

Non-financial Consolidated Report of Transelectrica 2021



Statement of responsible persons

The information provided in the Non-financial Consolidated Report of 2021, elaborated in accordance with the provisions of European Directive 2014/95/EU transposed in the Romanian legislation by Ministry of Public Finance's Order 1938 of 17 August 2016, provides accurate image consistent with true facts about the non-financial issues, part of performed activities that impact the Group's development and sustainability.

This report provides only the new elements compared to the 2021 Sustainability Report, which come out from the detailed non-financial activities specific of studied subsidiaries, the Electricity and Natural Gas Market Operator OPCOM SA, Company FORMENERG SA, Company for Maintenance Services in the Electricity Transmission Grid Smart SA and Company of Telecommunication and Information Technology Services into Electricity Transmission Grids TELETRANS SA.

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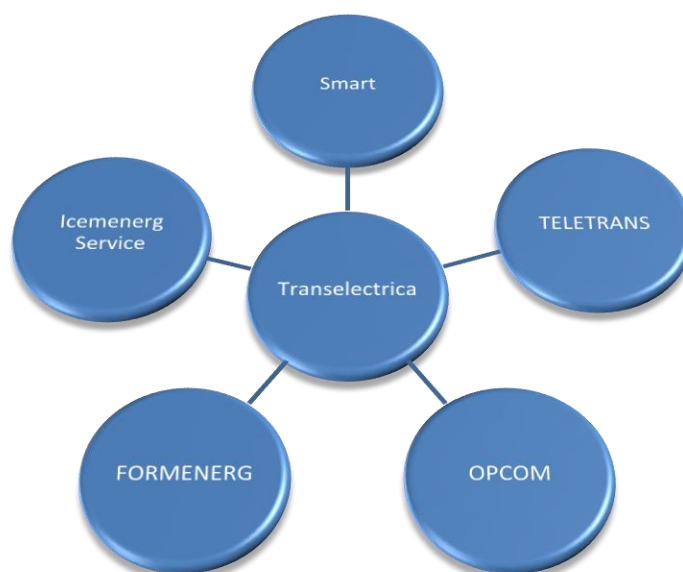
1. General presentation

On the date of this report CNTEE Transelectrica SA comprises five subsidiaries as follows:

- Company Electricity and Natural Gas Market Operator OPCOM SA (hereinafter OPCOM SA);
- Company for Maintenance Services in the Electricity Transmission Grid SMART SA (hereinafter SMART SA);
- Company FORMENERG SA (hereinafter FORMENERG SA);
- Company for Telecommunication and Information Technology into Electricity Transmission Grids TELETRANS SA (hereinafter TELETRANS SA);
- Company ICEMENERG-SERVICE SA (hereinafter ICEMENERG-SERVICE SA) ;

Only four of these (OPCOM SA, FORMENERG SA, Smart SA and TELETRANS SA) are included in the Group's non-financial consolidated report. ICEMENERG SERVICE SA has not been taken into account because its impact is considered insignificant, being also omitted from the annual consolidated reports of the National Power Grid Company Transelectrica SA (hereinafter CNTEE Transelectrica SA, Company).

Consequently with the exception of this presentation section, only the four main important companies of the Group will be taken into consideration.



Mention should be made the non-financial consolidated report provides only the new elements compared to the Sustainability Report 2021, which come out from details of non-financial issues specific of subsidiaries OPCOM SA, Smart SA, TELETRANS SA and FORMENERG SA. At the same time the detailing of information provided for each company individually is directly proportional to the amount of activities performed under the topic discussed.

• OPCOM SA

Company Electricity and Natural Gas Market Operator OPCOM SA (hereinafter OPCOM) was established in August 2000 based on Romanian Governmental Decision 627/13.07.2000, being a joint-stock company with legal personality of CNTEE Transelectrica SA (Romania's Transmission System Operator).

- **Smart SA**

Smart SA was established in 2001 by HG 710/19.07. 2001 on establishing the Trading Company Subsidiary for Maintenance Services in the Electricity Transmission Grid Co. Smart SA by reorganising certain activities of the National Power Grid Company Transelectrica SA. The company's headquarters is found at Blvd. Magheru 33, Bucharest 1, Romania. The correspondence address is Blvd. Gh. Sincai 3, Bucharest 4.

- **FORMENERG SA**

The main business of FORMENERG SA is the provision of professional training services, namely initiation, qualification, improvement, specialisation, requalification in various domains. The secondary activity of FORMENERG SA consists of accommodation services in its own hostel, which has been licensed by the National Tourism Authority for 3 stars (***) by Classification Certificate 9596/6526 of 19.02.2018, both for its own trainees and for simple tourists, having contractual relationships with different beneficiaries and tourism agencies.

- **TELETRANS SA**

TELETRANS SA performs as telecommunication and information technology operator, providing specific services for CNTEE Transelectrica SA and on the telecommunications market. The main categories of provided services are:

- Process information services, consisting in the management and maintenance of the Company's process information systems (data gathering by RTU or CCP, EMS/SCADA, tele protections, ENTSO-E node, the balancing market);
- Telecommunication services with priority serving the activities of the System Operator - the National Power Dispatcher (data transmission for process information, operative phone services) and provision of the (data-voice) communication infrastructure for the managerial activities of CNTEE Transelectrica SA, as well as other IT systems;
- Information technology services providing the entire range of administration, maintenance, cybersecurity, internet, networking services associated to all IT systems which do not belong to process information;

- **ICEMENERG SERVICE SA**

In 2004 HG 2294/2004 on the reorganisation of the National Power Grid Company Transelectrica SA and of ICEMENERG SERVICE SA by absorbent merger approved reorganising ICEMENERG SERVICE as subsidiary of CNTEE Transelectrica SA, fully-owned. ICEMENERG SERVICE SA provides services such as: manufacture of electricity distribution and control appliances. For the time being the company is under bankruptcy procedure. On 31.12.2017 Mr. Nicolae Dula was the company's special administrator while Solvendi SPRL was its judiciary administrator.

2. Brief description of the entity's business model

Smart SA

Smart SA has as main business the repair of electric equipment according to NACE code 3314.

This code includes activities regarding design and execution of electric installations; providing revisions, repairs and remedies of incidents to primary and secondary equipment of the 0.4 kV-750 kV electric networks; providing energy services; micro-production of electric equipment;

Smart SA performs also other activities such as:

- Expertise, diagnosis and technical analysis;
- Configurations, controls and parameter-setting of command - control systems;
- Refurbishment and upgrade of electric substations and overhead lines;
- Live work;
- Rehabilitation of transformer insulation;
- Special measurements;
- Design, consultancy and assistance, etc.

Smart SA has designed, documented and implemented an Integrated Management System for quality, environment, labour security and health according to the requirements of the following reference standards:

- ISO 9001:2015 Quality management system; requirements - for quality;
- ISO 14001:2015 Environmental management system; specifications and utilisation guide - for environment;
- OHSAS 18001:2007 Management systems of occupational security and health - for labour security;

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

Smart SA has been licensed by CNCAN to provide services for nuclear installations and constructions. It has been certified by the National Regulatory Authority in Energy for all work types subjected to attestation. It holds permits issued by MAI-IGSU to install and maintain fire limiting and extinguishing systems and installations, except for those containing certain fluorinated greenhouse gases; to install and maintain signalling systems and installations; fire signals, alarms and alerts; design signalling systems and installations. Smart SA has a multi-site type test laboratory chartered by RENAR.

On 31 December 2019 the share capital of company Smart SA was 55,036,300 Lei, divided into 5,503,630 nominative shares, each of 10 Lei.

On 31 December 2020 the share capital of company Smart SA was 38,528,600 Lei, divided into 3,852,860 nominative shares, 10 Lei each, which was maintained on 31.12.2021 as well.

The shareholder structure on 31 December 2021 was the following:

- Shares from 1 to 3,852,860, namely 100% are held by the sole shareholder CNTEE Transelectrica SA seated in Bucharest 1, Blvd. Gh. Magheru 33, registered in the Trade Register under number J40/8060/2000, CUI 13328043;

Smart SA comprises the Internal Audit Office, the Financial Managerial Control Compartment and the Integrated Management Quality, Environment & SSM Compartment - Internal Managerial Control.

Such services and compartments have implemented the company's internal managerial control. The company's internal control verifies the compliance of decisions made by the

company's management with applicable legislation, the good operation of the company's internal activities, the reliability of financial information, the effectiveness of the company's operations, the efficient utilisation of resources, risk prevention and control to avoid their impact over targeted activities. Internal control includes clear definition of responsibilities, resources and proper procedures, information modes and systems, adequate instruments and practice, as well as internal spreading of pertinent reliable information which, known by all, enables everyone to exercise his/her responsibility.

The Company for Maintenance Services in the Electricity Transmission Grid SMART SA has designed, documented and implemented an Integrated Management System for quality, environment, labour security and health according to the requirements of the following reference standards:

- ISO 9001:20015 Quality management system; requirements - for quality;
- ISO 14001:2015 Environmental management system; specifications and utilisation guide - for environment;
- OHSAS 18001:2007 Management systems of occupational security and health - for labour security;

The Integrated Management System quality-environment-labour security and health has been certified by SRAC and IQNet by certificates 1111/21.12.2017 for ISO 9001:2015, 112/21.12.2017 for ISO 14001:2015 and 139/21.12.2017 for OHSAS 18001:2007, with annual supervision. The company secures its clients its provided services are at least compliant with the specified requirements by means of the integrated management system.

Also, Smart SA has obtained licence from CNCAN for the quality management system in the nuclear domain, namely: Licence 19-045 to provide services to nuclear installations, valid until 03.11.2021 according to Orders 65, 66, 71, and 72/2003 of CNCAN president.

FORMENERG SA

FORMENERG SA has been the main provider of professional training services in Romania's energy sector, with 50 years' experience in this domain; however these last years the company extended its client portfolio and service range, now providing annually for almost 400 trainees more than 300 courses in varied domains: MBA, management, marketing, finance, accounting, legislation, information, quality, environment, occupational security & health, constructions, energy strategy, communication, human resources, foreign languages, European funds, public procurement, technical courses and specific to the energy sector.

This organisation has operated until 1990 within the Ministry of Electricity under the name of Workers' Qualification Centre, dealing with the improvement of professional training of all wage-earners from the National Power System.

The main business of FORMENERG SA is to provide professional training services, namely initiation, qualification, improvement, specialisation, requalification in various domains.

As secondary activity FORMENERG SA provides accommodation services in its hostel, which has been licensed by the National Tourism Authority for 3 stars (***) by Classification Certificate 9596/6526 of 19.02.2018, both for its own trainees and for simple tourists, having contractual relationships with different beneficiaries and tourism agencies.

The European Occupational Strategy establishes as target: in European Union the average learning participation rate should be at least 12.5% of adult population aged for work (24 – 64) during all their life.

The professional training market is the main influential factor of an organisation's revenues. As we know, Romania has many paradoxes. One of them is we have many professional training programmes, seminars, workshops and many diplomas granted.

Nevertheless, the number of professional employees confirming value generated by such training is very little, and the competence they acquire leaves much to be desired. If we examine the effective results of the business environment with respect to the quality of recruited people, we can find significant differences between estimations and results in terms of added value by people specialised in various domains. Therefore, this obvious question arises: *“Why, in spite of the abundant training programme offers we are so de-professionalised?”*.

The client portfolio of FORMENERG SA includes more than 300 institutions and trading companies both of the energy sector and in other national economy sectors. In general FORMENERG SA is addressed to institutional clients that, based on annual training budget send their own employees to professional instruction. The most important clients are: national companies (HIDROELECTRICA SA, ROMGAZ SA, TRANSGAZ SA, ELECTRICA SA, CNTEE TRANELECTRICA SA and its subsidiaries, and ANRE); Ministries (Ministry of Economy, Energy and Business Environment, Ministry of Internal Affairs, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Transportation, MDRAP etc.); public institutions (County Councils, Prefect's Offices and Townhouses); private companies (E-ON MOLDOVA SA, MITTAL STEEL SA, ENEL SA, etc.).

The professional training services provided by FORMENERG SA in 2021 were of high quality, especially the training programmes with the Ministry of Economy and Business Environment. As regards the provision of new courses, FORMENERG SA will turn especially to classic ones but also to courses adapted to the market's permanent needs, targeting authenticity, development and communication of a vision, the ability to sell ideas, to tell a story and convince people, curiosity and creativity. Also, business simulations will be taken into account (in proper forms), experiential programmes and whatever self-knowledge means, etc.

The purpose of FORMENERG SA is to enable access to professional training courses for as many participants as possible, providing them with the possibility to get involved in their own future career. The exigencies of tomorrow transformed knowledge and efficiency into the unanimous purpose of professional training programmes. In a context of fast changes and ferocious expedited competition on the labour market, training becomes premise of performance. The challenge to get course topics adapted to novelty stems forth precisely from such dynamics required by the deep information need both in theory but more so in practice. The success rate of professional training programmes is strongly correlated with the personal resources of those who learn and with their structure and personalisation according to such resources.

OPCOM SA

OPCOM SA performs in accordance with the Electricity and natural gas law 123/2012, with later amendments and additions, of Law 220/2008 republished establishing the promotion of electricity generation from renewable sources, with later amendments and additions, of the secondary legislation issued and approved by the National Regulatory Authority in Energy (ANRE), and according to the provisions of licences granted by ANRE - Licence 407 to manage centralised electricity markets and Licence 2270 to manage centralised natural gas markets, namely the provisions of Decision 2085/11.12.2019 (formerly Decision 2515/14.12.2015) of ANRE President, according to which OPCOM SA was designated nominated electricity market operator (NEMO) to provide the coupling of the DAM and PI in Romania's bidding zone as per the provisions of Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management.

The activity and development of OPCOM SA are performed so as to provide the company's compliance with the objectives and responsibilities devolving to it in accordance with the governing programme, the national energy strategy, governmental memorandums and decisions, the agreements assumed by the Romanian State towards international financial institutions. At the same time, OPCOM SA by its activity and development complies with the provisions of European legislation applicable to its role and responsibilities (among others, Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management, Regulation (EU) 2011/ 1227 of the European Parliament and of the Council regarding the integrity and transparency of the wholesale electricity market and Commission Regulation for application (EU) 1348/2014 on data reporting, to apply article 8, paragraphs (2) and (6) of Regulation (EU) 1227/2011 of the European Parliament and of the Council regarding the integrity and transparency of the wholesale electricity market, and Regulation (EU) 2019/943 of the European Parliament and of the Council regarding the internal electricity market, Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on the common norms for the internal electricity market amending Directive 2012/27/EU, other terms, conditions and methodologies elaborated according to relevant European regulations.

The results obtained, the complex expertise accumulated and its performance proved during its entire operation justify the conclusion that OPCOM SA represents a fundamentally necessary component of Romania's power market, experienced in the application of the best European practice. The continuous enhancement of confidence and sustainable credibility enjoyed by OPCOM SA fully support such appreciation.

OPCOM SA has activity profile and responsibility specific for the power market, providing fair operation during its long-lasting activities, as well as dynamic sustainable balanced development. A permanent concern of OPCOM SA is dedicated to diversifying its products portfolio and to supporting the integration of Romania's power market into the single European one, by applying the best European practice and providing market participants with highly qualitative services, varied products under totally equidistant transparent conditions, as well as in accordance with the provisions of the national primary and secondary legislation, and the European one as well.

The main responsibilities of OPCOM SA are:

- Organiser and administrator of the Day-Ahead Market for electricity, namely operator of the electricity market designated by ANRE to carry out the tasks for the single day-ahead markets coupling;
- Organiser and administrator of the Intraday Market for electricity, namely operator of the electricity market designated by ANRE to carry out the tasks for the single intraday markets coupling;
- Organiser and administrator of the Centralised Market of Bilateral Contracts for electricity by means of: extended auction and products providing transaction flexibility; continuous negotiation; processing contracts;
- Organiser and administrator of the Centralised Market for electricity from renewable sources, sustained by green certificates;
- Organiser and administrator of the Centralised Market with double continuous negotiation of bilateral electricity contracts;
- Organiser and administrator of the Centralised Market of Universal Services;
- Organiser and administrator of the Centralised Market meant to attribute electricity contracts for long delivery periods;
- Organiser and administrator of the Electricity Market for Large End Customers;

- Organiser of the Green Certificates Market, administrator of the Centralised Anonymous Spot Market of Green Certificates and of the Centralised Anonymous Market of Green Certificates and of the Green Certificates Register;
- Organiser and administrator of the Centralised Natural Gas Market by means of: public auction; bid and negotiation; OTC contracts;
- Organiser and administrator of the Day-Ahead and Intraday Natural Gas Market;
- Settlement Operator by providing collection / payment / guarantee / compensation for the Day-Ahead Market of electricity, namely natural gas, as well as for the Intraday Market of electricity, namely natural gas;
- Establishing payment liabilities / collection rights for TSO and participants on the Balancing Market for transactions performed, determining the single final prices, the final deficit and final excess prices, as well as establishing quantitative and value imbalances of the Balancing Responsible Parties;
- Supervision of managed markets;
- Gathering and publishing statistical market data, according to the provisions of the Electricity and natural gas law, with later amendments and additions;
- Registered Reporting Mechanism (RRM);
- Performing its responsibilities as Essential Service Operator according to Law 362/2018 regarding provision of high common security of IT networks and systems;
- Active participant on the European electricity market, which has the single European market as target;

As regards integration in the mechanisms of the single European market OPCOM, together with the other national entities involved should provide implementation of the framework, mechanisms and technologies representing elements of the European solutions for single day-ahead and cross-border intraday markets coupling.

OPCOM is directly involved in the overall European efforts dedicated to establishing single electricity market, being fully integrated and committed in a series of European and regional cooperation according to its profile, being strongly fastened into the European efforts dedicated to such objective:

- OPCOM is fully integrated and committed in the implementation of both SDAC and SIDC (Single Intra-Day Coupling), which means the associated contractual framework, development, implementation and operational activities in accordance with the fore-mentioned Regulation, considering its NEMO capacity for the two transaction horizons;

- Beginning with 19.11.2014 Romania's Day-Ahead Market of electricity managed by OPCOM has operated under coupled regime ("4M MC") with the similar markets of the Czech Republic, Slovakia and Hungary based on price coupling of regions, PCR, European markets coupling solution used in the entire multi-regional coupling, MRC which means price-coupling of several regions: CWE, SWE, IBWT, Nordic, GB etc. which, once the OCP Plan has been approved by European national regulatory authorities it has become the solution applied to constitute and operate SDAC (Single Day-Ahead Coupling). On 17 June 2021 the intermediate coupling project was successfully launched based on NTC for the markets of Germany, Austria, Poland and the states of the 4M MC (DE-AT-PL-4M MC, Interim Coupling project) with the remaining coupled European region, following request of the national regulatory authorities from the states involved in view of initiating a project for such objective, thus furthering the development steps to integrate day-ahead electricity markets and providing the sustainable stage of SDAC, as the final objective is to reach maximum flow coupling (FB MC – Flow-Based Market Coupling). The integration of all Romanian borders, EU-internal, has continued by

successfully integrating the Romanian-Bulgarian frontier in the European coupling by implicit auction, by implementing the day-ahead electricity markets coupling of Romania and Bulgaria, which was successfully launched for commercial operation on 27.10.2021. Mention should be made OPCOM is full member of the project dedicated to price coupling of regions, PCR namely co-owner of this solution next to EPEX SPOT, GME, OMIE, Nord Pool EMCO, OTE, TGE, HEnEx and Nasdaq.

- OPCOM has proceeded to final testing and preparations in view of launching CORE FB MC project, planned for the 2nd quarter of 2022;

- OPCOM, in capacity of co-owner of PCR assets began provision of coupling services (both implementing the infrastructure and providing operational services after implementation) to OKTE (Slovakia's NEMO) under the Interim Coupling cooperation (and under 4M MC before this) and will continue under the maximum flow coupling as well, Core FB MC.

- As far as SIDC is concerned, beginning with 19 November 2019 Romania's Intraday Market of electricity has operated under coupling, in 2021 SIDC including the intraday markets with continuous transaction of 22 countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Italy, Hungary, Latvia, Lithuania, Luxembourg, Norway, the Netherlands, Poland, Portugal, Romania, Slovenia, Spain and Sweden, taking into account the possible implementation of cross-border transaction of 15 minutes' products on both borders, RO-HU (in February 2021) and RO-BG (planned for quarter 2/3, 2022).

- In its NEMO capacity OPCOM participates to the application of provisions from Regulation (EU) 2015/1222 applicable for markets coupling in these horizons. Mention should be made in this capacity OPCOM participates to the cooperation of all European NEMOs, to the common tasks of operators nominated to participate into the day-ahead markets coupling and intraday markets coupling as application of Regulation (UE) 2015/1222, including the context of the multi-party European cooperation dedicated to preparing and implementing the single European coupling in the fore-mentioned horizons. In terms of furthering the development of short-term electricity markets coupling OPCOM is involved in the possible introduction of transactions for 15 minutes' products on the Day-Ahead Market, and in the implementation of intraday auction in order to establish the SIDC capacity price.

- In the reporting context provided in the Regulation OPCOM has been qualified by ACER as Registered Reporting Mechanism with a view to report offers and transactions established by participants on Romania's wholesale electricity market. Also, in terms of Regulation (EU) 1227/2011 on the integrity and transparency of the European wholesale electricity market OPCOM has involved in the working groups of ACER (Agency for the Cooperation of Energy Regulators) in order to implement this Regulation (the Market Supervision Forum and ad-hoc Groups to define the application norms / guidelines).

To guarantee the quality of provided services based on licences to third parties and involved authorities OPCOM applies a Quality management system certified by Lloyd's Register Quality Assurance, according to ISO 9001 – SR EN ISO 9001. At the same time to guarantee security, confidentiality and availability of information to stakeholders OPCOM applies an Information Security Management System certified by Lloyd's Register LRQA, according to ISO/IEC 27001– SR ISO/IEC 27001. Also, in the context of Law 362/2018 providing a common high security of IT networks and systems OPCOM SA was recorded by Decision CERT-RO 5018/II/A of 15.02.2021 in the Register of Essential Service Operators in Energy, subsectors Electricity and Natural Gas.

Its performance and participation both nationally and in the specific markets-coupling context, its regional and European presence in the concerns and projects with final objective to

make the single pan European market operational, its fairness, stability and performance justify us to state OPCOM has been, still is and will represent fundamental strategic component of Romania's energy sector, a vector of stability and social welfare.

TELETRANS SA

TELETRANS SA operates a transmission infrastructure based on NZ-DSF (ITU-T G665) optical fibre support, included in the protection conductors of the 220 kV and 400 kV (OPGW) overhead lines.

The geographical coverage of its infrastructure is national and about 5,000 km long, with more than 150 transmission nodes and access to the optical fibre network, with points in 35 county centres, cross-border links in the region (Hungary, Bulgaria and Serbia) and structured network. This network is extending both by new links, given the new transformer substations built, and by new cross-border links to be made (with Republic Moldova and Turkey).

For the time being TELETRANS SA operates two data networks:

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

Most activities of TELETRANS SA are represented by IT&C services for CNTEE Transelectrica SA - above 95% of the company's turnover, the remaining 5% being represented by services provided to other clients, generically called "third clients".

Services provided to CNTEE Transelectrica SA are based on contracts for the provision of IT and telecommunication services for the parent company, which regulates the SLA type services (providing availability of IT & telecommunication equipment and systems), as well as order based services for not repeated activities when they occur. The main categories of provided services are:

- Process information services, consisting in the management and maintenance of the Company's process information systems (data gathering by RTU or CCP, EMS/SCADA, tele protections, ENTSO-E node, the balancing market);
- Telecommunication services with priority serving the activities of the System Operator - the National Power Dispatcher (data transmission for process information, operative phone services) and provision of the (data-voice) communication infrastructure for the managerial activities of CNTEE Transelectrica SA, as well as other IT systems;
- Information technology services providing the entire range of administration, maintenance, cybersecurity, internet, networking services associated to all IT systems which do not belong to process information;

The services provided by TELETRANS SA to CNTEE Transelectrica SA include a particular category for the activities of the National Power Dispatcher, DEN. The strategic nature of DEN activities extended over IT&C services as well, the target being to provide high availability and provision for 24 hours a day / 7 days a week. To provide continuity of such services TELETRANS SA organised accordingly, having dedicated personnel in each UNO DEN office (both at the National Power Dispatcher's and at Territorial Power Dispatchers'), with permanent shifts in these locations.

TELETRANS SA has participated constantly to the design, implementation and management of process information and telecommunication systems and works in close

cooperation with DEN personnel that operates EMS/SCADA systems, the Balancing Market's and the ENTSO-E Node's.

Services are provided to third clients by concluding telecom service contracts by TELETRANS SA on behalf of CNTEE Transelectrica SA, on account of the public telecommunication network of Transelectrica/TELETRANS, marketing capacities and infrastructure elements consisting of capacities and flows achieved by new telecommunication equipment and/or interfaces procured by TELETRANS SA in this respect, operating on separate fibres:

- IP services: Internet, virtual private network/VPN, electronic messengers;
- Value added telecommunication services: data transmission, data flows type time division multiplexing/TDM (SDH);
- Collocation: access & location facilities and associated services;

When developing contracts with CNTEE Transelectrica SA and third clients the provision of TELETRANS SA has maintained constantly at qualitative parameters according to requirements, providing:

- Maximum SLA (99.98%);
- Avoiding by proper back-up the occurrence of major failures turning major systems unavailable;
- Technical solutions providing activity continuity in difficult circumstances;
- Developing, based on orders, software applications necessary for the activities of the parent company;
- Integrating important IT systems;

3. Describing the policies adopted to achieve the company's objectives

Smart SA

Smart SA would like to consolidate its position on the service market in electric installations, nuclear domain included, both internally and externally by diversifying its activities.

In this respect, the top management establish annually the company's SIM Policy as integrant part of general strategy and take into account planned efficient sustained action dedicated to the operation of the Integrated Management System in the entire structure and all its activities, economic ones included. The policy establishes the general objectives from which the specific ones are derived, established at entity level. They are measurable and feasible, so they can be easily assessed. There are annual management meetings to assess objectives, following which a new objective planning results and improved activity plans.

The priority objective and permanent concern of each employee is to satisfy our clients' requirements and expectations, executing work under qualitative safe prompt efficient conditions while protecting the environment and providing personnel security and health, both to maintain the confidence of current clients and to gain new potential customers.

The general objectives assumed by Smart SA are:

- Continuous development and improvement of basic activities, improved financial performance;
- Satisfying the most exigent client requirements, nuclear domain included, by providing qualitative services upon established deadlines under contracts, while observing applicable technical regulations and their monitoring;

- Continuously improving the performance and effectiveness of the Integrated Management System for Quality, Environment, Labour Security and Health certified by SRAC and IQNet for conventional domains and licensed by CNCAN for nuclear activities;
- Higher environmental performance to prevent and fight pollution, limit the negative environmental effects, acting especially over the significant environmental issues;
- Higher performance in terms of labour safety and security with a view to reduce accident and professional illness risks for all persons participating in work processes;
- Compliance with legal and other requirements;
- Improving the professional training of all personnel by qualification, instruction and awareness;
- SRAC and IQNet recertification of the Integrated Management System according to ISO 9001 ISO 14001 standards 2015 edition and to OHSAS 18001:2007;
- Maintaining ANRE's attestation for the company and personnel;
- Relicensing by CNCAN for construction-installation and for service provisions to nuclear installations;
- Improving the internal managerial control system; general objectives are transposed into specific ones in organisational entities (subsidiaries, divisions, centres, workshops, departments, offices, compartments, etc.), quantifiable and measurable, so as to contribute efficiently to the global indicators of Smart SA.

OPCOM SA

a. Global development strategy of OPCOM SA in 2021-2023

The global development strategy in 2021-2023 of OPCOM SA relies on the following general principles:

- i. Enterprising action as necessary to accomplish the mission of OPCOM SA to provide reference electricity prices and price signals in due time for electricity and natural gas, meant to increase the general transparency and integrity of Romania's wholesale electricity market, while supporting the market liberalisation and integrating it into the single European one;
- ii. Developing those market mechanisms for electricity, natural gas transaction and associated market products; improving the current market mechanisms for all time horizons in transaction, so they can support the objectives of national energy as established by the specific national legislation;
- iii. Getting integrated into the mechanisms of the single European electricity market, objective for which OPCOM SA, together with the other national entities involved should enterprise action necessary in the context of European legislation and decisions being applied in order to establish and operate the single European electricity market, including participation to bilateral regional and pan-European cooperation dedicated to electricity markets coupling for the day-ahead and cross-border intraday horizons;
- iv. Furthering the corporative technical and technological development so that OPCOM SA can permanently reliably and safely accomplish the responsibilities attributed to it in the legislation in full conformity with the provisions of the national primary and secondary legislation and of the applicable European legislation and supervising the harmonisation of its development with the evolution of the market's commercial mechanisms, trends and risks, as well as the market's maturity;
- v. Further application of modern management measures under superior qualitative conditions and providing company management with full compliance of applicable legislation, under efficient effective conditions;

vi. Furthering the corporative development with a view to maintain stable sound company operation, while providing accomplishment of entire responsibility, continuity and high performance, as well as efficient implementation of development programmes;

vii. Implementing changes as necessary to determine single final prices, final deficit and excess prices, and to establish the quantitative and value imbalances of Balancing Responsible Parties according to the provisions of Order 127/ 08.12.2021 of ANRE president approving the Regulation on the clauses and conditions for balancing service providers and for the suppliers of frequency containment reserve and of Regulation on the clauses and conditions for balancing responsible parties and amending and cancelling orders of ANRE president;

viii. Implementing 15 minutes' contracts with possible transaction at this granularity on the Romanian-Bulgarian border beginning with quarters 2-3, 2022, when the 15 minutes' transaction has been already implemented on the Romanian-Hungarian frontier in February 2021 within the single European intraday market (SIDC), in the context of requirements from European regulations and correlated also with the rules and implementation schedule of measures necessary to provide settlement at 15 minutes, approved by ANRE, contributing to balancing the commercial positions of participants before delivery time;

ix. Further provision of a wide varied range of products and instruments to the disposal of market participants based on framework / standard contracts / EFET/ proposed by the initiator, which are destined to weekly / monthly / quarterly / annual / multi-annual delivery periods for a wide variety of supply profiles, namely band / peak / off-peak, all these resulting in a diversified matrix with 233 instruments in order to satisfy any offering strategy and to take into consideration the specific generating sources (renewable, conventional, hydro, etc.) or the variation of load profiles given the different activities of electricity consumers;

x. At the same time OPCOM together with the Bucharest Stock Exchange and other partners of the energy and financial sectors have established a Clearing House CCP.RO BUCHAREST SA, playing as central counterparty and having the main role to guarantee the liabilities of both parties in a contract, acting as counterparty both for the purchaser and for the seller. Thus, the established company CCP.RO BUCHAREST SA will take over and manage, by specific techniques and methods the counterparty risks, this project being within contractual terms; the next major stage of the new company will be to get the operational licence from the Financial Supervision Authority;

xi. In view of sustaining the electricity market integrity OPCOM will continue and develop the monitoring of all markets, all details of offers and transactions are reported to this effect every day to both regulatory authorities: the national one, ANRE and the European - ACER.

b. Quality policy and general quality objectives

OPCOM SA focuses all its efforts and resources to provide qualitative activities, purpose for which the company established as integrant part of its activity to maintain operational the Quality Management System, at designed and updated parameters.

The principles applied in the company's quality policy are the following:

- Compliance with the primary and secondary legislation and with the requirements of competent authorities;
- Continuous improvement and diversification of services provided to market participants;
- Defining and updating responsibilities under the quality management system;

- Adapting and elevating the personnel's training to accomplish tasks and attributions in accordance with the responsibilities defined in applicable regulations;
- Analysis and implementation of opportunities to improve activities, as resulting after internal and external audits and other quality insurance check-ups;
- Permanent assessment of results from the operation of the Quality Management System and of the compliance of the quality policy;

The director general of OPCOM SA assumes full responsibility to adopt the Quality Management System and to continuously improve it.

All OPCOM SA employees are obliged to know and observe the responsibilities attributed for quality and to provide implementation of the Quality Management System in their activities.

The general quality objectives of 2021 were as follows:

- Safe efficient administration of centralised markets at national, regional and European level by means of services provided to market participants and by supervision and reporting activities;
- Safe administration and permanent update of integrated IT platforms dedicated to the centralised markets managed by OPCOM SA in national, regional and European framework;
- Diversifying the range of products and services provided nationally, regionally and Europe-wide;
- Monitoring, maintaining and permanently improving the quality management and information security systems while maintaining their certification according to ISO 9001:2015 and ISO 27001:2013 standards;
- Obtaining recertification of quality management systems according to ISO 9001:2015 and of information security according to ISO 27001:2013;
- Improving the communication within OPCOM SA and the communication with clients;
- Enhancing the satisfaction of clients and employees of OPCOM SA;
- Providing professional representation of OPCOM SA and promoting its adequate image;

c. Security policy and strategic security objectives

The policy of OPCOM SA consists in permanently supervising the responsibilities assumed on the national and European electricity and natural gas markets, while providing information security at the highest standards by implementing and operating an Information Security Management System in full compliance with the ISO/IEC 27001:2013 international standard, targeting continuous improvement and organisation certification.

OPCOM SA is aware that the attributes of the Information Security Management – confidentiality, integrity and availability – constitute integrant parts of managerial functions. The top management of OPCOM SA consider such attributes as main responsibilities fundamental for good organisational practice by applying proper security measures, harmonised with the requirements of the ISO/IEC 27001:2013 international standard.

Also, in its capacity of essential service operator it implements measures necessary to comply with the provisions of Law 362/2018 regarding provision of a high common security of IT networks and systems, which transposes EU Directive 2018/1148 of the European Parliament and of the Council of 6 July 2016 regarding measures for common high security of IT networks and systems in the Union (NIS Directive).

OPCOM SA will act in order to:

- Comply with the primary and secondary legislation and with the requirements of competent authorities;
- Organise, configure and accomplish the functions attributed to OPCOM SA within common European markets and maintaining the infrastructure necessary to provide coupling services to clients, including also the associated information security requirements;
- Continuously improve information security in the context of services provided to the participants on the managed markets;
- Providing performant working environment at high IT security in the context of higher volume of remote activities, in order to reduce risks for personnel health in case of epidemics / pandemic;
- Analysis and implementation of opportunities to permanently improve, including application of risk assessment and treatment strategies, using effectively the managerial resources for optimum accomplishment of information security requirements;
- Establishing and notifying the security objectives and the performance achieved by reaching them in the organisation;
- Monitoring and maintaining an Information Security Management System which provides clearly defined lines, guidance and responsibilities of information security related to one's personnel, clients, suppliers and stakeholders that get in touch with the organisation;
- Adopting a proactive attitude when taking future business decisions, including their continuous review;
- Personnel training and awareness according to the needs and responsibilities ensuing from the Information Security Management System;

The responsibility to sustain and observe this policy belongs to the entire organisation, under guidance and assistance of top management that encourage the commitment of all personnel to approach information security as part of professional competence and organisational culture.

To this effect, the management of OPCOM SA designated a management representative for information security, as well as a team of NIS (Network and Information Security) responsibility that, together with the working team on information security and the Collective Group to Respond to Security Incidents coordinates the organisation's information security activities and represent OPCOM SA in its relations with consultants, the certification organization and stakeholders and other specific forums or professional associations for information security.

The strategic objectives of OPCOM SA with respect to information security in 2021 were:

- ✓ Safe efficient administration of centralised markets for services provided to the participants on the respective markets;
- ✓ Monitoring, maintaining and continuously improving the SMSI and preserving SMSI certification according to ISO/IEC 27001:2013 international standard;
- ✓ Integrating the new products and services provided to market participants in the SMSI;
- ✓ Playing the RRM role according to REMIT and providing data reporting services to ACER in accordance with REMIT;
- ✓ Providing coupling services to OKTE under PCR project;
- ✓ Enhancing the confidence of participants on managed markets and of OPCOM SA employees for SMSI;
- ✓ Implementing measures for compliance with GDPR and integrating them in SMSI;
- ✓ Maintaining a minimum (0) level of de security incidents involving confidential information;

- ✓ Finding and applying technical measures as required in order to comply with the position of Essential Service Operator according to Law 362/2018;

d. Policy to protect OPCOM's prices and indexes as EUIPO trademarks, European Union's Intellectual Property Office

The policy of OPCOM SA consists in protecting its activities performed in order to provide safe efficient administration of centralised markets by services provided to the participants on such markets, and by providing their protection EU-wide (all EU member states) by registering them to the European Union's Intellectual Property Office - EUIPO and permanently monitoring them.

FORMENERG SA

FORMENERG SA provides a wide range of activities as professional training services and tourist services, which influence the educational, social and environmental issues, these being the main components defining its sustainability.

The commitment of FORMENERG SA is to provide performant solutions based on knowledge and new technologies in order to fully satisfy clients and reasonably answer the expectations of all stakeholders, by searching and opening new roads in adult training and business - strategic steps to be taken - in order to preserve high efficiency of company activities.

While accomplishing its objectives - *"Success in performance and competition"*- FORMENERG SA provides:

- Constituting, developing and disseminating values that define a modern society;
- Training general competence, specialised and compatible with society's upgrade;
- High quality of professional training;
- Proper environment for the personal development of community members;
- Logistic and professional basis of continuous professional training;
- Conditions to promote national partnerships;
- Developing relations with the graduates of public institutions and entities;
- Transparency of institutional management;
- Promoting scientific and ethical values in the national community;

The **mission** of FORMENERG SA is to educate specialists - *"Success in performance and competition"* – which aims at transforming this company into a continuous transparent flexible professional training system, which can contribute to higher labour occupation, adaptability and mobility and cover the needs of companies for qualified labour. We know what a company needs in order to achieve success: valuable human resources. This is the reason why FORMENERG SA is first concerned with the lecturers' worth, with the quality of information they provide, and their close relations with clients. FORMENERG SA would like to be the first option clients think of when new competence is required! FORMENERG SA knows how performance is achieved and how much energy should be spent to reach it - to stand, to anticipate, to be competitive.

The **vision** of FORMENERG SA is built around the success of its clients. The performance of companies and institutions it works for represents the only actual instrument to assess its own efforts. The great trump comes from the long-term collaborations. FORMENERG SA has very many clients that turned traditional for its activities. At the same time FORMENERG SA believes in change, because without change there is no future! FORMENERG SA firmly believes that, in order to reach *performance, one should feel and transmit energy!*

Romania's labour market underwent significant transformations in the context of economic transition, manifest especially by reduction of active occupied population, relative constant unemployment rate and higher long-term unemployment, being particularly impacted by limited capacity to create new jobs. This context justifies the need to direct emphasis towards investments into professional education and, more precisely, continuous professional training. The issue of continuous professional training is important to sustain the transformation of labour, being the main instrument whereby it can adapt to new requirements, thus facilitating mobility between different activity sectors. Acquiring knowledge and abilities enables improved position on the labour market, while also leading to higher productivity. Thus, FORMENERG SA, following its established vision works to change such circumstances, contributing to the implementation of life-long learning, used and promoted within Europe. Well trained human resources always in trend with new knowledge of their activity sectors will make companies work better, be more competitive and more prepared for market competition and economic changes. Such change will occur based on well-structured and documented training programmes, meant to improve the employees' knowledge and aptitudes, contributing step by step to a viable economy.

The **values** of FORMENERG SA, promoted and communicated inside and outside the company, are respect, client orientation and quality. Because FORMENERG SA is instructing careers! FORMENERG SA has got a team of professional people serving performance.

Respect - guiding the behaviour, and for our trainees it means self-respect, cherishing the other peoples' diverse opinions and their right to individuality, respect for clients, colleagues and for work;

Client orientation - behaving with clients as we would like to be treated and as themselves are expecting from us, we provide clients with pleasant surprises in all we do, we simplify things;

Quality - we state what we do and do what we state, we assume responsibility of our own acts, we act to the society's interests;

The values that define and model the identity of FORMENERG SA and organisational culture are the following:

Creativity: the company is innovative and persists in applying every time the most recent information, technologies and the best solutions;

Ethics in business: constitutes the foundation of commercial relationships, characterised by honesty, integrity, communication and mutual confidence;

Collaboration: proactive attitude to the client's needs, providing qualitative services adding value by direct and indirect long-term benefits;

Responsibility: it acts responsibly in view of the employees' personal development, of creating integer competitive business environment, the social cultural development of community;

- **Self-confidence:** it militates for team work next to putting experience and own resources to good use, which confers power necessary to achieve the mission and the company's sustainable development;

- **Adaptability:** permanent adaptation to market requirements, searching and finding new opportunities but staying constantly centred on clients' needs and expectations;

- **Discipline:** emphasis is laid on auto-discipline in order to organise the thinking and action towards the good company operation;

- **Assessment:** repeated regular continuous valuation helps achieving proposed purposes, and depending on results one can know whether the action is on track with plans, if deadlines are realistic, if there is room for improvement etc.;

- **Consideration of unforeseen events:** more time is allocated to planning, for meetings and in order to launch a new training programme, to enter a new market, etc.

TELETRANS SA

The business strategy has the reference point in the established purpose of TELETRANS SA, namely to be a viable trading company in economic terms, providing IT&C services for CNTEE Transelectrica SA. In parallel concerns are maintained to develop the third clients range (others than Transelectrica and/or other utility companies), with a view to supplement the parent-company's revenues.

Strategic options aim at developing the service and client portfolios of TELETRANS SA, and at assuming the role of *excellence centre* for IT&C and process information solutions for utility companies, with emphasis placed on the energy sector based on its experience as supplier of such services to CNTEE Transelectrica SA.

The main strategic lines are:

1) *Consolidating the position of TELETRANS SA as key partner in the IT&C segment, within the national attempts to manage and protect critical infrastructures and essential services in the energy sector;*

The segment operated by TELETRANS SA – IT&C for the national infrastructure of electricity transmission and system services - represents according to current EU approaches a critical infrastructure in itself, which should be protected as key element of national security. The energy sector (including the IT structure serving it) was placed in the national security and critical infrastructures area requires its management in uniform manner, where the state as guarantor of security should benefit of decision-making and control margin, which should accommodate both the security and the free market requirements.

Being the only subsidiary dedicated to IT&C for a state-controlled utility company TELETRANS SA can contribute to the national energy security steps as well as to critical infrastructures, in a manner securing the company's sustainable development.

The potential strategic role of TELETRANS SA is additionally revealed at present in the context of transposed national legislation (Law 362/2018) for EU's NIS Directive 2016/1148 – regarding the measures for high security of IT networks and systems in the Union, which points out the energy sector as supplier of essential services, which should be protected from the threats towards the IT systems serving them.

Finding technical solutions necessary to provide new services tailored to the standards required by legislation and equally by the market will determine implementing a Human Resource Policy promoting the company's *pro excellence option* by adding new specialists that, besides being involved in the delivery of optimal technical solutions will also contribute to training the (new and existent) employees.

2) *Sustainable company development, observing the economic-financial performance criteria established by applicable legislation while maintaining the assumed quality standards*

With a view to develop its excellence hub role for IT&C services to utility companies TELETRANS SA is responsible to constantly adapt its offer to their needs both as regards quality and the complexity of offered services, as well as in financial terms.

The company's enhanced capacity to achieve profitability indicators should be attained within TELETRANS SA, since its activities are strategic as well, while observing in the first place the continuity and quality parameters without neglecting the development prospects conferred both by the partnership with CNTEE Transelectrica SA and the third clients market.

Also, TELETRANS SA as IT&C provider of the Transmission System Operator for electricity is duty bound to constitute itself a business profile compliant with national and European requirements of efficient resource management, business ethics and social responsibility in order to acquire sustainable development.

Implementing such desiderata aimed at company development in profitable sustainable manner secure continuity of services provided at high performance levels and permanent increase of their quality, recommending TELETRANS SA as viable strong partner in the Romanian business environment.

4. Risk management system

Smart SA

Whenever the integrated risk management system is planned Smart SA takes into consideration the elements determined during analysis of the organisational context and of stakeholder requirements, determining the risks and opportunities with respect to:

- Risks related to the Management System operation, which might impact its intended outputs;
- Elements and requirements determined during analysis of the organisational context and of stakeholder requirements;
- Environmental aspects;
- Dangers related to labour security and health;
- Compliance obligations;
- Other risks determined by organisational entities, resulted from their activities;

A process is established within Smart SA to detect, examine and manage risks and opportunities for accomplishment of objectives, environmental aspects and compliance obligations.

Risk treatments can include: risk avoidance; taking the risk into consideration when exercising an opportunity; eliminating the risk source; risk sharing or maintaining by conscious decisions.

In Smart SA there is a risk management team appointed by Director General's decision. There is also a Register recording identified risks and keeping them under control, structured by:

- Operational risks - resulting from basic activities, namely operational processes;
- Environmental risks - identified when assessing environmental aspects and impacts;
- SSM risks - identified on the occasion of accident and professional illness risk assessment;
- Other risks - resulting from organisational entities' activities;

Examples of risks detected:

- Incomplete detection of acceptance requirements for the supplied product / service;
- Finding incomplete documentation in the work / services file, provided by Smart SA teams or upon offer elaboration;
- Association (in the offer and execution contracting stage) with partners, sub-contractors, service providers that later do no longer comply with contractual requirements;
- Great personnel fluctuation, losing the qualified personnel;
- Using obsolete equipment;

- Fines, costs to clean polluted areas because of spills/discharge of substances dangerous to environment in great amount (electro insulating oil) - fire hazard;
- Non-observance of compliance obligations in case of failures in the waste water discharge installations towards the drainage;
- Non-observance of compliance obligations, possible fines and additional costs of decontamination in case of accidental fuel leaks (gas oil, gasoline) or other dangerous substances (from the test lab, good or used oil, paints, acid from accumulator batteries);
- Financial gaps caused by delay cashing of executed and invoiced work, and by providing unsecured down payments to third parties;

OPCOM SA

Given its specific activities a very important component of risks threatening the current company operation is information security.

For the time being the main risks detected in information security are:

- Absence of proper space providing continued activity of OPCOM SA in case the main location (Blvd. Hristo Botev 16-18, Bucharest 3) would turn unusable because of a major disaster. However, the experience acquired by tele-work activity generated by the Coronavirus pandemic leads to another solution of this problem, namely by using this activity regime correlated with the quantitative and qualitative equipment with servers of the secondary location. At present OPCOM SA examines the endowments necessary to fully provide for each activity under this model;
- Wrong application of the provisions from the Regulation regarding protection of personal data;
- Cyber-attacks, with more and more evolved methods;
- Contagion risk of personnel with the new coronavirus;
- Defective implementation of the provisions from Law 362/2018 regarding provision of common high security to IT networks and systems;

To mitigate them OPCOM SA uses an Information Security Management System (SMSI), approved according to ISO/IEC 27001:2013 standard ("Information technology. Security techniques. Information security management system. Requirements"), which also includes the risk management system. Information security risks have been assessed when the SMSI implementation began (2015) and they are reevaluated annually or any time there is need, SMSI's conformity with 27001:2013 standard being recertified in 2018. The assessment methodology was taken from ISO/IEC 27005:2011 standard ("Information technology. Security techniques. Information security management system "), and risk management has the main stages:

- Elaborating the inventory of informational resources and classifying them depending on their significance in information security terms;
- Risk detection;
- Risk analysis and assessment (consequences, event occurrence probability);
- Risk treatment (selection of security measures, risk treatment plan);

In accordance with the provisions of ISO 9001:2015 standard and of Order 600/2018 from the Secretariat General regarding application of the internal managerial control code of public entities risks have been assessed and treated as related to the specific objectives of OPCOM SA departments in 2021.

To this effect the “Risk management methodology” was used, being elaborated by the Secretariat General of Government for the internal managerial control system of public entities, whose provisions applicable for OPCOM SA have been transposed in a working procedure.

Thus, a Risk Register was established company-wide, which included the risks associated to specific objectives of departments, such risks were assessed and a Plan was elaborated to implement control measures to address risks.

The implementation stage of risk control measures was analysed in each department on the occasion of internal audit for quality management performed in December 2021, while residual risks have been assessed at the beginning of 2022.

Also, according to legal provisions accident and professional illness risks in OPCOM SA were also assessed (following which the unit’s risk level was determined at 2.83, placing the company under a low to medium accident risk). The Prevention and Protection Plan was elaborated.

FORMENERG SA

Risk management represents measures applied in order to diminish the probability (possibility) of occurrence and/or the consequences (impact) over results (objectives), if a risk did occur. Risk management means reducing it, if it is a threat.

FORMENERG SA in 2021 proceeded to risk analysis and detection by means of participative situational management.

Risk management aims at detecting, assessing, managing them and elaborating a risk mitigation plan of measures, periodical review and establishing responsibilities.

FORMENERG SA has reduced risk tolerance and follows proper risk treatment strategies so as to keep them within acceptable limits or remove their consequences.

In terms of quality - risks are kept under control by means of: implementation and observance of analysis and internal audit procedures provided by the company’s management; monitoring and measuring the satisfaction of clients; implementing and observing the course licensing procedures; and providing the course programme. The following risks have been identified:

- Risks of great initial impact: risk to conclude quality audits with major non-conformities, which might lead to suspension or cancellation of certain certifications and losing some contracts, and activities can be impacted by reduced clients’ satisfaction, loss of competitiveness and of auctions;
- Risks of medium initial impact: reduced effectiveness of the Integrated Quality Management System; designing and launching services that do not comply with clients’ expectations, legal requirements or reasonable stakeholder expectations; absence of executive leadership involvement in enhancing competence of quality management personnel;

In environmental protection and SSO - after the measures applied in 2021 such risks were kept at low impact. This efficient control of environmental and SSO risks was possible by means of: implementation and observance of waste management procedures, implementation and observance of emergency procedures, their standardisation and optimisation, contract with an enterprise medical cabinet providing periodical specific medical tests. The following risks have been identified:

- Risks of great initial impact: emergency circumstances impacting the environment and SSO; waste management under unsecure conditions; non-preventive behaviour and greater environmental impact by equipment wear;

- Risks of medium initial impact: unjustified growth in the consumption of natural resources; absent supervision measures of employees' health, of accident and professional illness prevention; penalties for trespassed environmental norms, endangering the health of employees and stakeholders, reduced number of services by diminished number of work able employees;

In terms of social and personnel policy – measures have been taken to motivate personnel by means of financial incentives and a pleasant working environment; achieving the annual training and professional instruction plan, involving employees in decision making by including a trade union representative in the board of administration, maintaining the budget to solve particular social cases, elaborating a plan to integrate new employees. The following risks have been identified:

- Risks of medium initial impact: low retention of existent personnel or of new employees, allocating insufficient professional training time, diminishing the budget allocated to improved working conditions and employees health protection, shortcomings in the accurate employee information about the company's circumstances, reduced quality of provided services, reduced labour productivity, trade union conflicts, demotivated employees;

In terms of business ethics and integrity policy - in 2021 the Disciplinary Commission received no complaints about intimidation or personal attack or about discrimination based on gender / age / race / religion / political convictions. The risk to violate human rights has initial average impact, but it is kept under control by measures, which diminished it. Provisions with respect to human rights have been included in the internal regulation and in the collective labour contract.

TELETRANS SA

The risks of TELETRANS SA are under management according to the internal procedure and to Order 600/2018. In 2021 the main risks related to technical activities and refer mainly to the wear of equipment and of the telecommunication infrastructure of CNTEE Transelectrica SA, which we operate according to applicable contracts. The provision of spare parts, the replacement of equipment or investments do not depend on TELETRANS SA, being exclusively on behalf of the parent company. The second category of risks comes from the commercial area, mainly related to certain specific activities which a support level 2 is contracted for.

In 2021 an additional commercial risk was recorded as the sale of telecommunication services was blocked in the context of delayed operationalisation of contract C75 with CNTEE Transelectrica SA and of novation for contracts with third clients.

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

Smart SA

In general, performance indicators are established together with specific objectives and described operational processes, being debated at the management analysis. From among such indicators mention can be made of:

- Client satisfaction, feed-back - for work provided under ANRE attestation;
- Indicator: annual clients' satisfaction degree (arithmetic mean of the satisfaction under completed contracts in the reference period) – calculated according to ANRE Order 45/07.09.2016;

- Monitoring the employees' health; medical tests and consultations as per HG 355;
 - Indicator: Number of monitored employees / Number of employees *100 [%];
- Offer and contracts - Indicator: Offers accepted completed by order, contract / offers sent to the client * 100 [%];
- Settlement of non-conformities
 - Indicator: non-conformities solved / non-conformities identified x 100 [%];
- Accomplishment of the audit plan
 - Indicator: audits performed / audits planned x 100 [%];
- Achievement of various control programmes
 - Indicator: controls made / controls planned x 100 [%];
- Global achievement of training programmes
 - Indicator: programmes delivered / programmes approved x 100 [%];
- Standardised metering & monitoring equipment, verified in the given period
 - Indicator: EMM standardised, verified / EMM planned for standardisation, check * 100 [%];
- Effectiveness of risk and opportunity treatment
 - Indicator: global risk level ≤ reference value;
- Waste management
 - Indicator: Number of collected waste / Number of selectively collectable waste * 100;

OPCOM SA

The non-financial indicators used by OPCOM SA are:

- Transaction quota on various electricity markets managed (transacted quantity in the reference period on the respective market / national net consumption);
- Efficiency of its participation to transactions on various electricity markets managed (number of participants submitting offers in the reference period on the respective market / number of participants registered on the respective market);
- Satisfaction of OPCOM SA clients about the quality of services provided to manage markets / instruments placed at the market participants' disposal (expressed in 1-5 marks);
- Satisfaction of OPCOM SA employees (expressed in qualifying terms: very satisfied, satisfied, dissatisfied and neutral);
- Information security incidents (expressed in the number of incidents recorded during the reference period);
- Number of reporting services provided by OPCOM SA; OPCOM SA is among the first 9 RRM-s (of 104) in terms of service diversity which it received qualification from ACER for, reported currently;

In terms of established targets both the general quality objective and the more than 100 specific quality objectives, distributed by relevant levels in the company's organisational structure have been accomplished almost 100%, certain issues could not be achieved for reasons independent of OPCOM SA.

FORMENERG SA

In order to obtain sustainable performance by harmonising the economic, social and ecologic objectives FORMENERG SA uses a performance assessment system which should cover the following issues: the entity's objectives, its strategy, effectiveness and efficiency of

activities, the capacity of FORMENERG SA to get adapted to the requirements of the market where it operates.

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

The non-financial performance indicators assess:

- Quantity – direct result of activities (e.g. number of training sessions);
- Quality – of results (e.g. number of mistakes made, employees' satisfaction, client satisfaction)
- Time interval – which varies depending on results (period when effects should be produced)
- Efficiency – maximising activity results according to used resources
- Effectiveness – accomplishment of scheduled objectives for each activity, ratio between planned effect and the actual result of such activity;

As regards the specific activity of FORMENERG SA mention can be made of a few non-financial relevant indicators:

➤ Professional training services

Indicators:

- Number of serial courses
- Number of course attendees

➤ Hostel accommodation services

Indicators:

- Hostel occupation
- Revenues from hostel accommodation

➤ Client satisfaction (external and internal)

Indicators:

- Trainee's satisfaction about the quality of provided services
- Employee's satisfaction

➤ Monitoring the health of employees

Indicator

- Medical controls according to HG 355

➤ Waste monitoring

Indicator

- Number of collected waste types / Number of selectively collected waste * 100

TELETRANS SA

In 2021 TELETRANS SA did not establish non-financial performance indicators.

6. Environmental management system

Smart SA

The identification and valuation of environmental aspects is regulated by system procedure SMART-PSM-07.00 Identification of environmental aspects and of associated environmental impacts”.

Environmental aspects are identified and assessed every time changes occur in the structure of processes, activities, products or services; in case of legislative changes; developing new activities, services or work; significant changes of installations and processes; moving certain installations in different places. They are re-examined annually for update.

Environmental aspects are identified taking into account the working conditions:

- Emissions during normal operation;
- Emission during abnormal operation, namely emergency, failures or accidents;
- Frequency of such emissions;
- Emissions' impact over environment and health;
- Risk of emissions;
- Compliance with regulations;
- Public or neighbour's notification;
- Utilisation of raw materials and natural resources;
- Other issues related to the material and spiritual values of local communities;

Depending on the score obtained when assessing the environmental aspect a list result of environmental aspects of significant impact and list of possible emergency situations. A plan of prevention is elaborated for each emergency situation, which is annually simulated.

The purpose of such plan is to respond to actual emergency circumstances, to take measures to prevent or diminish the consequences of emergency cases according to the emergency extent and its potential environmental impact, to provide relevant information and provide training for the response capacity to emergency circumstances.

Mention should be made the possible emergency situations, namely incidents, failures or accidents that can have particularly serious impact over the environment are likely to occur only after some abnormal operation.

Emergency circumstances requiring immediate intervention to limit the environmental effect will be taken into consideration when establishing preparation plans for emergency cases and response capacity.

The company identified the following possible emergency situations:

- Oil leaks during oil treatment / regeneration (on the beneficiary's location);
- Oil / fuel losses in case a car sub-assembly failed or of accident;
- Possible oil leaks during handling of oil recipients;

In such circumstances the execution personnel has absorbent biodegradable earth in their kits. Smart SA holds environmental permits issued by the Territorial Environmental Agencies (where it was deemed necessary) and provides the reports according to legislation.

There are also environmental management programmes approved by beneficiaries, containing Plans to reduce environmental impacts and monitoring plans.

Examples of environmental aspects with reduction measures:

- Environmental protection arrangements and restoration to initial condition after work (natural resources and conservation of biodiversity)
Measure - ecologic reconstruction, holes filling, arranging the ground, planting grass and trees and remaking the natural landscape when work is completed;
- Emission of conventional pollutants or greenhouse gas emission (protecting air quality);

Measure - Preventing dust discharge while digging by water spraying in case of dry earth and/or wind. Gas emissions of 16 means of transport and outfits used cannot exceed admitted limits. It is required to use means of transport and outfits of normal operation. Useless equipment operation will be avoided.

OPCOM SA

OPCOM SA is highly concerned with environmental protection, one of the supervised domains being reduced electricity consumption. To this effect, all IT pieces of equipment used in daily activities have Energy Star certificates. Another technology of low electricity consumption is the virtual one, which has been used largely and enabled the company to develop while reducing its electricity consumption. Also, still in order to reduce electricity consumption OPCOM SA replaced led tubes lighting by neon tubes, thus reducing about 40% the consumption.

OPCOM also has selective waste collection policy, applied for DEEE waste as well, beginning with the used toner and ending with dismantled IT equipment, which is collected by specific companies.

In terms of activity domains OPCOM is completely committed towards national efforts to implement market services and specific products and instruments that can contribute to higher electricity share generated from low carbon sources.

In this respect mention should be made OPCOM participates to the working groups constituted in the Ministry of Economy, Energy and Business Environment and ANRE with the following objectives:

- Implementing a new support scheme to promote electricity generation from low carbon sources;
- Implementing a market mechanism dedicated to investors into capacities generating electricity from renewable sources, in order to contract electricity to be generated for long delivery terms;
- Monitoring the achievement of objectives provided in the National Integrated Plan in Energy and Climatic Changes, 2021-2030;

FORMENERG SA

FORMENERG SA grants particular importance to environmental protection, integrating the best practice in its activities. Consequently, the compliance with applicable environmental regulations performs every time change occurs in the structure of processes, activities, legislative amendments, during maintenance or repairs to the company's building.

As far as activities and processes of FORMENERG SA are concerned no risk elements were identified, therefore they have no significant environmental impact.

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

The permanent concern of FORMENERG SA to minimise the environmental impact of provided activities is obvious from its alignment with requirements provided in the Environmental permit 57 issued by the National Environmental Protection Agency Bucharest. Such permit establishes benchmarks for careful monitoring of resource consumption (energy, water) and responsible waste management:

➤ Electricity consumption

For space heating FORMENERG SA uses a thermal plant fired on methane gas, provided with two boilers and total thermal capacity of 920 kW.

The hourly fuel consumption is 108 Nm³/h. The plant has 24.5 m stack discharging pollutants, of 0.422 m².

Air quality is monitored (flue gas resulting from the thermal plant) by submitting analysis bulletins to requesting authorities. Determinations are made every six months and air quality (emission) data will be reported annually to the environmental protection authority.

Electricity supply necessary for the operation of equipment used for activities and to light the location comes from the National Power System, based on supply contract. The electricity consumption is calculated in correlation with consumed amounts and invoiced sums paid, using the heat power and the agreed energy conversion factors.

To reduce such consumption and comply with the best available practice for efficient utilisation the following issues are addressed:

- Proper operation of the ventilation system;
- Selecting the equipment of high electricity consumption and using other equipment of lower specific consumption;

Electricity consumptions are calculated by correlating the consumed quantities with the invoiced and paid sums, using the heat power but also the agreed energy conversion factors.

➤ **Water consumption**

Drinking water and hygienic-sanitary water supply is provided from the public network managed by Company APA NOVA Bucharest SA based on supply contract.

Waste water is discharged in the city's drainage network managed by Company APA NOVA Bucharest SA.

Waste water discharged into the city's drain is monitored by licensed laboratories (currently ECOIND Bucharest). Determinations are performed each month in the control section R1 and the data on the discharged water quality will be reported annually to the environmental protection authorities.

➤ **Waste management**

FORMENERG SA observes the classification of waste management and makes efforts to prevent generating it, permanently looking for recycle solutions, namely for capitalisation of waste generated by its own activities (paper, pet, used toner, dismantled IT equipment, etc.).

The environmental and occupational health and security policy is based on detection and control over environmental issues and their associated risks, coming from all organisational activities with a view to provide compliance with legal and other applicable requirements subscribed by the organisation, to prevent pollution and labour accidents, professional illness but also to respect the stakeholders' right to live in unpolluted environment.

The company's policy in this respect targets:

- Minimising the waste quantities generated and managing them safely whenever their occurrence cannot be avoided;
- Reducing the consumption of natural resources;
- Reducing the environmental impact associated to company activities and products, current and future, by gradual replacement of certain technologies and raw materials with others of low environmental impact;
- Designing and developing ecologic economic products which during their useful life diminish the consumers' environmental print;

- Providing raw materials and products marketing dedicated to training and hotel services, a positive influence for long-lasting sustainable development;
- Preventing the occurrence of emergencies impacting the environment as well as occupational health and security by establishing and applying coherent efficient measures preventing major accidents involving dangerous substances;
- Adopting a preventive behaviour towards environmental pollution in order to continuously improve the environmental performance;
- Uninterrupted risk analysis and of major elements from processes;
- Providing an optimum working environment for employees in view of preserving their health and safety, first of all by preventive activities;
- Permanent supervision of employees' health and taking action to improve their health and prevent accidents and professional illness;
- Respecting the stakeholders' right to live in non-dangerous environmental conditions;

TELETRANS SA

The top management of TELETRANS SA show particular care for pollution prevention and environmental protection, also expressed and communicated to all stakeholders by the Director General's Statement on the quality, environment, labour security and health policy as within TELETRANS SA Integrated Management System has been implemented, certified and maintained since 2009 for quality, environment and labour security and health according to the provisions of the international environmental standard ISO 14001 – Environmental management systems; Requirements and utilisation guide.

Environmental aspects detected within TELETRANS SA mainly refer to waste management, both in the Executive part and in the Agencies and Centres of TELETRANS SA and are kept under control according to applicable legal provisions, the existent decision-making framework and the specific internal environmental procedures / instructions, which establish the attributions and responsibilities of personnel from TELETRANS SA, designated as responsible for environmental protection, waste selective collection and management.

Thus, within TELETRANS SA no environmental aspects of significant negative environmental impact are foreseen or shown as generated by its activities and processes.

7. Social and personnel issues; removal of discrimination and promotion of gender equality

Smart SA

The Internal Regulation of SMART contains a specific chapter called: Rules about the observance of non-discrimination principles and removal of any dignity trespassing form – which defines and regulates working relations in the company.

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

The right of all employees for equal pay for equal work is recognised, the right to collective negotiations, to protection of personal data and the right to protection against illegal dismissal.

When the salary is established and paid it is forbidden to have any discrimination for gender, sexual orientation, genetic characteristics, age, nationality, race, colour, ethnicity,

religion, political option, social origin, handicap, familial circumstances or responsibility, trade union affiliation or activity.

OPCOM SA

As regards social and personnel issues of OPCOM SA, the relation between employer and employee they were applied according to labour legislation and the provisions of the Collective Labour Contract of OPCOM SA, applicable in 2021, the internal regulation, the Regulation on the organisation and operation of OPCOM SA, the Regulation on the organisation and performance of contests to occupy vacancies, the Code of Professional Ethics and Conduct, etc.

In order to provide proper working conditions, occupational health and safety the following measures are applied:

- Ergonomic arrangement of working places by the use of ergonomic adjustable chairs, proper position of office furniture and of the computer to the worker, of the lighting source, of air conditioning appliances;
- Employees' health is monitored by permanent provision of specific assistance;
- A clean working environment is provided by means of one's personnel and also by cooperation with specific companies to: dispose of domestic waste, clean the exterior windows, maintain air conditioning units, periodical disinfection, supply of water recipients and maintenance of drinking water tanks;
- A safe working environment is provided to protect employees against COVID-19 virus by means of strict measures, as follows: selection at entry by taking their temperature and daily filling in by each employee present in the office of a questionnaire assessing the risk degree of OPCOM SA personnel, placing disinfectant bottles at the entry and on each floor, providing the daily need of protection masks for each employee present at work, etc.;
- Electronic equipment is provided as necessary for employees to act under tele-work regime;
- There is permanent verification of the individual protection equipment for activities requiring such endowment (e.g. maintenance-cleaning personnel, electrician), periodically renewing it or every time it is found to be worn-out;

The computation technique provided to employees is highly performant both in terms of performance and as regards protecting people's eyesight.

In the pandemic context of 2021, given its role and provided activities OPCOM SA paid maximum attention to sustainability and activity continuity, namely normal development of operations in relation to partners, market participants, authorities and other stakeholders. In this respect OPCOM SA permanently adopted pro-active attitude, as in all actions and projects it did not stop at observing only the authorities' provisions and recommendations but, in operative sustained mode, it applied measures meant to provide healthy stable reliable environment, both within the company and for its partners (mention can be made as example the Measure Plan to prevent and manage Covid-19 infections within OPCOM SA, adopting measures as necessary to transmit specific documents by e-mail, without hand signature; to update working procedures and instructions for centralised markets administration, etc.).

As far as professional training is concerned, both as activity in view of providing chances but also in terms of removing any possible lack of technical expertise, it is provided according to applicable labour legislation and to internal regulations, both as activity with a view to provide

chances and as treatment / elimination of any possible lack of technical expertise in certain domains.

Consequently, in 2021 professional training of employees had the following main objectives:

- Total employee adaptation and integration with job requirements;
- Updating the knowledge and professional training;
- Acquiring advanced knowledge, up-to-date methods and procedures, as necessary for professional activities;
- Developing the communication capacity in professional circumstances;
- Stimulating the innovative capacity applicable within the limits of assumed liability;
- Developing and implementing new projects, which has led to diversified activities;

The successful implementation of such objectives meant sustained efforts from employees involved in projects the year round, including by using the new knowledge, abilities and competence acquired from professional training and instruction.

As regards the workers' right to be informed, at the beginning of 2021 the executive management informed the employees about the social expense fund estimated for 2021 and protocol was concluded with the social partner for expense allocation, for partial settlement of holidays, reading glasses, etc.

In 2021 the Employer - Union meetings provided the parties' availability for dialogue. The parties negotiated salary rights while observing legal provisions. Throughout 2021 protocols were negotiated and signed, as well as an Addendum to the Collective Labour Contract. The company has always respected trade union rights.

As regards the fight against discrimination and promotion of diversity, in OPCOM SA the non-discrimination principle is respected and applied, while removing all forms of dignity violation according to applicable legislation, the Internal Regulation or the Code of Professional Ethics and Conduct.

In accordance with the Code of Professional Ethics and Conduct, OPCOM SA observes and guarantees equal non-discriminating treatment in its relations with company employees, market participants, partners and collaborators.

In the exercise of their position the employees of OPCOM SA are obliged to behave in professional manner and to provide transparency, impartiality and effectiveness as necessary to gain and preserve the confidence of participants on managed markets, of partners and collaborators. They are also obliged to ensure equal treatment and refrain from discriminating acts for nationality, gender, origin, race, ethnicity, handicap, age, religion or political convictions.

Chapter 3 of the Internal Regulation of OPCOM SA provides rules about the observance of non-discrimination and removal of all dignity violations, the employer benefitting of the prerogative of disciplinary penalties according to legal terms, to employees perpetrating direct or indirect discrimination on the job, or sexual harassment.

FORMENERG SA

As regards social and personnel issues activities performed in order to provide gender equality, labour conditions, social dialogue, observance of the workers' right to be informed and consulted with, observance of trade union rights, occupational health and safety, dialogue with local communities and/or activities performed to provide such communities' protection and development.

The internal regulation of FORMENERG SA contains a chapter called – Rules about the observance of non-discrimination and removal of all dignity violations, which regulates the company's working relations framework. Thus, all company employees benefit of proper working conditions for their activities, of social protection, labour security and health, and respect for their dignity with no discrimination.

Equal treatment to all employees is a principle applied in all work relations. Any direct or indirect discrimination of an employee based on gender, sexual orientation, genetic features, age, nationality, race, colour, ethnicity, religion, social origin, handicap, familial circumstances or responsibility, trade union affiliation or activity, is forbidden.

FORMENERG SA applies the non-discrimination principle and the removal of all dignity violations according to applicable legislation, the Internal Regulation and the Ethical Code, it respects and guarantees equal treatment of company's employees, partners and collaborators.

All employees are entitled to payment, to collective negotiations, to the protection of personal data, and protection against illegal dismissal.

FORMENERG SA takes all measures necessary to protect the employees' life and health. To provide proper working conditions, occupational health and safety the company provides pleasant clean working environment by cooperation with specific companies, using adjustable ergonomic chairs to position employees properly to the computer, and air conditioning during summer.

Employees are always informed about legislative changes, which relate to them. The employer / trade union meetings provide the parties' availability for dialogue, as such resulted amendments and additions to the Collective Labour Contract. Trade union rights have been always respected within FORMENERG SA.

The management of FORMENERG SA develop and implement a system of internal regulations organising the company activities, so they can be carried out efficiently by allocating necessary resources.

The most important resource necessary to reach objectives is represented by good professional employees, motivated honest and properly endowed. In social terms we aim at maintaining constructive collaboration with employees' organisations and other stakeholders, relying on the applicable legislation by means of:

- Supporting constructive union activity and concluding a Collective Labour Contract specific of FORMENERG SA employees;
- Permanent communication about all major aspects of company development and of business with union organisations, considering the employees as third party interested in the business success;
- Establishing and implementing help methods for disfavoured people and/or those found in particular familial circumstances;
- Establishing and implementing different facilities for all employees depending on the company's potential and identified needs;
- Supervising the employees' health by periodical specific controls;
- Supporting the employees and their families when found in difficult health situations;
- Providing meal tickets;
- Supporting disfavoured persons and/or communities by sponsorships and upon request of FORMENERG SA employees, directing 2% of the employees' income tax to the Red Cross and/or NGO-s;

FORMENERG SA provides equal chances to its current or potential employees by means of:

- Recruiting and promoting personnel in transparent manner taking into account the necessary competence and professional experience and candidates' integrity;
- Providing conditions for permanent training and instruction for the professions they are active in, but also for environmental protection and for occupational health and security;
- Assessing the activity and aptitudes only based on objective sustainable measurable performance criteria adequate to purpose, consistently and transparently monitored;
- Providing optimum working conditions in order to stabilise personnel;

TELETRANS SA

As far as social and personnel issues are concerned, the activities performed in order to provide gender equality, working conditions, health and safety on the job are secured by TELETRANS SA as it recruits and selects personnel while observing gender equality, working conditions but also job requirements about the abilities and specific qualification, in accordance with specific internal procedures (Operational Procedure - Personnel recruitment and hiring).

8. Fighting corruption and bribe

Smart SA

The Ethical Conduct Code of Smart SA provides a set of rules based on which the company has developed, ethical behaviour rules for business and the prevention of illegal activities, which might occur during company business.

The Ethical Conduct Code identifies the ethical practice and standards accepted one-sidedly, being defined as set of rules determining what is right and wrong in employees' conduct, systematic reflection of moral consequences from a company's decision. The development of the Ethical Conduct Code is a basic component of the company's transparency authenticity and responsibility to shareholders, the community and the environment. It is not a guarantor of such, but it is good premise of ethical values being formed and applied, of responsible behaviour and operations.

The Ethical Conduct Code and the Internal Regulation are compulsory and applied in all Smart SA structures.

The Ethical Conduct Code is brought to the attention of the company's collaborators, suppliers and partners.

OPCOM SA

In accordance with the Code of Professional Ethics and Conduct of OPCOM SA approved by the Board of administration, the executive management of OPCOM SA are responsible to adopt corruption fighting policies and measures providing application of such policies. The employees of OPCOM SA do not request and do not receive presents, services, favours, invitations or any other benefits to be dedicated to them in person, to their families, parents, friends, etc. and can influence their impartiality in exercising their job.

In case the OPCOM SA employee is offered gifts during job exercise, he/she is obliged to state it.

OPCOM SA develops organisational culture of social responsibility based on ethics, respect for market participants' rights, social and economic equity, high quality IT technologies, integrity and investments into resources.

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

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

At the same time OPCOM SA continued applying in 2021 as well the permanent measures provided in the Integrity Plan of the Electricity and Natural Gas Market Operator OPCOM SA elaborated according to HG 583/2016 approving the 2016-2020 National Anticorruption Strategy.

FORMENERG SA

The Ethical Code of FORMENERG SA represents the ethical norms of conduct, which establish and regulates the employees' values, responsibilities, obligations and conduct in their inter-institutional relations, and in their relationships with society.

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

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

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

FORMENERG SA guarantees observance of human rights in accordance with legal provisions for its employees and collaborators, but also for stakeholders by means of:

- Providing working conditions compliant with individual dignity and working places corresponding in labour security and health terms;
- Forbidding any intimidation by language, attitude, gesture, any other personal attack;
- Eliminating any discrimination by gender / age / race / religion / political convictions;
- Strong refusal of children's exploitation;
- Refusing the cooperation with organisations that do not respect human rights;

TELETRANS SA

Within TELETRANS SA legal requirements for transparency and anticorruption are updated according to HG 1269/2021 approving the National Anticorruption Strategy), having implemented the requirements of Law 544/2001 regarding access to public information and Law 176/2010 regarding integrity when exercising public positions and dignities.

Corruption prevention activities are coordinated by the Conformity Commission, established by Decision 32/27.01.2021, which took over the attributions of the Working Group to apply HG 583/2016 within TELETRANS SA, constituted by Decision 311/17.11.2016.

The *Statement regarding adhesion to the fundamental values, principles, objectives and the monitoring mechanism of the 2016-2020 National Anticorruption Strategy* is under update in view of its posting on the company's site, as well as the *Integrity Plan to implement the 2021-2025 National Anticorruption Strategy*.

The Conformity Commission assists the departments of TELETRANS SA to apply the measures of anticorruption objectives by achieving the following steps:

General objective I – Preventing corruption

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

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

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

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

The *Ethical Code has been updated* and is posted on the company's site to be consulted by its employees, as there also is an internal procedure on *Ethics and integrity*, containing all the relevant information in this domain. An ethical counsellor was designated to monitor the Company-wide compliance with conduct norms and to assist the employees in ethical and integrity issues.

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

Procedures are posted on the company's internal site and are available to all employees.

General objective III – Fighting corruption by administrative and criminal measures, by consolidating the administrative control mechanisms

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

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

General objective IV – Approving the plan Company-wide and detecting the Company's specific risks and vulnerabilities

Company planning activities are performed in accordance with the internal managerial control and corporative governance legislation while observing the integrity & ethical recommendations and standards and including them in the assessment of employees and activities.

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

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

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

General objective VI – Enhancing the application of anticorruption measures by approving the integrity and periodical self-assessment plan of TELETRANS SA

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

Each year the internal managerial control system is auto-assessed using the valuation questionnaires according to legal provisions.

The implemented Professional Ethic Code helps TELETRANS SA to lay the bases of a harmonious organisational culture, based on fairness and responsibility to employers, employees, clients and the society at large.

GLOSSARY

ANRE - National Regulatory Authority in Energy

CNCAN - National Commission for Nuclear Activities Control

FORMENERG SA - Company FORMENERG SA

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

OUG - Governmental Emergency Ordinance

SDH - synchronous digital hierarchy

SLA - service-level agreement

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

TELETRANS SA - Company of Telecommunication and Information Technology Services into Electricity Transmission Grids TELETRANS SA.