltage electric lines and substations provide proper protection against the exposure of living beings to the electromagnetic field, and diminish the environmental impact of such installations. In accordance with specific studies performed by specific institutes, the electric field intensity near the 220 kV and 400 kV overhead lines decreases with distance, therefore at about 25 – 30 m from the line axis the intensity of this field is zero.

In 2021 measurements showed the values required by applicable norms have not been exceeded in electric substations and upon line crossings of roads, railroads and intensely populated regions.

g) Acoustic polluation

During construction noise can be generated because of work execution or during the operation of equipment and motor cars. Acoustic pollution results from operation, caused by the noise generated from the vibration of RET installations or by Corona discharges in the space around active conductors. The noise level of Corona effects 25 m from the active conductor varies from 53 dB in rainy weather and 33 dB in fine weather.

Transelectrica SA defines and applies preventive and corrective measures to reduce the environmental impact of its installations and activities. The various environmental conditions at each location of RET installations (overhead lines, electric transformer & connection substations, buildings) determine specific environmental impacts of each installation in different stages (design, construction & operation), therefore measures are defined for each individual case, depending on the conditions existent on location.

In 2021 no exceeding was recorded of the maximum admitted noise level.

h) Impact on fauna

Such impact is significant and most especially on birds because they collide and get electrocuted by RET installations within migration corridors or protected areas. The main migratory corridors of various types of birds have been detected in Banat, Dobrogea and the Danube Delta regions.

In order to get birds away from OHL areas bird-repellent equipment is installed on towers, above insulator chains, thus preventing the bird's sitting on the tower (protecting it against electrocution, and insulators from possible breaking) while deflectors are installed on OHL conductors (devices preventing birds sitting on OHL conductors) or painted boards, usually mimicking prey birds and thus reduce birds' impact with OHL.

i) Impact on vegetation

This impact is determined by final or temporary ground occupation and by vegetation removal within the safety areas of RET installations as it exceeds a certain height, in order to prevent fires. Such impact can be significant only in protected areas.

j) Species found in IUCN's red list and in the national conservation list with habitats in the regions impacted by operations and measures adopted in order to preserve their habitats

Artificial nests have been installed on high voltage towers in order to protect the Danube hawk, endangered species on the brink of extinction, as follows:

- In UTT Timisoara: 34 nests
- In UTT Bucharest: 4 nests
- In UTT Constanta: 31 nests

Artificial nests are metallic or wood boxes which were installed on high voltage towers, because the Danube hawk prefers nests providing good visibility of the area and favourable feeding places nearby. It is necessary to place the nests on artificial props, such as high voltage towers because there are no tall solitary trees on agricultural lands and lawns (historical nesting places).

Such artificial nests installation belongs to the "Conservation of the Danube hawk in north-eastern Bulgaria, Hungary, Romania and Slovakia", a multi-national project with European financing since the importance of providing species protection and preservation is also acknowledged at EU level.

Actions and measures applied to prevent and/or limit the environmental impact (306-3)

Elaborating the documentation

- Elaborating documentation and submitting files to license / re-license the objectives managed by the Company in terms of environmental protection and water management

Executing work such as

- Construction or maintenance of drainage networks for domestic waste water and / or rainwater;
- Installing oil-water separators to the tanks of oil-containing equipment and storage platforms;
- Building concreted platforms for temporary storage of equipment and waste;
- Maintenance of oil- or SF6-containing equipment in order to prevent leaks;
- Painting the towers of overhead lines (OHL) using colours adequate to landscapes;
- Tree cutting / maintenance of safety corridors for OHL;
- Restoring / developing the land to bring it to its initial condition (when work is complete);

Procurements of services regarding

- Monitoring the quality of waste water from Company substations and offices and proposing solutions to reduce pollution in accordance with the requirements from environmental permits and water management licences;
- Monitoring the pollutant emissions in the atmosphere (noise, electric and magnetic field, pollutant emissions, ozone concentrations); the values obtained for determined parameters have been examined and interpreted, resulting conclusions regarding the extent of pollutant emissions and the compliance with limit values admitted by legislation;
- Waste collection, sorting, transport and capitalisation / disposal of;

Environmental management plan

- Elaborating environmental management plans for the maintenance, refurbishment / modernisation projects

With respect to its future activities Transelectrica aims at reducing the environmental impact of its installations, mainly by means of activities such as reducing the land areas occupied, reducing the impact over fauna and flora or reducing the intensity of the electromagnetic field on ground and of Corona losses. In 2021 there has been no significant spill impacting the environment.

Waste classification by types and disposal methods (306-4)

No.	Waste type	Code of HGR 856/2002	Capitalisation		Disposal	
			Recycling	Co-incineration	Incineration	Storage
1	Leather	02 01 02	x	-	-	-
2	Plastics (personnel equipment)	07 02 13	-	-	x	-
3	Printer toner waste	08 03 18	x	-	-	-
4	Mineral non-chlorinated engine oils transmission and lubrication oils	13 02 05*	-	-	x	-
5	Synthetic engine, transmission and lubricating oils	13 02 06*	x	-	-	-
6	Mineral non-chlorinated insulating and heat transmitting oils	13 03 07*	x	-	-	-
7	Other engine oils, transmission and lubrication oils	13 02 08*	-	-	x	-
8	Sludge from oil-water separators	13 05 02*	-	-	x	-
9	Oily water from oil-water separators	13 05 07 *	-	-	x	-
10	Paper and cardboard packages	15 01 01	x	-	-	-
11	Plastic packages	15 01 02	x	-	-	-
12	Wood packages	15 01 03	x	-	-	-
13	Glass packages	15 01 07	x	-	-	-
14	Protection clothes	15 02 03	-	-	x	-
15	Worn-out tyres	16 01 03	x	-	-	x
16	Oitl filtres	16 01 07*	x	-	-	x
17	Brake plates	16 01 12	x	-	-	x
18	Ferrous metals	16 01 17	x	-	-	-
19	Plastics	16 01 19	x	-	-	-
20	Glass	16 01 20	x	-	-	-
21	Component without specification	16 01 22	x	-	-	-

22	Other car maintenance waste, unspecified	16 01 99	x	-	-	-
23	Dismantled equipment containing dangerous components	16 02 13*	x	-	-	-
24	Waste of electric and electronic dismantled equipment (DEEE)	16 02 14	x	-	-	-
25	Components disassembled from dismantled equipment	16 02 16	x	-	-	-
26	Lead batteries	16 06 01*	x	-	-	-
27	Alkaline batteries	16 06 04	x	-	-	-
28	Accumulator batteries	16 06 05	x	-	-	-
29	Concrete	17 01 01	-	-	-	x
30	Tiles and ceramic materials (porcelain insulators)	17 01 03	-	x	-	x
31	Wood	17 02 01	-	x	-	-
32	Glass	17 02 02	x	-	-	-
33	Plastics	17 02 03	x	-	-	-
34	Copper, bronze, brass	17 04 01	x	-	-	-
35	Aluminium	17 04 02	x	-	-	-
36	Iron and steel	17 04 05	x	-	-	-
37	Steel-Al (cables)	17 04 11	x	-	-	-
38	Metallic mixtures (cast iron)	17 04 07	x	-	-	-
39	Earth and stones	17 05 04	-	-	-	x
40	Waste mixes from construction and demolition	17 09 04	-	-	-	x
41	Sharp objects	18 01 01	-	-	x	-
42	Medical infectious-pricky waste	18 01 03*	-	-	x	-
43	Chemicals consisting of or containing dangerous substances	18 01 06*	-	-	x	-
44	Medicines	18 01 09	-	-	x	-
45	Plastic and rubber materials	19 12 04	x	-	x	x

46	Paper and cardboard	20 01 01	x	-	-	-
47	Textiles	20 01 11	x	-	-	-
48	Fluorescent tubes and other mercury-containing waste	20 01 21*	x	-	-	x
49	Dismantled electric and electronic equipment	20 01 36	x	-	-	-
50	Wood	20 01 38	x	-	-	-
51	Plastics	20 01 39	x	-	-	-
52	Metals	20 01 40	x	-	-	-
53	Mixed municipal waste	20 03 01	-	-	-	x
54	Sludge of septical tanks	20 03 04	-	-	-	x

Exceeding the admitted environmental regulation limits and methods to solve such instances *(307-1, 308-2)*

In 2021 there was monitoring on qualitative physical-chemical indicators of conventionally clean rainwater, of contaminated rainwater from the tanks of power transformers and shunt reactors, before and after oil separators; on the indicators of underground water from manholes, of domestic waste water and of used water from car garages.

After monitoring such indicators, sampled in the electric substations of Transelectrica and by construction of results, most physical-chemical indicators measured in the waste water samples taken complied with the maximum limits admitted for pollutants discharged in the environment, according to legal and licensing requirements.

Taking into account that throughout last year on the one hand no exceeding was recorded in such substations, but on the other hand such exceeding is minor we can deem such cases as sporadic, which for the time being have no significant negative impact on water quality.

However, mention should be made most zinc and copper of waste water does not come from specific points, this being the reason why sources of potentially noxious items are rarely quantified in water. Potential sources increasing the concentrations of such water indicators can be:

- Pipe leaks;
- Used oil from substation equipment;
- Improper storage of electric and electronic waste;
- Fungicides, insecticides, pesticides and fertilisers applied on soil;
- Paints and pigments used for equipment maintenance;
- Precipitation that can wash the atmospheric deposits of industrial emissions, and also from traffic and transport (exhaust gas, wear of zinc-containing tyres, engine oil and fuels releasing zinc on motorways);

Consequently, seeing such results careful supervision of fore-mentioned indicators is recommended in the water samples from problematic sites in order to provide uninterrupted assessment of possible environmental impacts.

In 2021 the National Environmental Guard CJ Tulcea made controls, following which Transelectrica received 3 minor measures that were applied in due time.

Controls were also made by SGA Salaj, SGA Cluj, SGA Ialomita, SGA Olt – Slatina, following which the Company has received no major measure.

Future measures to diminish locally identified problems (103-1, 103-2, 103-3, 203-2)

Environmental protection

Transelectrica, in its capacity of transmission system operator considers it has major responsibility towards future generations and permanently strives to find sustainable economic solutions to develop and upgrade its installations according to the European Union's environmental protection requirements, all the more so because it has obligations under the membership condition in Greendeal context and other agreements; all these are important and have direct impact over national measures.

Our environmental policy takes over the commitment to perform in responsible manner all specific activities, with proper attention to environmental impacts and sustainable performance by means of clear objectives, provided in the next table:

Rational use of natural resources
Reducing and measuring pollutant emissions in the environment
Proper management of waste resulting from maintenance and refurbishment activities
Periodical monitoring of environmental factors (water, air, soil, noise, electromagnetic field, waste)
Upgrading and refubishing installations using best-in-class technologies by which environmental pollution is prevented or reduced
Providing acknowledgment and observance of environmental legislation by all Company employees, by information, training and motivation

Education

Having turned ourselves towards corporative social responsibility means we provide support to education to enhance its quality both with respect to the technical area, which is specific for the Company and in terms of support domains. To sustain such ideas we will further commit ourselves towards active involvement in higher education quality for specific Transelectrica activities.

Health

The health of employees and of everyone around is a priority for Transelectrica, therefore we will further continue to help the specific associations in the following years in order to promote eligible projects meant to improve Romania's health system.

Taking into account the pandemic throughout 2021, the Company-wide measures taken in the pandemic context generated by SARS CoV-2 virus continued those applied in 2020. Mention can be made from among them:

- Complying with the Note *on the preventive protective conduct against Covid 19;*
- Permanent information of personnel about pandemic developments and authorities' recommendations;
- Continuing the tele-work system, personnel information and training about the proper operational mechanisms of such a system;
- Complying with the Business Continuity Plan to provide safe operation of the National Power System in the pandemic context;
- Taking employees' temperature, changing the working time, alternative utilisation of tele-work;

To date COVID 19 infections have been managed according to the internal Regulation on the Measures to be applied in Transelectrica during the alert state in order to prevent and fight COVID 19 effects, and all such situations were kept under control.

Measures applied Company-wide in the context of pandemic generated by SARS CoV-2 virus:

- Several information has been transmitted by e-mail to all personnel with respect to the legislative changes, concrete actions and each employee should know and apply them;
- All employees were informed about the number registered on the National Platform for vaccination against COVID-19;
- The protection mask was preserved as compulsory protective measure in closed spaces;
- Information has been transmitted to all personnel about the preventive conduct and actions fighting SARS CoV2 virus infection;
- The minimum rules to prevent SARS CoV-2 spreading were reiterated;
- Actions were reminded to be observed in case employees have specific COVID 19 symptoms;
- The provisions of HG 1090/2021 have been applied;
- Forms were applied and disseminated, as specific to the Regulation on the measures applied in all CNTEE Transelectrica SA during the alert state to prevent and fight COVID 19 virus;
- The Continuity Plan was applied of CNTEE Transelectrica SA activities in case of pandemic;
- The Continuity Plan was applied in current activities, with respect to continuing activities during crises impacting labour, the Coronavirus pandemic;
- An observational selection was provided to employees by taking their temperature in the morning and as necessary during work hours;
- The Risk Evaluation of accident and professional illness was applied and used in the activities of CNTEE Transelectrica SA as a result of the SARS-CoV-2 pandemic;
- On the occasion of training the Prevention & Protection Plan of CNTEE Transelectrica SA was applied and used in current activities (to ground the SSM Measure Plan) with biologic hazard: SARS-CoV-2 infection, updated;
- Measures were furthered to hire a labour medicine doctor, after one year's secondment of the previous doctor; the recruitement was successfully concluded at the end of 2021;
- The Regulation regarding Measures to be applied in CNTEE Transelectrica SA during the alert state in view of preventing and fighting the effects of COVID 19 pandemic;
- Weekly analysis was performed on the occasion o f operational meetings and every time required;
- An important number of employees were scheduled for vaccination against COVID 19;
- The vaccination percentage in CNTEE Transelectrica SA is over 65%;
- Procurements were made of: single use protection mask, desinfectant for surfaces and hands;
- Specific services were procured from the beginning of pandemic – nebulisation of offices in case an employee got sick, or periodically;

In 2021 the number of COVID 19 infections was 244, and such cases were managed according to the applicable Regulation regarding the Measures to be applied in CNTEE Transelectrica SA during the alert state in view of preventing and

fighting the effects of COVID 19 pandemic.

Measures applied in the company to remove COVID stress

- All personnel was informed with data validated by institutions entrusted to provide institutional communication;
- A tele-work regime was applied wherever it was possible in order to reduce as much as possible the uncertainty feeling brought about by the COVID -19 pandemic and restore the employees' psychic comfort;

Corporative volunteering

In Romania an increasing number of employees consider the Company's social and ethical values as very important. This is the reason why employees are important public for the corporative social responsibility strategy of Transelectrica. Corporative volunteering is the most relevant team-building method, since employees are more and more involved into the activities which are organised; the purpose of the Company is to promote this activity as much as possible into the future.

In 2021 we joined with 85 volunteer people the initiative "We plant and grow communities" organised by the Hands Across Romania Association and the Mogosoaia Townhouse in partnership with the Ministry of Environment, Water and Forests, Forestry Division ILFOV and Commit 2 Evolution.

As symbol of rebirth and care about the environment, we planted 1,000 oak and accacia seedlings on the location of a former damp site.

Nevertheless, the pandemic continued all over 2021 and did not enable proper additional corporative volunteering activities.

Corporative social responsibility

Corporative social responsibility policy (103-1, 103-2, 103-3)

Transelectrica furthers its participation in the development of the society it performs in, as it has major importance for the Company's fundamental values. By means of its social responsibility projects the Company takes into account both society's interests and those of its employees, shareholders, community and the environment.

The main Company objectives with respect to corporative social responsibility are the following:

- Investment into young people's education and development;
- Supporting the humanitarian initiatives of non-governmental associations;
- Participation into the development of culture and communities;
- Providing support to employees in case of major health issues;
- Getting employees involved into corporative volunteering programmes;
- Investing in environmental protection;

Examining the community needs *(203-2, 413-1)*

As far as community needs are concerned, the most important problems Romania is faced with for the time being are the social (poverty and social inclusion of disfavoured groups) or the economic ones (unemployment, low revenues), but also the issues occurring in complementary domains such as quality of education and access to it, health, electricity and drinking water.

We will be permanently concerned with the situation of local communities and consider we should constantly contribute by means of efficient solutions and activities.

Involvement in society *(413-1)*

In order to support the development of a sustainable performing Romanian society Transelectrica is getting involved in the communities where it performs, while attempting at the same time to get as close as possible to the needs of people outside the Company's impact areas.

In 2021 we have shouldered organisations such as the Polytechnic Foundation Timisoara, Tadeus Humanitarian Association, Bronx People Association, University Emergency Hospital Elias, Give Life Association, the County Emergency Hospital Giurgiu, the County Clinical Emergency Hospital Ilfov and the Infectious Desease and HIV/SIDA Society.

In terms of performance the Company managed transposing more than 95% of the budget allocated in 2021 to corporative social responsibility projects, exceeding the level established at the beginning of last year. Thus, the 2022 target, taking into account the budget growth compared to the beginning of 2021, is to allocate beyond 90% of the allocated amount.

Main projects which Transelectrica involved into in 2022

- ***Education and training***

<u>Sustaining pupils from technical Colleges and High Schools of Romania</u>

The Company got actively involved in activities sustaining education, in order to provide young students with a proper studying environment. In time we cooperated with educational institutions of the power domain by providing equipment to research laboratories and study grants to pupils and students who got particular results.

With a view to sustain education and to encourage young people to follow a career in the energy sector Transelectrica provided monthly study scholarships to 9 students.

Furthering its 2019 and 2020 partnerships, the Company supported the Polytechnic Foundation of Timisoara to award prizes to its best students and to complete the budget necessary to organising the Experimentarium in Electricity and Energy conference.

- ***Humanitarian activities***

Tadeus Humanitarian Association

Education, especially in disfavoured areas with great need of permanent investment, is one of the most importan domains where social-corporative efforts should be focused. Thus, in collaboration with Tadeus Humanitarian Association Transelectrica contributed to covering the expenses of ‘‘AuGusteria 2021” by procuring 350 satchels equipped with school supplies as necessary for pupils in rural environments and Bucharest City.

Bronx People Association

Transelectrica contributed to financing the “Development of MARIA BRONX family centre by installing photovoltaic panels”. 19 children and young people live in this centre, taken from placement centres and poor families. This project is required in order to reduce electricity expenses.

- **Health**

The health of employees and of other people is a priority for Transelectrica, this being the reason why in 2021 the Company went especially towards the medical domain, in order to improve the health system of Romania.

University Emergency Hospital Elias

Transelectrica contributed by sponsorship offered to the University Emergency Hospital Elias to rehabilitate the ORL surgery room.

Give Life Association

Transelectrica joined for the second time the brave project initiated by the Give Life to build from grass the first integrated oncology and radiotherapy clinic in the Children's Clinic Emergency Hospital Marie Curie of Bucharest, able to provide multi-disciplinary treatment to patients and impact such as higher survival rate, which is one of the lowest within the EU.

In 2021 Transelectrica continued fighting against Covid-19 pandemic by supporting hospitals of the communities it is active in**.** The County Emergency Hospital Giurgiu, the County Clinical Emergency Hospital Ilfov and the Infectious Desease and HIV/SIDA Society received financial support in order to procure equipment necessary to manage Covid-19 pandemic.

Energy efficiency (102-15, 103-1, 103-2, 103-3, 302-1, 302-4)

Romania has been European Union Member since 1 January 2007 and during pre-adhesion it committed reviewing and tailoring legislative provisions towards enhancing energy efficiency, including it also in the development and refurbishment of the electricity transmission network.

Transelectrica elaborates every year the Programme to improve energy efficiency

Regulations have been conceived so as to address distinctly the industrial sector (economic agents in this domain), the tertiary sector (economic agents, public institutions, non-governmental associations, etc.) and the residential sector (population). The energy efficiency regulations are meant to promote and stimulate approaches and mechanisms such as:

- Energy management at the consumer's;
- Developing technologies efficient in energy terms as well;

- Promoting new renewable energy sources;
- Developing and diversifying energy efficiency services;
- Professional training and education on energy conservation;
- Promoting international cooperation programmes on energy efficiency;

Energy efficiency activities of Transelectrica are grounded on the requirements from internal legislation in compliance with the applicable European legislation, namely:

- Directive 2012/27/EU of the European Parliament and Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and cancelling Directives 2004/8/EC and 2006/32/EC;
- Directive (EU) 2018/2002 of the European Parliament and Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency;
- Law 121 of 18 July 2014 on energy efficiency (to apply Directive 27/2012 on energy efficiency to end users and energy services), updated;
- National Action Plan in Energy Efficiency (PNAEE IV 2017 – 2020);
- Law 372/2005 on the energy performance of buildings, republished;
- Patterns for the total annual energy consumption return and the energy analysis questionnaire for energy consumers, transmitted by the Ministry of Energy;
- Energy Efficiency Strategy of CNTEE Transelectrica SA, 2020 – 2029;

In accordance with this strategy energy efficiency is approached in entire CNTEE Transelectrica SA by five main directions, namely:

1. Reducing the amounts of electricity to compensate losses within RET (CPT);
2. Reducing the electricity consumption supplying auxiliary services of electric substations;
3. Reducing the electricity consumption of administrative offices;
4. Reducing the heat consumption for buildings (both by reconsidering the installations and by increasing the energy efficiency of buildings);
5. Reducing the fuel consumption of the car park;

Taking into account that Transelectrica is found in the category of industrial consumers above 1000 toe (tons of oil equivalents), legal requirements establish certain obligations for the Company, such as:

- Every 4 years' performing the energy audit on an outline of energy consumption established by the economic operator, which should represent at least 50% of the economic operator's total energy consumption;
- Allocating the Energy Manager responsibility to a licensed expert;
- Filling in the last year's 'Consumption return' and 'Energy analysis questionnaire';
    - Annual elaboration of the Energy Efficiency improvement plan, including short-, mid- and long-term measures in CNTEE Transelectrica SA;
    - Elaborating the "Monitoring Report on the implementation of the National Action Plan in Energy Efficiency (PNAEE IV) for 2020", of CNTEE Transelectrica SA;
- Elaborating each year the 'Assessment report for the growth potential of energy efficiency in electricity networks' and the 'Plan of annual measures and investments to improve energy efficiency in the Electricity Transmission Grid';

Current energy efficiency activities

In general energy efficiency improving measures of CNTEE Transelectrica SA are found in the investment programmes based on the 10 years' RET Development Plan.

Current activities in Energy Efficiency relate to:

- Energy audits made in technological terms but also to buildings;
- Optimising the electricity and heat consumption in Transelectrica's buildings;
- Updating the specific requirements to upgrade transmission network assets according to the energy efficiency growth targets;
- Using the ENTSO-E (cost-benefit) methodology to validate investment projects, including energy efficiency indicators;

Between the specific energy efficiency activities of 2021 we can find:

1. Performing the second energy audit stage in the buildings managed by CNTEE Transelectrica SA;
2. Elaborating a chapter specific to Energy Efficiency and New Technologies in the RET Development Plan, 2022 – 2031;
3. Extending the 'infotehnic' database ("Measurements" application, component for Annual Analysis of condition of RET assets) – providing patterns for measurements to AT/T/BC, circuit breakers, disconnecting switches, voltage / current / combined transformers, and to arresters;
4. Elaborating the Operational Procedure - Establishing the fill-in mode of the Energy Analysis questionnaire and the patterns to report the Total annual electricity consumption;
5. Elaborating the Passive Smart Building, the smart lighting for CNTEE Transelectrica SA;
6. Implementing and applying the Synchrowave Operations pilot project under partnership with SEL and EnergoBit;

Using electricity from renewable sources

Transelectrica procures electricity to cover one's technological consumption (CPT) and the electricity consumption of the 81 high voltage substations managed by the Company:

- In the long-term, on the centralised markets managed by OPCOM – the Centralised Bilateral Contracts Market of electricity, transaction by continuous negotiation (PCCB-NC);
- In the short-term on the Day-Ahead Market to cover the differences between the CPT forecasted at the beginning of the year and that forecasted daily, and on the Intraday Market (PI) if there are forecast changes during the day, as close as possible to the delivery time; differences between hourly quantities actually achieved and those procured after transaction on the PCCB, DAM and PI are compensated on the Balancing Market (PE) in the operation day;

There are no particular elements securing procurement of one's technological consumption from renewable sources as the transaction on the short-, mid- and long-term centralised markets is performed without knowing beforehand the distribution by energy sources.

In case of electricity procured on the DAM, PI and PE the producer/supplier / trader associates the national structure of primary energy sources and the annual national average values of environmental indicators, calculated and published by ANRE by 1 April each year, for the previous one. In 2020 the electricity output structure by types of primary renewable energy sources was the following in Romania:

Electricity output structure by types of primary renewable energy sources in Romania	Electricity generation in Romania in 2021 [%]
Hydro power	27.97
Wind	12.37
Solar	3.09
Biomass	0.79
Total	**44.22**

Electricity output structure by fuel types in 2021

Fuel type	Energy [GWh]	Installed capacity [MW]	Available power [MW]
	gross	net	
Coal	9,613.00	4,451.30	3,831.00
Hydrocarbon	10,239.00	3,040.46	2,370.04
Nuclear	11,465.00	1,300.00	1,413.00
Hydro	15,701.00	6,581.22	6,380.08
Wind	6,945.00	2,990.37	2,995.93
Biomass	444.00	130.30	132.41
Photovoltaic	1,733.00	1,368.57	1,315.41
Geothermal	0.00	0.05	0.00
Total	56,140.00	19,862.27	18,437.87

Consequently, in comparison with last year when 42.16% of the electricity procured on the DAM, PI and PE came from renewable sources, in 2021, given the reported generation mix 44.22% of the electricity procured on the fore-mentioned markets came from renewable sources.

New technologies

The Energy Union's strategy aims at increasing the utilisation of renewable electricity sources in the generation mix, which should enhance the clients' positions and place households and enterprises in the focus centre of the European energy market. The roadmap of ENTSO-E proposes using new technologies for such challenges.

Among the utilisation lines of new technologies we can find:

I. Digitalisation
II. Standardisation and data exchange;
III. Integration of storage systems;
IV. Higher efficiency in utilisation of the Electricity Transmission Network;

To Transelectrica the need to expedite technological innovation is obvious. The development of new technologies for network equipment and modelling methods will enable the Company to carry out its mission in an evolving power system. This mission is also shared by the Regulatory Authority in

energy that encourages network operators to look for innovative solutions.

The Company is focussing more on integrating the technology than on innovation or the manufacture of new technologies themselves.

At the same time the strategy sustains the development of smart technologies requires significant efforts to also implement a great number of "*smart initiatives*".

In accordance with the programmes developed or initiated last years in Transelectrica with respect to developing new technologies we can find:

1. Implementing technologies for network monitoring and control, including its components;
2. Installing sensors and developing smart infrastructures in order to monitor the condition of critical assets;
3. Implementing security solutions with respect to information confidentiality, availability and integrity;
4. Non-destructive investigation systems for the inaccessible components of OHL towers (underground guys);
5. Bird-repellent protection systems according to the requirements of the Environmental Guard; these are solutions protecting the birds with habitats near high voltage lines;
6. Systems attenuating OHL galloping by means of pendulum items;
7. Determining and using the transmission capacity established in dynamic mode as complementary method for more efficient operation of existent infrastructures;

During 2021 new projects of interest were found with respect to using new technologies, of which mention can be made of the following:

1. Using RTDS - Real Time Digital Simulation systems in Transelectrica's system analysis;
2. Using Li-Ion batteries for auxiliary services in Transelectrica substations and turning flexible the associated consumption;
3. Providing the vizBDU application proving interoperability between BDU and infoTehnic; the data introduced for all 81 substations can be seen and complex queries can be made by a set of interdependent filtres;
4. The opportunity to replace the car fleet of the executive branch with electric motor cars;
5. Promoting passive house principles for the buildings managed by Transelectrica;

European projects which Transelectrica is a partner of

CROSSBOW European research project

CROSSBOW (Interconnection management by interconnecting renewable energies and storage units under a trans-national wholesale market) is one of the largest research-innovation projects financed by the European Commission under the Horizon 2020 Programme, a part of H2020-LCE-2016-2017 (COMPETITIVE LOW-CARBON ENERGY) topics under LCE-04-2017 – "Demonstration of integration in a system of smart grid technologies and smart storage, against the background of higher shares from renewable energy sources".

The project consortium has 24 partners (of 13 countries): 8 Transmission and System Operators of South-Eastern Europe, 1 Distribution Operator, 1 Regional Security Centre, 2 Large producers, 5 Universities, 6 Partners from industry and one Association.

The project started in November 2017 and is in the technology development stage afer defining the “requirements” and “use cases”.

Transelectrica is one of the transmission and system operators of the total 8 involved, with the most mature market and playing an important part in the project as regards its network and geographical position.

At the end of the 48 months the project proposes developing and finding solutions for a more efficient utilisation of interconnection lines, the producers from renewable sources and the storage units distributed in the entire Balkan region (SEE Region), by means of developing 9 products. They will represent new options for the present-day players as well as for the future ones on the energy markets.

Transelectrica participates into most of the working packages organised therein, bringing its wide-scale contribution into this project which expectations are important outcomes for what electric power systems are to become in the following decade.

European research project FUTURE FLOW

Transelectrica has been part of the consortium dedicated to the “FutureFlow” project coordinated by the Transmission and System Operator of Slovenia (ELES), under the programme financed by the European Commission with respect to implementing a competitive pan-European market, while also accomplishing the community emission reduction targets, Horizon 2020 – “Call for competitive low-carbon energy” in the “Transmission grid and wholesale market” section”.

The project has 4 years’ implementation stage while it aims at approaching a series of aspects in the context of new network codes being elaborated and issues coming up such as balancing electric power systems and establishing regional markets for system services.

FutureFlow approaches the application domain of secondary frequency control, from generation to consumption and will provide performance at international level for such specific activities of electric power systems. Taking into account such objective the partners in the FutureFlow project are exploring new solutions of power system balancing and flow management within the Europe-wide electricity network. “Modern” consumers approached by FutureFlow will be able to increase or decrease their consumption in a matter of seconds and thus will also accomplish their control functions, which nowadays are achieved mainly by the thermal hydro power plants as well as by the conventional thermal power plants.

The project is addressing both the Transmission and System Operators as well as the traders on the electricity market and the manufacturers of industrial components and of communication for the electricity domain.

From among the project accomplishments so far mention can be made of the following:

- Study on the balancing markets of four Transmission and System Operators, in terms of control potential, the technical characteristics of controllable consumers (Demand Response – DR) and of distributed producers (Distributed Generation – DG). Study with respect to market adaptation for participation of large wind power parks to secondary control and the impact of forecast errors on the electricity output from wind sources on the secondary control market;
- Elaborating the general architecture of the Future Flow (FF) platform for - automatic activation, jointly, of the secondary control reserve (aFRR) and detecting the connections and

implications for redispatching. Analysis of controllable consumers for load modification for industrial, commercial consumers, industrial platforms with self-generation but also renewable sources with installed capacities above 1 MW;

- Detecting reserves and participating entities, the processes to be elaborated, the data necessary to be exchanged for secondary control (aFRR) and the redispatch capacities;
- Identifying the requirements with respect to interactions in-between platforms that aggregate aFRR and analysing the cyber security requirements for data transmission;

European research project INTERRFACE

"INTERRFACE – Interface aRchitecture to provide innovative grid services for an efficient power system" project under the Horizon 2020 framework programme, and axis LC-SC3-ES-5-2018-2020: TSO-DSO-Consumer: Large-scale demonstrations of innovative grid services through demand response, storage and small-scale (RES) generation, was one of the two projects which were approved in the summer of 2018 under this axis.

There are 42 partners in the project consortium, the project began in January 2019, it will be developed for 48 months and aims at demonstrating an Interoperable Architecture of Network Services at pan-European level (ASRIE), which will become an interface between the electric power system (TSO & DSO) and clients (consumers), which will enable their coordinated operation and service procurement by all the players involved into this chain. The latest generation of technologies will be developed and applied under this project relying on "Blockchain" and "Big data management", which will provide new opportunities on the Energy Market as well as benefits for the integration of renewable sources, reduction of electricity costs, etc.

The project will also provide the following new components:

- New services: market rules, coordination and flexible distributed allocation from distributed energy sources;
- Digital technologies: Internet of things, big data management, Blockchain, Novel AI;
- Advanced communication and information management technologies: which are meant to assist the plug-and-play model for various services and tools on an IT platform sustaining the implementation of the Interoperable Architecture of Network Services at pan-European level (ASRIE);
- Data models: will increase their confidentiality and will have a new structure, providing a heterogeneous unified exchange between various players from Europe;
- Changes and developments in the roles of players within SEN: especially as regards involvement, changing the role of consumers and the energy market by managing their needs and capabilities;

Research and innovation

Current and future challenges for transmission and system operators (TSO) (302-4)

The research and innovation strategy consolidates the Company's vision regarding the sustainable development of the national energy sector, providing support to implement priorities included in the RET Development Plan, sustaining also the implementation of digitalisation. The relevant technological changes that will establish together a new reality in the power systems are provided in the following figure:

Digitalisation

It will lead to higher volumes, quality and topicalness of information about the actual operation of the RET. This will contribute to informed decision-making, better RET planning and maintenance processes, so as to simultaneously minimise risks together with operational costs.

Solar energy

The developments of photovoltaic generating technologies will reduce the solar energy cost up to 40% in the next ten years, while the price of modules will drop more than 20% for each capacity doubling. By 2025 the photovoltaic technology will provide the cheapest electricity generation in many parts of the world.

Energy storage

For its better management in the context of technological development

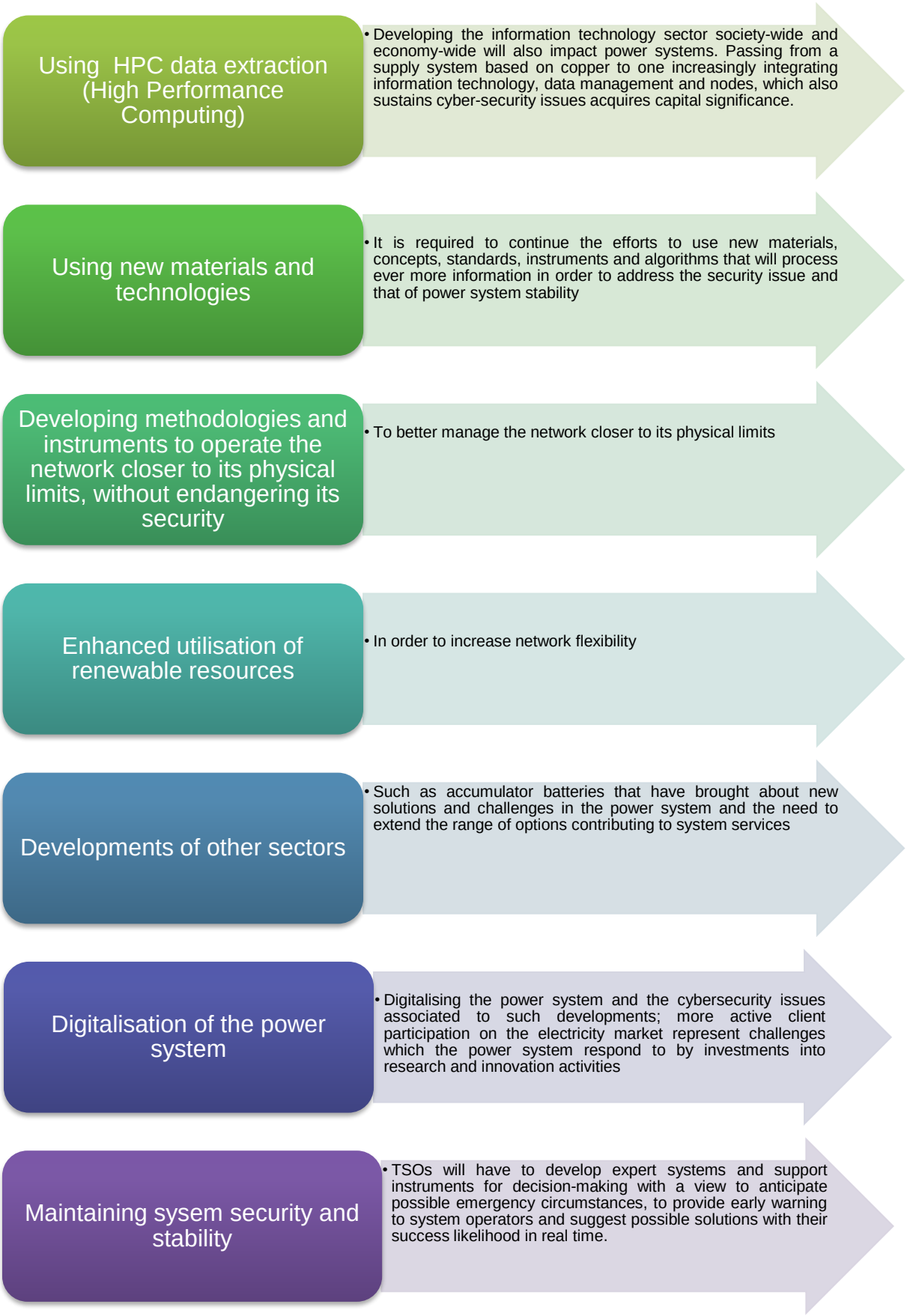
Bidirectional communications

For a better involvement of end clients into the improvement of services they benefit of

Smart grids

Smart grids will begin to provide self-management and will include characteristics enabling self-configuration in order to manage security, safety and reduce losses; self-regulation to approach voltage variations and self-optimisation to damp disturbances. New modelling techniques will be developed for the design, testing and verification of electricity network management.

Main challenges for the operators of electricity transmission systems in terms of research and innovation:



Objectives of the Research and Innovation Strategy (302-4)

The main directions provided in the "Strategy of CNTEE Transelectrica SA for research and innovation" are as follows:

I. Innovation represents the success prerequisite to accomplish the Company's mission and vision;
II. Innovation will be a priority promoted for the Company's basic activities, adding plus value by digitalising processes, improving services and increasing the personnel's performance;
III. Innovative solutions, technologies, systems and concepts necessary for key activities will be implemented in general in the Company when:
    - They have been tested and validated under '*pilot projects'*;
    - Or they have been critically assessed under completed projects in other organisations;
IV. Innovation will be the engine enabling the Company to implement the Learning organisation concepts;
V. Innovation and research will sustain '*Digitalisation'* as a major objective;
VI. In the Company research will focus on developing the following pillars:
    - National and international partnerships in fundamental and technological research (observance of basic principles, formulating concepts regarding technologies for experimental demonstration of such concepts, validating the technologies in laboratories);
    - Partnerships with solution and equipment suppliers for product / technology demonstrations (validating technologies in relevant and operational environments);
    - Partnerships under competitive procedures (to deliver and commission products and solutions);
VII. Personnel participation into events with important innovation & research component both in national and international frameworks (e.g. ENTSO-E, CIGRE, congresses, round tables, symposia etc.) will also include knowledge sharing, spreading best practices etc. within the Company, in an integrated regulated manner;
VIII. Structuring the general and specific objectives in correlation with the methodology promoted into ENTSO-E's research and innovation strategy;
IX. The Company's research and innovation strategy will comply with the centralised organisation model (steering committee, strategy administrator, putting processes under procedures, well defined roles, and objective-centred management);
X. Research and innovation papers will be financed as a priority both from one's own sources and from others, reaching to the level of the most consistent group of European network operators (e.g. non-reimbursable financing programmes, subsidies, grants, partnerships, etc.);

The objectives included in the Research and innovation strategy add value to the following domains:

- The Company's strategic vision;
- Asset management;
- Improved performance indicators (KPI);
- Developing essential capabilities for network operation;
- Human capital policy;
- Organising and running research & innovation activities according to the ENTSO-E model;
- Capitalising the opportunities to improve the Company's performance;
- Developing competence for Company personnel;

- Testing and adopting new technologies, standards, solutions, policies, etc.;
- Smart Grid policy;
- Technical policies regarding digitalisation of RET assets;
- Maintenance and operational activities;
- Defining and implement pilot projects with high innovation content (e.g. Project of digital substation Alba Iulia; projects to monitor the condition of transformers, electric lines, GIS, multispectral scan, use of LIDAR technologies, etc.);
- Developing partnerships with the holders of technologies and solutions;

Also, the research and innovation strategy provides operationalisation for the vision of all stakeholders, in the sense of implementing a flexible infrastructure, open and interoperable under a digital portfolio where traditional processes, especially the manual ones are eliminated or digitalised so that information can be accessible in real time.

The digital transformation of the energy industry will bring about new challenges for the management teams, operational specialists and Company partners. The Company complies with all conditions to become a "Learning organisation" if it fully uses the potential of new technologies with a view to obtain digital transformation.

To sustain such objectives, beginning 2018 the Programme to implement the digital transformation concept (2018-2027) was approved and has been applied.

The actions and activities comprised in the initiatives portfolio of the Digital Transformation plan targets increasing the Company performance by means of:

- Innovation of operational and managerial processes;
- Innovation by introducing digital technologies;
- Innovation by introducing new concepts changing also the Company's business model;
- Developing strategic capabilities in the Company (e.g. personnel, strategic assets, structure, processes, etc);

The strategy sustains that network digitalisation is clear opportunity for an efficient development and management of the power system, which has proved its profitability as regards improving service quality and operational costs.

The following tactical documents were elaborated and approved in view of digitalisation:

Part I: "Technical policy regarding asset digitalisation under the modernising initiatives within CNTEE Transelectrica";

Part II: Concept of "Geographic Information System and Outage Management System";

Part III: Concept of "Testing laboratory for digital technologies and personnel competence";

Part IV: Concept of "Health Centre for RET Assets Condition";

The pilot projects to test the innovative concepts and technologies proposed in the strategic documents approved Company-wide have been launched under DigiTEL acronym.

The objectives provided to be implemented under DigiTEL flag refer to the following targets:

- Implementing, testing and validating the following concepts, methodologies, standards and good practice under upgrade projects:
  - *Online condition monitoring for the Company's critical assets (e.g. transformers, electic lines, etc.);*
  - *Asset management;*
  - *Testing laboratory of digital technologies and personnel competence;*
  - *RET assets health centre;*

- *GIS and OMS systems;*
- *Active health;*
- *Risk index of RET assets;*
- *Methodology to elaborate and implement smart grid concepts (e.g. architectures, interoperability standards, telecommunication standards, clients' interfaces, etc.);*
- *E-learning;*
- *Smart Building;*
- *Augmented / virtual reality;*

- Personnel training and certification to develop strategic capacities in digitalisation;
- Defining and implementing projects with great innovative and learning component (e.g. digital substation, upgrade of IT&C infrastructure, asset management platform, environmental impact equipment, etc.);
- Continued participation under projects of non-returnable finance in order to prepare the adaptation of new models, concepts and methodologies in the Company's operational or enterprise area;
- Further development of partnerships with consultants and the suppliers of solutions and services to understand the new technical and managerial trends which can impact the Company's future performance;

The portfolio of innovative digitalisation projects under DigiTEL:

1. DigiTEL Pilot Project – Refurbishing the 220/110/20 kV substation Alba Iulia as digital substation

The project is elaborating the Terms of Reference to procure a turn-key contract, design, equipment supply, work execution.

General objectives:

- OG1 – Increasing the operational security of the National Power System;
- OG 2 – Standardising the monitoring solutions for RET assets;
- OG3 – Providing interoperatibility between the operational and the organisational levels;
- OG 4 – Implementing the requirements of asset management standards;
- OG 5 – Increasing operational performance;

Specific objectives:

- OSp 1 – Digitalisation of information necessary for managerial decisions;
- OSp 2 – Implementing the health index;
- OSp 3 – Implementing the risk index;
- OSp 4 – Implementing the statistic determination of the lifecycle;
- OSp 5 – Applying the provisions of Smart Grid standards;
- OSp 6 – Improving the quality of decisions on asset operation, maintenance, upgrade or replacement;
- OSp 7 – Optimising expenses during the life of the monitored asset;

The positive effect foreseen from the execution of the investment project:

- Improved operational security of installations by means of activities aimed at:
  - Optimising the primary electric diagram;
  - Upgrading the primary and secondary power equipment;
  - Providing remote control of the entire substation from the central and territorial dispatch centres;
- Improved personnel security;
- Higher quality of electricity transmission services;
- Improved services for the users of the electricity transmission grid;
- Reduced operation and maintenance costs;

- Improved energy performance of the substation;
- Improved operational capabilities necessary to implement standards associated to asset management and smart grids;
- Improved response times in the detection and remedy of non-conformities occurred;
- Improved risk management associated to substation operation and maintenance;
- Reduced environmental impact by using modern equipment and technologies;
- Developing specific competence necessary for digitalisation;

2. DigiTEL Green pilot project – Refurbishing the 220/110/20 kV substation Mostistea as digital substation of low environmental impact

The project is under elaboration of the Conceptual Note.

General objectives:

- OG1 – Increasing the operational security of the National Power System;
- OG 2 – Standardising the monitoring solutions for RET assets;
- OG3 – Providing interoperatibility between the operational and the organisational levels;
- OG 4 – Implementing the requirements of asset management standards;
- OG 5 – Increasing operational performance;

Specific objectives:

- OSp 1 – Digitalisation of information necessary for managerial decisions;
- OSp 2 – Implementing the health index;
- OSp 3 – Implementing the risk index;
- OSp 4 – Implementing the statistic determination of the lifecycle;
- OSp 5 – Applying the provisions of smart grid standards;
- OSp 6 – Improving the quality of decisions on asset operation, maintenance, upgrade or replacement;
- OSp 7 – Optimising expenses during the life of the monitored asset;
- OSp 8 – Implementing the green grid concept ;

The positive effect foreseen from the execution of the investment project:

- Improved operational security of installations by means of activities aimed at:
  - Optimising the primary electric diagram;
  - Upgrading the primary and secondary power equipment;
  - Providing remote control of the entire substation from the central and territorial dispatch centres;
- Improved personnel security;
- Higher quality of electricity transmission services;
- Improved services for the users of the electricity transmission grid;
- Reduced operation and maintenance costs;
- Improved energy performance of the substation;
- Improved operational capabilities necessary to implement standards associated to asset management and smart grids;
- Improved response times in the detection and remedy of non-conformities occurred;
- Improved risk management associated to substation operation and maintenance;
- Reduced environmental impact by using green equipment and technologies: non SF6 gas;
- Developing specific competence necessary for digitalisation;

3. DigiTEL 3D LineVision pilot project (Lidar scan of TEL objectives)

The project aims at testing the new LiDAR (Light Detection and Ranging), RGB (Red, Green, Blue) and infrared technologies, and to assess the benefits of such in case of their wide-scale application in the Electricity Transmission Grid.

The project is in progress, for the time being OHLs involved in this project are scanned.

Benefits:

The main potential benefits brought about by this technology are:

- Reduced inspection time up to 90%;
- Reduced costs of aerial inspections up to 90%;
- Higher security by limiting human intervention;
- Higher efficiency of aerial inspections by covering a larger area compared to conventional terrestrial methods;

Other benefits:

- Training and qualifying the personnel of Transelectrica to operate flying devices;
- Training and qualifying the personnel of Transelectrica to manage and operate spatial data;
- Technical support of CNTEE Transelectrica SA to adopt standards, methodologies and good practice guides for aerial inspections;

4. DigiTEL Smart Vision pilot project – Higher security of operation and maintenance activities of Substation Domnesti by use of digital technologies

The project is elaborating the Terms of Reference to initiate public procurement of design services, equipment supply, and work execution.

General objectives:

- OG1 – Training and preparing operative personnel to perform certain operations;
- OG 2 – Possible operation assisted by experts found far away;

Specific objectives:

- OSp 1 – Fast access to information and technical characteristics of equipment and installations;
- OSp 2 – Augmented vision of equipment and installations of electric substations;
- OSp 3 – Gathering all the information about equipment and installations in a single database with fast access to maintenance and operation procedures;
- OSp 4 – Easy access by means of smart devices;
- OSp 5 – Developing remote technical assistance competence for experts;

Benefits:

- Accessibility from the smartphone, tablet, laptop or smart glass;
- Remote access and control;
- Easy access to documentation necessary for activities (procedures/ technical instructions) and to reports & graphs automatically provided by the augmented reality system;
- On the job training for personnel involved in operation / maintenance;
- Reduced risk of human errors of personnel involved in operation / maintenance;
- Removing the physical (printed) reports and registers by filling them in directly into the existent augmented reality system;

5. DigiTEL Smart Lines project – Optimising the operation of the 400 kV OHLs existent within SEN, used for interconnection and power discharge from the Nuclear Power Plant Cernavoda and renewable power parks

of Dobrogea by installing on-line smart grid type monitoring systems

The project is elaborating the Terms of Reference to initiate public procurement of design services and equipment supply / installation.

The DigiTEL Smart Lines project contributes to achieving the following objectives:

General objectives:

- OG 1 – Providing high availability of RET assets;
- OG 2 – Increased operational flexibility;
- OG 3 – Costs optimisation;

Specific objectives:

- OSp 1 – Digitalisation of information necessary for managerial decisions;
- OSp 2 – Applying the provisions of smart grid standards;
- OSp 3 – Improved personnel performance in taking decisions on asset operation, maintenance, upgrade or replacement;
- OSp 4 – Optimising expenses during the life of the monitored asset;
- OSp 5 – Implementing the health index;
- OSp 6 – Implementing the risk index;
- OSp 7 – Implementing the statistic determination of the lifecycle;

Benefits:

- Obtaining data in real time about the OHL operational and condition parameters;
- Correlation between the real OHL loading, the designed load capacity and meteorological conditions;
- Providing beforehand warning in case of operational problems near or beyond admitted limits (traction forces close to limit, conductor sag beyond the admitted limit, alarming galloping);
- Fast response time for unforeseen situations and higher capacity to respond to bad weather;
- Removing useless and often risky interventions;
- Minimum interruptions within RET;
- Establishing a database in view of assessing the condition and technical lifecycle of OHLs;
- Getting in line with the most recent regulations regarding the reliability of electricity transmission installations in view of improved operation of existent RET, higher SEN reliability and security;

5. DigiTEL Trafo Expert Project – Procuring and installing 21 integrated monitoring systems for transformer units in the substations of CNTEE Transelectrica SA

The project is structured by 3 stages:

- Stage 1 – installing 12 monitoring systems, estimated time 17 months;
- Stage 2 – installing 3 monitoring systems, estimated time 10 months;
- Stage 3 – installing 6 monitoring systems, estimated time 15 months;

At present stage I is underway, to be followed by the other two.

General objectives:

- OG 1 – Providing high reliability of RET assets;
- OG 2 – Higher operational flexibility;
- OG 3 – Costs optimisation;

Specific objectives:

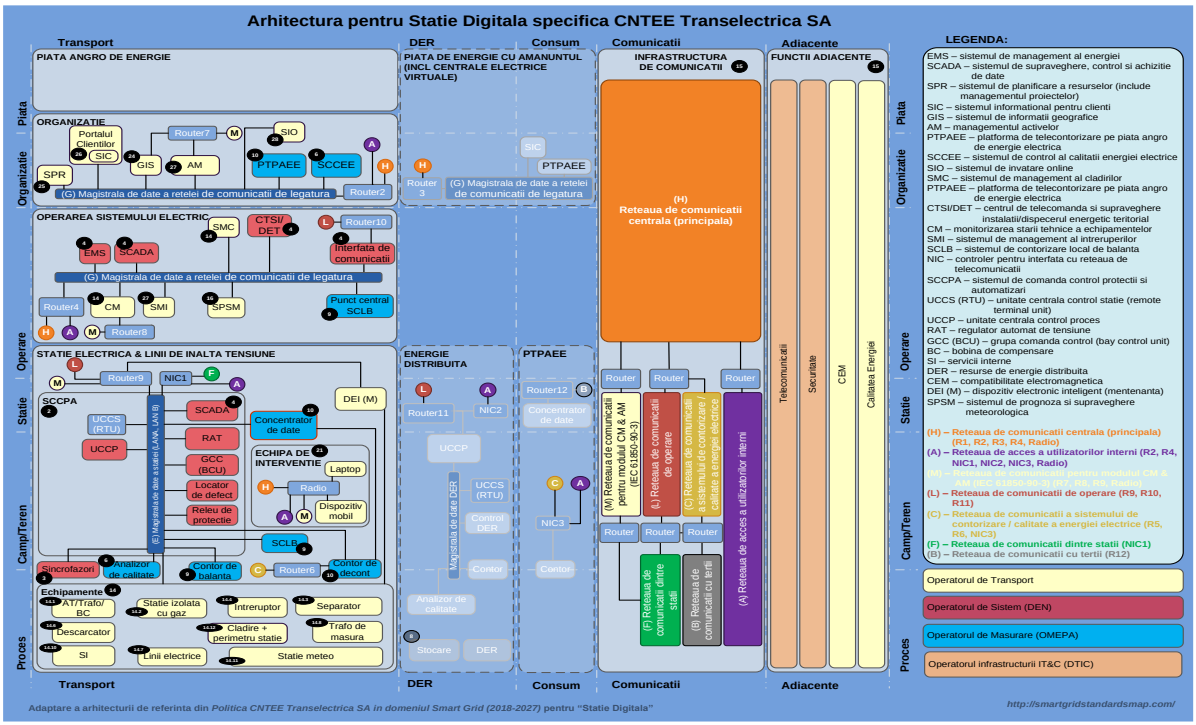
- OSp 1 – Enhanced response capacity upon occurrence of events with particular impact over RET's security and operation;
- OSp 2 – Higher time interval planned for the execution of one preventive maintenance operation to monitored transformer units and reduced costs by intervention types;

➢ OSp 3 – Reduced number of incidents by anticipation based on real data about the vulnerability of the real diagram;

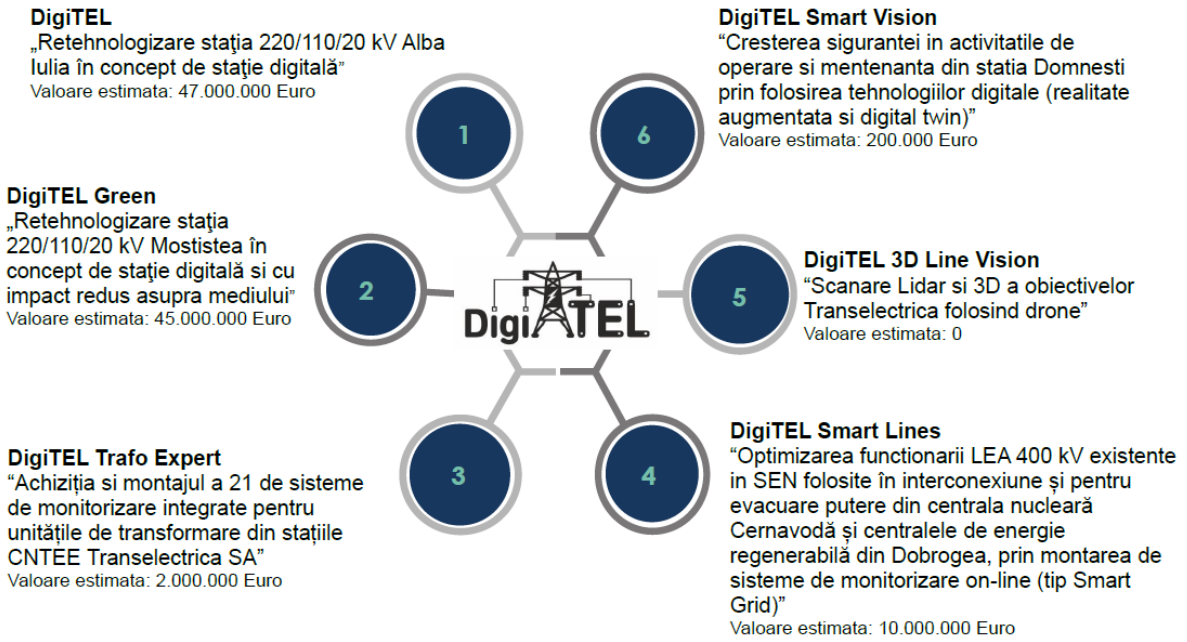
Benefits resulting from the project:

- Higher time interval planned for the execution of one preventive maintenance operation to monitored transformer units and reduced costs by intervention types;
- Reduced number of incidents by anticipation based on real data about the vulnerability of the real diagram;
- Contribution to maintaining in operation the monitored transformer units with expired operational life;
- Reduced cost of electricity not delivered because of power transformers' outage monitored for maintenance or replacement;
- Procuring data under monitoring enables implementing a totally redundant structure of data gathering, with major impact over the verification and removal of wrong data and the decisions based on them;

Digital Substation architecture specific to CNTEE Transelectrica SA



New solutions to implement smart grid concepts within RET (portfolio of innovative digitalisation projects under DigiTEL acronym)



Asset management challenges for Transmission and System Operators (TSO)

Transelectrica's smart grid policy assumes objectives and targets for the following 10 years and also sustains the asset management strategy of Transelectrica.

From the smart grid perspective asset management will enable important developments in the following domains*:*

• **Network planning** (the new asset management methods will enable a more efficient network planning by extending the infrastructure, which allows monitoring the condition of network assets, thus enabling a more performing maintenance and development programme);

• **Network operation** (dynamic asset management instruments will enable additional proactive measures meant to improve network security and resilience; monitoring the condition of network assets will enable network operators to use the full asset capacity, thus enhancing network resilience and continuity);

• **Socio-economic impact** (asset management innovation can improve network development by balancing various risk issues in system operation and can contribute to reducing the defect rate within systems);

Concepts will be operationalised by means of the technical policy with respect to asset digitalisation under the modernisation initiatives of Transelectrica.

This document will be used and applied by the Company's organisational entities and also by the providers of design services:

- Into the implementation of Company projects for development of RET assets which promote:
  - ✓ Fully the digital substation concept;
  - ✓ Partially the digital substation concept (sustaining digital transformation of the Company);
- To elaborate design documentations by:

- ✓ The Company;
- ✓ The design service provider;
- ✓ Work contractor:

The pilot project which will test the innovative concepts and technologies proposed under the strategic documents approved Company-wide is refurbishment planned of the 220/110/20 kV substation Alba Iulia, which will be 100% digital.

Benefits in the application of smart grid concepts and standards (302-5)

The benefits of applying smart grid concepts and standards to sustain a performing asset management:

- Improved financial performance;
- Well consolidated decisions regarding investments and asset maintenance;
- Risk management associated to the operation of power systems;
- Improved services and results;
- Higher operational efficiency and effectiveness;
- Extending the assets' lifecycles;

Periodical preventive maintenance activities relying on the reliability of network assets will sustain the network operators' decisions with a view to improve the general resilience of power systems, thus contributing to a higher integration of energy sources.

To improve risk management within transmission networks one needs to implement predictive maintenance policies based on more accurate estimations of asset lifetime.

Real time monitoring of power flows within networks and the condition of network assets can significantly contribute to decisions made for asset management (maintenance, upgrade, and replacement).

About this report (102-3, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55)

Transelectrica has been publishing the fourth sustainability report, which continues the road began in 2018 using the previously acquired experience to present ever more relevant indicators for stakeholders.

This report has been executed in accordance with the Global Reporting Initiative Standards (GRI Standards – Core option) and it comprises the reporting interval 1 January 2021 – 31 December 2021.

The information included in the Sustainability Report of Transelectrica are not dealing in exhaustive manner with the non-financial Company aspects, however it relies on what stakeholders have notified as being domains of interest. This report brings about, besides updated information about indications known from the past, new items that place the Company on the line of institutions paying additional attention to globally important areas – environmental protection, employees' protection and welfare, reduced gender inequality or promoting sustainable activities.

We have further selected this reporting standard in order to make certain stakeholders receive relevant information in compliance with present-day trends worldwide, without limiting ourselves to compulsory subjects for reporting as specified in applicable legislation.

Thus, furthering the reporting practice Transelectrica intends providing annual reporting of non-financial information.

The contact point for questions or for any other additional information is in the central office of Str. Olteni 2-4, Bucharest 3, Department of Non-Financial Reporting and Corporative Responsibility from Transelectrica.

General aspects

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AGA – Shareholders' General Assembly
ANRE – National Regulatory Authority in Energy
BVB – Bucharest Stock Exchange
CE – European Commission
CPT – One's Technological Consumption
CRE – Romanian Energy Centre
dB – decibels
EGRC – Risk management team of the Company
ENTSO-E – European Network of Transmission System Operators for Electricity
GRI – Global Reporting Initiative
GWh – Gigawatt hour
KPI – Key performance indicators
kV – Kilo-volt
LEA / OHL – Overheal electric lines
MW – Megawatt
MWh – Megawatt hour
OTS – Transmission System Operator
PZU / DAM – Day-Ahead Market
PI – Intraday Market
PE – Balancing Market
RET – Electricity Transmission Grid
SEN – National Power System
SNA – National Anticorruption Strategy
TWh – Terrawatt hour
UNO-DEN – Operational Unit - National Power Dispatcher