

Non-financial Consolidated Report of Transelectrica 2022



Statement of responsible persons

The information presented in the Non-financial Consolidated Report for the year 2022, designed in accordance with the provisions of the European Directive 2014/95/EU transposed into Romanian Legislation by the Order of the Ministry of Public Finance number 1938 of 17 August 2016, but also in compliance with the Taxonomy Regulation (EU) 2022/852, provides an accurate and true image of the non-financial aspects, part of the activity carried out, with an impact on the development and sustainability of the Group.

This report presents only the elements of novelty compared to the Sustainability Report 2021, elements that arise from the detailing of non-financial aspects specific to the subsidiaries analyzed, Operator of the Electricity and Natural Gas Market "OPCOM" SA, FORMENERG SA, the Company for Maintenance Services of the Power Transmission Grid "Smart" SA and the Company for Telecommunication and Information Technology Services in Power Transmission Grids "TELETRANS" SA.

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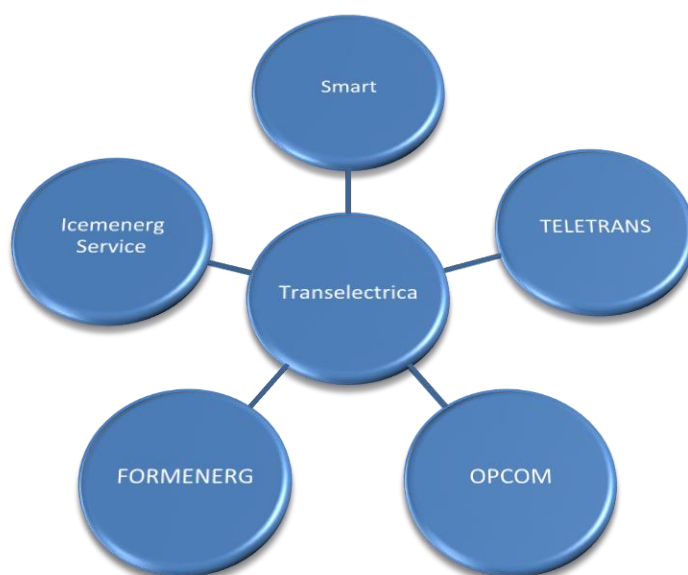
1. Overview

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

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

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

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



It should be noted that the Non-financial Consolidated Report presents only elements of novelty compared to the Sustainability Report 2022, elements that result from the detailing of non-financial aspects specific to the subsidiaries OPCOM, SMART, TELETRANS and FORMENERG. At the same time, the level of detail of the information provided for each company is in direct proportion to the extent of the activities undertaken in relation to the subject under discussion.

• **OPCOM** was established in 2000, on the basis of Government Decision no. 627/13.07.2000 *on the reorganization of the National Power Company - S.A.*, being a joint-stock company, a subsidiary with legal personality of Transelectrica (the transmission and system operator in Romania).

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

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

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

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

S.S.T.T.I.R.E.T. TELETRANS provides monitoring, operation, maintenance of IP (process computing), CT and IT systems, installation and commissioning of equipment, systems and software, software development and development, technical assistance, consultancy, personnel training, studies and other services in the field of IP, CT and IT for S.S.T.T.I.R.E.T. TELETRANS and for the liberalized telecommunications market in Romania.

The main categories of services provided are:

- process IT services, consisting of the administration and maintenance of the Company's process IT systems (data collection via RTU or CCP, EMS/SCADA system, teleprotection, ENTSO-E node, balancing market);
telecommunication services that primarily serve the activity of the System Operator - National Energy Dispatching (data transmissions related to process IT, operational telephony) and provide the communication infrastructure (data - voice), related to the management activity of Transelectrica, as well as other IT systems;
- Information technology services, which provide the full range of administration, maintenance, cyber security, internet, networking services related to all IT systems that are not part of the process IT category.

• **ICEMENERG SERVICE**

In 2004, by Government Decision no. 2294/2004 *on the approval of the transfer of the shares held by the Commercial Company "Institutul de Cercetări e Modernizări Energetice - ICEMENERG" - S.A. Bucharest to the Commercial Company "ICEMENERG-SERVICE" - S.A. Bucharest to the National Power Transmission Company "Transelectrica" - S.A., the*



reorganization of ICEMENERG SERVICE as a wholly owned subsidiary of Transelectrica was approved. The company is currently bankrupt.

2. Brief description of the entity's business model

SMART

SMART's main activity is, according to the NACE code 3314, the Repair of electrical equipment.

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

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

SMART has in its structure eight branch offices without legal personality.

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

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

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

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

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

SMART has also obtained authorization from **CNCAN** for the nuclear quality management system, namely: **Authorization no. 19-045 for the provision of services for nuclear installations**, valid until 03.11.2021 according to the Orders of the President of CNCAN no. 65, 66, 71, 72/2003.

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

- **A3** - testing of electrical equipment and installations to certify the technical compliance of power plants with the applicable technical standards:



- Certificate no. 15264/4.11.2019 valid indefinitely with the required approvals.
- **D1** - design of overhead and underground power lines with any standard rated voltages:
 - Certificate no. 15265/4.11.2019 valid indefinitely with the required approvals.
- **D2** - execution of overhead and underground power lines with any standard rated voltages:
 - Certificate no. 15266/4.11.2019 valid indefinitely with the required approvals.
- **E1** - design of transformer substations, substations and installations belonging to the electrical part of power stations with any standardized rated voltage:
 - Certificate no. 15267/4.11.2019 valid indefinitely with the required approvals.
- **E2** - execution of transformer substations, electrical stations and works on the electrical part of power plants with any standard nominal voltage:
 - Certificate no. 15268/4.11.2019 valid indefinitely with the required approvals.

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

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

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

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

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

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

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

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

The volume of activities requiring withdrawals from operation in the RET is limited by compliance with specific SEN safety conditions. Thus, the condition of prioritising the



provision of resources for minor maintenance of the RET can be more easily met if most of the complementary activities are also carried out in the RET.

As of 31 December 2022, the shares from No. 1 to No. 3,852,860, i.e. 100% of the shares are held by the Sole Shareholder Transelectrica, with registered office in Bucharest, B-dul Ghe. Magheru, no. 33, Sector 1, registered with the Trade Register under number J40/8060/2000, Tax Registration Number 13328043.

FORMENERG

FORMENERG is the leading provider of professional training for the energy sector in Romania, with 50 years of experience in this field of activity, which has expanded in recent years both its portfolio of clients and its range of services, currently offering over 300 courses in various fields to about 400 trainees per year: MBA, management, marketing, finance, accounting, legislation, IT, quality, environment, occupational health and safety, construction, energy strategy, communication, human resources, foreign languages, European funds, public procurement, technical courses, courses specific to the energy sector.

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

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

At the level of 2022, the main coordinates of FORMENERG's activity consisted of:

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

In the training activity, the product offered (the item, as it appears in the marketing literature) is the training course.

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

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

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

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

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



In 2022, through an extensive rebranding process of the accommodation services offered, FORMENERG gained image capital, investing in the development of the hostel infrastructure and bringing it to a 3-star category hotel.

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

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

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

Another service offered to clients is classroom rental. This service is constantly promoted on the website www.formenerg.ro. The beneficiaries of the classrooms are regular customers, new customers or customers acquired through tenders.

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

The training market is the main factor influencing an organisation's revenues. Romania has many paradoxes, one of which is that although there are many training programs, seminars, workshops organized and many diplomas awarded, the number of professionals confirming the value generated by these trainings is very low and the level of skills obtained by them is far below the desired level. Analyses of the actual results in business on the quality of people recruited show significant differences between estimates and results in terms of the added value generated by people specialised in different fields of activity.

FORMENERG's client portfolio includes more than 300 institutions and companies, both in the energy sector and in other sectors of the national economy. In general, FORMENERG targets institutional clients who, on the basis of an annual training budget, send their own employees to training programs. The most important clients are: national companies (Hidroelectrica, Romgaz, Transgaz, Electrica, Transelectrica and its subsidiaries, A.N.R.E.); ministries (Ministry of Economy, Energy and Business Environment, Ministry of Internal Affairs, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Transport, MDRAP, etc.); public institutions (County Councils, Prefectures and Town Halls); private companies (E-ON Moldova, Mittal Steel, Enel, etc.).

In order to constantly adapt to current market trends, FORMENERG focuses on established courses, but also on courses adapted to the permanent needs of the market, aiming at: authenticity, developing and communicating a vision, the ability to "sell ideas", to tell a story and convince people, curiosity and creativity. Also considered are business simulations (in appropriate forms of development), experiential programs and what involves self-awareness, etc.

The aim of FORMENERG is to make access to vocational training courses possible for as many participants as possible, giving them the opportunity to be involved in their own careers in the future. The demands of tomorrow's world have made knowledge and efficiency the unanimous aim of vocational training programs.

In a context of rapid change and fierce and accelerating competition in the labour market, training becomes a prerequisite for performance. The challenge of adapting course topics to the new situation arises precisely from this dynamism, which imposes an accentuated need for information, both on a theoretical and, above all, on a practical level, as the Company increasingly demands well-trained and efficient specialists in their field of



activity. The success rate of vocational training programs is related both to the personal resources of the learners and to the way in which they are structured and tailored to these resources.

OPCOM

OPCOM operates in accordance with the provisions of the Law on Electricity and Natural Gas no. 123/2012, as amended and supplemented, of the Law no. 220/2008 for the establishment of the system for the promotion of energy production from renewable energy sources, republished, as amended and supplemented, of GEO no. 153/2022 amending and supplementing Government Emergency Ordinance No. 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, as well as amending and supplementing certain regulatory acts in the field of energy and amending GEO No. 119/2022 amending and supplementing GEO No. 27/2022 on measures applicable to final customers in the electricity and natural gas market for the period from 1 April 2022 to 31 March 2023, and for amending and supplementing certain regulatory acts in the field of energy, secondary legislation issued and approved by the National Energy Regulatory Authority (ANRE), as well as in accordance with the provisions of the conditions of the licenses granted by ANRE - License for the administration of centralized electricity markets no. 407 and License for the administration of centralized markets in the natural gas sector no. 2270, respectively with the provisions of Decision no. 2085/11.12.2019 (previously Decision 2515/14.12.2015) of the President of ANRE according to which OPCOM has been nominated as "designated electricity market operator" (OPEED) for the exercise of coupling tasks on the DAM and PI horizons, for the Romania offer area, within the meaning of the provisions of Commission Regulation (EU) 2015/1222 establishing guidelines for capacity allocation and congestion management.

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

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

OPCOM has a specific activity profile and area of responsibility within the energy market, with a long history of secure, continuous and fair operation and dynamic, sustainable



and balanced development. For OPCOM, a permanent concern is dedicated to diversifying the product portfolio and supporting the integration of the Romanian energy market into the European single market, applying the best European practices and providing participants with high quality services, varied products, in conditions of full fairness and transparency, as well as in accordance with the provisions of national primary and secondary legislation, and European legislation.

OPCOM's main responsibilities are:

- to act as the organiser and administrator of the Day-Ahead Market for electricity, i.e. as the electricity market operator designated by ANRE to carry out tasks relating to the single coupling of day-ahead markets;
- to act as organiser and administrator of the intra-island market for electricity, respectively as operator of the electricity market designated by ANRE to perform tasks related to the single coupling of intra-island markets;
- to act as organiser and administrator of the Centralised Market for Bilateral Electricity Contracts - through the following modalities: Extended Auction and the use of products ensuring trading flexibility; Continuous Trading; Processing Contracts;
- to act as organiser and administrator of the centralised market for renewable electricity supported by green certificates;
- to act as organiser and administrator of the Centralised Market with continuous double trading of bilateral electricity contracts;
- to exercise the function of organiser and administrator of the Centralised Market for Universal Service;
- to act as organiser and administrator of the centralised market for the award of electricity contracts for long delivery periods.
- to act as organiser and administrator of the electricity market for large end customers;
- acting as the organiser of the Green Certificates Market, the administrator of the Centralised Anonymous Spot Market for Green Certificates and the Centralised Anonymous Forward Market for Green Certificates, as well as the Green Certificates Registry;
- to act as organiser and administrator of the Centralised Market for Natural Gas - by means of: Public Tender; Tender and Negotiation; through OTC Contracts;
- to act as organiser and administrator of the Day-Ahead Market and the Intraday Natural Gas Market;
- to perform the function of Settlement Operator, by carrying out collection/payment/guarantee/clearing operations for the Day Ahead Market for electricity and natural gas respectively, as well as for the Intraday Market for electricity and natural gas respectively;
- determining the payment obligations/collection rights for the TSOs and Balancing Market Participants for the transactions carried out, determining the final single prices, final shortfall prices and final surplus prices, as well as determining the quantitative and value imbalances of the Balancing Parties as delegated operator for the settlement of balancing energy and the imbalances of the Balancing Parties;
- to act as Settlement Operator, by carrying out collection/payment/guarantee/compensation operations for the Centralised Electricity Purchase Mechanism, on the basis of GEO no. 153 of 11.11.2022 for amending and supplementing Government Emergency Ordinance no. 27 of 18 March 2022 on measures applicable to end customers in the electricity and natural gas market during



the period from 1 April 2022 to 31 March 2023, as well as for amending and supplementing certain regulatory acts in the field of energy;

- the activity of supervising the functioning of administered markets;
- collection and publication of statistical data on the market, in accordance with the provisions of the Law on Electricity and Natural Gas, as amended;
- Registered Reporting Mechanism (RRM);
- fulfilling its responsibilities as an Essential Services Operator under Law No 362/2018 on ensuring a high common level of security of networks and information systems;
- an active participant in the European energy market whose goal is the creation of a single European market.

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

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

- OPCOM is fully integrated and committed to the implementation process of both SDAC and SIDC (Single Intra-Day Coupling), involving the related contractual framework, development, implementation and operational activities, and in ensuring the fulfilment of its tasks under the said Regulation, considering its status as OPEED for both trading horizons;
- Since 19.11.2014, the Day Ahead Market for electricity in Romania, administered by OPCOM, has operated in a coupled mode ("4M MC") with similar markets in the Czech Republic, Slovakia and Hungary, based on the PCR (Price Coupling of Regions) coupling solution, a European market coupling solution also used at the level of the entire MRC (Multi-Regional Coupling) region: CWE, SWE, IBWT, Nordic, GB, etc.) and which, with the approval of the OCP Plan by the European national regulators, has become the solution applied for the creation and operation of SDAC (Single Day-Ahead Coupling). On 17 June 2021, the successful launch of the NTC-based interim coupling of the markets in Germany, Austria, Poland and the states included in the 4M MC coupling (Project DE-AT-PL-4M MC, Interim Coupling) with the rest of the European coupled region took place, following a request from the national regulatory authorities of the states concerned to initiate a project for this purpose, thus continuing the development of day-ahead electricity market integration and ensuring the achievement of the sustainable phase of the SDAC, with the ultimate goal of Flow-Based Market Coupling (FB MC). The process of integrating all Romanian borders, internal to the EU, continued with the successful integration of the Romania - Bulgaria border into the European default auction coupling mechanism through the implementation of the Romanian and Bulgarian Day-ahead Electricity Market Coupling project, with the successful launch of commercial operation on 27.10.2021. It should be noted that OPCOM is a full member of the project dedicated to the development of the day-ahead market coupling solution - Price Coupling of Regions (PCR), i.e. co-owner of the solution together with EPEX SPOT, GME, OMIE, Nord Pool EMCO, OTE, TGE, HEnEx and Nasdaq;
- OPCOM is engaged in final testing and preparation activities in view of the launch of the CORE FB MC project, planned for Q2 2022;



- OPCOM, as co-owner of the PCR assets, has started providing the coupling service (both infrastructure implementation and post implementation operational services) to OKTE (the designated OPEED in Slovakia) under the Interim Coupling cooperation (and prior to this project under 4M MC) and will continue under the peak flow coupling project, Core FB MC;
- As regards the integration into the SIDC, as of 19 November 2019, the Romanian Intraday Electricity Market is operating as a coupled market, with the SIDC including in 2021 the continuously traded intraday markets of 24 countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Italy, Hungary, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden. On both borders of Romania involved in the SIDC, 15-minute product trading has been implemented;
- in its capacity as OPEED, OPCOM participates in the implementation of the provisions of Regulation (EU) 2015/1222 applicable to the coupling of markets on these horizons. It should be noted that, in this capacity, OPCOM participates in the cooperation of all European OPEEDs in the common tasks of the operators designated to participate in the coupling mechanisms on the day-ahead and intra-day market horizons in the process of implementing Regulation (EU) 2015/1222, including in the context of European multi-stakeholder cooperation dedicated to the preparation and implementation of the single European coupling on the two horizons mentioned. In view of the further development of the coupling of short-term electricity markets, OPCOM is involved in the process of introducing the possibility to trade 15-minute products on the Day-ahead Market, as well as the implementation of intra-day auctions for capacity pricing in the SIDC;
- In the context of the reporting required by the Regulation, OPCOM has been qualified by ACER as a Registered Reporting Mechanism for the purpose of reporting bids and trades established by wholesale energy market participants in Romania. OPCOM is also involved, from the perspective of Regulation (EU) 1227/2011 on the integrity and transparency of the European wholesale energy market, in the working groups organised by ACER (Agency for the Cooperation of Energy Regulators), for the implementation of this Regulation (Market Surveillance Forum and Groups set up ad-hoc to define implementing rules/guidelines).

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

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



TELETRANS

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

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

TELETRANS currently operates two data networks:

- an SDH backbone of approximately 5,000 km, with national coverage, in a redundant 9-ring topology, for Transelectrica related services;
- a DWDM&IP/MPLS backbone of approximately 4,000 km with national coverage in a redundant 4-ring topology. This network is the property of TELETRANS, was designed and built by TELETRANS specialists and is dedicated to market services.

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

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

- Process IT services, consisting of the administration and maintenance of the Company's process IT systems (data collection via RTU or CCP, EMS/SCADA system, teleprotection, ENTSO-E node, balancing market);
- telecommunication services that primarily serve the activity of the System Operator - National Energy Dispatching (data transmissions related to process IT, operational telephony) and provide the communication infrastructure (data - voice), related to the management activity of Transelectrica, as well as other IT systems;
- Information technology services, which provide the full range of administration, maintenance, cyber security, Internet, networking services related to all IT systems that are not part of the process IT category.

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

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

The provision of services to third party customers is carried out through the conclusion of telecom service contracts by TELETRANS on behalf of Transelectrica, on behalf of the



public telecommunications network of Transelectrica/TELETRANS, whereby capacity and infrastructure elements consisting of capacity and flows made by new telecommunications equipment and/or interfaces purchased by TELETRANS for this purpose, operating on separate fibers, are sold:

- IP services: Internet services, virtual private network/VPN, e-mail;
- Value-added Tc services: data transmission, time division multiplexing/TDM (SDH) data streams;
- co-location: access facilities, location and related services.

Also, an important contract in the relationship with Transelectrica is Contract C75/2020, having as object *"Support services for the construction and operation of electronic communication networks in order to exploit the surplus of fibre optic capacity existing at Transelectrica level, with control kept at C.N.T.E.E. "Transelectrica" S.A."*. Contract C75/2020 basically changed the paradigm and business model previously practiced under Contract C203/2016, in the sense that the provider of electronic communications services to third party customers becomes Transelectrica, based on the transfer of equipment (custody) and contract portfolio (novation) from TELETRANS, as well as through the use of integrated technical and commercial services provided by TELETRANS.

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

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

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

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

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

SMART

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

The SMART activity is carried out under the conditions of integration of the Quality, Environmental, Occupational Safety and Health Management Systems, Management Control



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

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

The overall objectives of SMART are:

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

OPCOM

a. OPCOM's overall development strategy for the period 2022-2024



OPCOM's overall development strategy for the period 2022-2024 is based on the following general principles:

- i. taking the necessary actions to fulfil OPCOM's mission of providing reference prices for electricity and forward price signals for electricity and natural gas and ensuring overall market conditions aimed at increasing the transparency and overall integrity of the wholesale energy market in Romania, supporting the sustainable development of the Romanian energy market;
- ii. the development of those market mechanisms for the trading of electricity, natural gas and related market products and the improvement of the current market mechanisms, for all trading time horizons, so that they support the objectives of national energy strategies as set out in specific national legislation;
- iii. integration into the mechanisms of the single European electricity market, an objective for which OPCOM, together with the other national entities involved, must take the necessary actions in the context of the implementation of the provisions of European legislation and decisions dedicated to the creation and operation of the single European electricity market, including participation in bilateral, regional and pan-European cooperation processes dedicated to the coupling of electricity markets on the day-ahead and intra-European cross-border horizons;
- iv. continuing the corporate, technical and technological evolution so that OPCOM can fulfil its responsibilities under the law on a permanent, reliable and secure basis and in full compliance with the provisions of the framework of primary and secondary national legislation and applicable European legislation, and keeping its own evolution process in line with the evolution of market trading mechanisms, market trends and risks, as well as the level of market maturity;
- v. to continue to apply modern management measures in conditions of high quality and to ensure that the company is managed in full compliance with the legislation in force and in conditions of efficiency and effectiveness;
- vi. continuing corporate development in order to maintain the stable and sound operation of the company, ensuring that responsibilities are fulfilled in full, with continuity and at a high level of performance, and ensuring effective implementation of development programs;
- vii. the implementation with commercial effects of the changes made and tested for the determination of final single prices, final deficit and surplus prices, as well as the determination of quantitative and value imbalances of the Balancing Parties, in accordance with the provisions of the Order of the President of ANRE no.127/08.12.2021 for the approval of the Regulation on the terms and conditions for balancing service providers and frequency stabilization reserve providers and the Regulation on the terms and conditions for balancing parties and for the amendment and repeal of some orders of the President of ANRE;
- viii. continue to undertake, in cooperation with the Romanian entities involved, as well as with the European partners involved, the necessary actions in the context of the implementation of the provisions of the European legislation and decisions dedicated to the creation and operation of the single European electricity market, including participation in bilateral, regional and pan-European cooperation processes dedicated to the coupling of electricity markets on the day-ahead and intra-EU cross-border horizons;
- ix. continue to make available to market participants, on the basis of the framework /standard / EFET/ contracts proposed by the initiator, a wide and varied range of



- products and instruments addressing weekly/monthly/quarterly/annual/multi-annual delivery horizons, for a wide variety of delivery profiles, i.e. band/peak/peak, all resulting in a diversified matrix including a number of 233 instruments in order to satisfy any bidding strategy and taking into account the specificity of energy generation sources (renewable, conventional, hydro, etc.) or the varying consumption profile, given the diverse nature of electricity consumers' activity;
- x. At the same time, OPCOM together with the Bucharest Stock Exchange and other partners in the energy and financial sector have set up the CCP.RO BUCHAREST S.A. Clearing House which will act as a central counterparty with the main role of guaranteeing the obligations of both parties in a contract, acting as a "counterparty" for both the buyer and the seller. Thus, the created company CCP.RO BUCHAREST S.A. will take over and manage, through specific techniques and methods, the counterparty risk, the project being within the contractual terms, the next major step in the activity of the new company being to obtain the operating license from the Financial Supervision Authority. In this respect, joint tests are scheduled by OPCOM - CCP.RO in order to verify the functioning of the IT systems interfaces;
- xi. In order to support the integrity of the energy market, OPCOM will continue and develop its monitoring of the energy markets, with all details of bids and transactions being reported daily to both the national regulator ANRE and the European regulator ACER;
- xii. In its development, the ISO quality and information security standards already implemented will be respected and best practices applied by European energy exchanges and market operators will be considered.

b. Quality policy and overall quality objectives

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

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

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

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

The overall quality objectives for 2022 were:

- the safe and efficient administration of centralized markets, at national, regional and European level, through the services provided to market participants and through oversight and reporting activities;



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

c. Security policy and strategic security objectives

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

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

Also, as an operator of essential services, it implements the necessary measures to comply with the provisions of Law 362/2018 on ensuring a high common level of network and information systems security, which transposes Directive 2018/1148/EC of the European Parliament and of the Council of 6 July 2016 on measures for a high common level of network and information systems security in the Union (NIS Directive).

OPCOM acts for:

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



personnel, customers, suppliers and stakeholders who come into contact with the organisation;

- adopting a proactive attitude in making future business decisions, including continuous review;
- training and awareness-raising of own personnel according to the needs and responsibilities arising from the Information Security Management System.

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

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

In 2022, OPCOM's strategic objectives in the field of information security were:

- the safe and efficient administration of centralised markets through the services made available to market participants;
- monitoring, maintenance and continuous improvement of the ISMS and maintaining the ISMS certification according to the international standard ISO/IEC 27001:2013;
- integration of new products and services made available to market participants in the WSIS;
- fulfilling the role of RRM under REMIT and providing data reporting services to ACER under REMIT;
- providing coupling services for OKTE in the PCR project;
- increase the level of confidence of managed markets participants and OPCOM employees in the SMSI;
- implementing measures for GDPR compliance and integrating them into the WSIS;
- maintaining a minimum level (0) of security incidents involving confidential information;
- identification and implementation of the technical measures necessary to comply with the status of Essential Services Operator under Law 362/2018.

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

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

FORMENERG

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

FORMENERG's commitment is to provide high-performance solutions based on new knowledge and technologies, to fully satisfy customers and reasonably meet the expectations of



all stakeholders by seeking and opening new paths in adult education and business - the strategic steps to follow - in order to maintain the company's high level of business efficiency.

In achieving its objectives - "*Success in performance and competition*" - FORMENERG ensures:

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

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

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

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

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

FORMENERG's strategic objectives are the following:

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

In achieving its objectives FORMENERG ensures:

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



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

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

FORMENERG focuses on ensuring and efficient use of material and human resources in order to fully satisfy customers and comply with legal requirements.

SCIM at FORMENERG level provides reasonable assurance in relation to:

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

FORMENERG is primarily concerned with the value of the lecturers, the quality of the information they provide, and the close relationship with clients.

FORMENERG's **vision** is built around the success of its customers. The performance of the companies and institutions for which it works is a real tool for evaluating its efforts. Its great strength lies in its long-term collaborations. FORMENERG has many clients who have become "traditional" for its work.

The labour market in Romania has undergone significant changes in the context of the economic transition process, manifested in particular by the reduction of the active and employed population, the relatively constant unemployment rate and the increase in long-term unemployment, particularly affected by the limited capacity to create new jobs. This context justifies the need to shift the focus towards investment in vocational education and, in particular, continuing vocational training. The issue of continuing vocational training is important in supporting the transformation of the workforce, as it is the main tool through which the workforce can adapt to new requirements, thus facilitating mobility between different sectors of activity. The accumulation of knowledge and skills enables an improved position in the labour market, while at the same time increasing productivity. Thus, FORMENERG, following the established vision, is working to change this situation, contributing to the implementation of the concept of lifelong learning, used and promoted at European level. With a well-trained human resource, always up to date with new knowledge in the field of activity, companies will function better, be more competitive, better prepared to market competition and changes in the economic environment. This change will be based on well-structured and documented training programs aimed at improving the knowledge and skills of employees, contributing step by step to the creation of a sustainable economy.

FORMENERG's **values**, promoted and communicated inside and outside the company, are respect, customer focus and quality. In this respect, FORMENERG has a team of professionals committed to performance.

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

- **Creativity**: the company is innovative and always strives to apply the latest information, technologies and best solutions;



- **Business ethics:** the foundation of business relationships, characterised by honesty, integrity, communication and mutual trust;
- **collaboration:** proactive attitude towards the client's needs, offering quality services that bring added value through direct and indirect long-term benefits;
- **responsibility:** acting responsibly for the personal development of employees, for the creation of an integral and competitive business environment, social and cultural development of the community;
- **Confidence in one's own strengths:** advocates teamwork and the use of one's own experience and resources, which gives the necessary strength to achieve the mission and sustainable development of the company;
- **Adaptability:** constantly adapting to market requirements, seeking and discovering new opportunities, but remaining constantly focused on customer needs and expectations;
- **discipline:** the emphasis is on self-discipline in order to organise one's way of thinking and acting for the good of the Company;
- **evaluation:** repeated, regular and continuous evaluation helps to achieve the proposed goals, and depending on the results it is possible to know if the movement is on track with the plans made, if there are realistic deadlines, if there is room for improvement and so on;
- **taking into account unforeseen events:** more time is allocated for planning, meetings, launching a new training program, entering a new market, etc.

TELETRANS

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

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

The main axes of the strategy are:

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

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

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



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

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

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

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

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

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

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

4. Risk management system

SMART

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

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

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



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

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

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

Examples of risks identified:

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

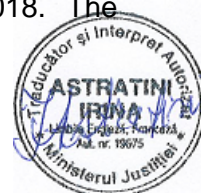
OPCOM

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

At the moment the main risks identified in the area of information security are:

- the lack of adequate space to ensure the continuation of OPCOM's activity in case the main location (16-18 Hristo Botev Boulevard, Sector 3) becomes unusable following a major disaster;
- misapplication of the provisions of the Data Protection Regulation;
- the increase in cyber-attacks, both in number and especially in complexity, which is observed on a global scale;
- the risk of infecting personnel with the new coronavirus;
- Faulty implementation of the provisions of Law No 362/2018 on ensuring a high common level of security of networks and information systems.

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



methodology used for the assessment is taken from ISO/IEC 27005:2011 ("Information technology. Security Techniques. Information security risk management") and the risk management process comprises the following main steps:

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

In accordance with the provisions of the ISO 9001:2015 standard and the Order of the General Secretariat no.600/2018 on the application of the Code of Internal Management Control of Public Entities, the assessment and treatment of risks related to the specific objectives of the departments within OPCOM for the year 2022 were carried out.

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

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

The status of implementation of risk control measures was reviewed for each department during the internal quality management audit conducted in December 2022 and the residual risk assessment was conducted in early 2023.

Legislative and regulatory risk

OPCOM makes every effort to maintain its status as a delegated operator, as a third party, to carry out the activity of establishing payment obligations, collection rights for the Balancing Market and the quantitative and value imbalances of the Balancing Parties, an activity that it has carried out irreproachably for over 17 years.

OPCOM must collaborate with Transelectrica to integrate the provisions of ANRE President's Order No 128 of 8 December 2021 approving the rules for the suspension and restoration of market activities and the applicable settlement rules in view of the importance of short-term markets and the possible impact at national and European level, in the context of the coupled operation of the Day-Ahead Market and the Intraday Market at European level.

There is also a regulatory risk in the functioning of the organised electricity/natural gas/green certificates markets administered by OPCOM, through delays in the adoption of primary legislation/regulations by ANRE and/or the approval by the authorities of rules which subsequently, may lead to different interpretations by market participants and ANRE and even lead to major difficulties and/or ANRE setting very short deadlines for OPCOM's implementation of the requirements of the approved regulatory framework or changes to the existing regulatory framework, such approaches by ANRE also leading to major difficulties in fulfilling OPCOM's obligations arising from the final published forms of the regulatory acts approved by ANRE.

In addition, with regard to the activities carried out by OPCOM in accordance with the provisions of the primary legislation in force, the risks of changes to those provisions and the need to adapt OPCOM's activity accordingly to ensure that the objectives set are met must be taken into account.



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

With regard to the development projects/programs carried out by OPCOM at European level, the following activities are carried out to ensure OPCOM's viable participation: the institution's project portfolio is identified and created, project teams are established by internal decisions to carry out activities in cooperation with representatives of the other companies involved in multi-stakeholder European projects, including for the management, when agreed by all parties involved and to the greatest extent possible, of the legal risk that a particular contract drawn up in a European/regional context may not be recognised by the contracting party and, consequently, contractual obligations may not be fulfilled. Regulatory risk is also present in the case of European projects, referring to the possibility that European single market regulations may undergo unforeseeable changes which could lead to situations where, even where there is rigorous preparation of the preliminary technical documentation in an existing interpretation at a given time, details of wording/certainties/general clauses in European regulations lead to different interpretations and the need to abandon certain directions, including generating additional expenditure or costs which have already been incurred and cannot be recovered. Also, changes in European legislation under discussion in the last two years may require changes to OPCOM's activities and the need to adapt accordingly.

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

In accordance with ANRE Order no.192/2019 on the Methodology for setting the regulated revenue related to the regulated activity carried out by the electricity market operator, ANRE annually approves by order, OPCOM's regulated revenue for the following year, the principles for setting the regulated tariff and the components of the regulated tariff.

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

Risk of non-recovery of ACER fees due on time

OPCOM's role as Registered Reporting Mechanism under REMIT was extended by Commission Decision EU 2020/2JE2 of 12.12.2020 on the fees payable to the European Agency for the Cooperation of Energy Authorities for the collection, use, processing and analysis of information reported under Regulation (EU) No .../.../EC of the European Parliament and of the Council of J22Z/20J1 of the European Parliament and of the Council, in which case OPCOM applies a bilateral contractual mechanism in relation to market participants in order to implement this function as annual fee collector for ACER and to manage as efficiently as possible the risks of non-recovery of individual fees from the reporting participants in a timely manner.

Risk of injury and occupational disease

Also, in accordance with the legislation in force, an assessment of the risks of injury and occupational illness was carried out at OPCOM level, which determined the company's



overall risk level at 2.83, a value that places the company in the category of units with a "low to medium" risk of injury. The Prevention and Protection Plan has been drawn up.

Risk in relation to disputes pending before the courts

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

FORMENERG

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

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

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

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

A number of identified risks are exemplified below:

Regarding **corruption risks**, as of 2022, FORMENERG has not registered any complaints to the Disciplinary Committee, cases of intimidation or attacks on the person, nor cases of discrimination based on gender/age/race/religion/political beliefs. Provisions related to respect for human rights have been included in the Internal Rules and in the CCM.

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

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

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

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

Risk management is the measures taken to reduce the likelihood (possibility) of the risk occurring and/or to reduce the consequences (impact) on results (objectives) if the risk were to materialise. Risk management is the mitigation of risk if it is a threat.

Risk management is about identifying, assessing, managing and establishing a plan of risk mitigation measures, regular review, monitoring and establishing accountability.



FORMENERG has a low risk tolerance and follows appropriate risk management strategies to keep risks within acceptable limits or to eliminate their consequences.

In the area of quality - risks are kept under control by: implementing and complying with review procedures carried out by company management and internal audit; monitoring and measuring customer satisfaction; implementing and complying with course authorization procedures; fulfilling the training program.

The following risks have been identified:

- Risks with high initial impact: the risk that quality audits are concluded with major non-conformities, which could lead to the suspension or cancellation of certifications and loss of contracts, and that business may be affected by reduced customer satisfaction, loss of competitiveness, loss of tenders;
- Risks with medium initial impact: decrease in effectiveness of the Integrated Quality Management System; design and launch of services that do not meet customer expectations, legal requirements or reasonable stakeholder expectations; failure of executive management to increase the competence of quality management personnel.

In the area of environmental protection and OSH - as a result of the measures taken in 2022, these risks have been kept to a low impact level. This effective control of environmental and OSH risks was made possible by: implementing and complying with waste management procedures, implementing and complying with emergency procedures, standardising and optimising them, contracting with a company medical practice and carrying out regular specific medical analyses.

The following risks have been identified:

- Risks with high initial impact: environmental emergencies and OSH; unsafe waste management; unpredictable behaviour and increased environmental impact through equipment wear;
- Risks with an initial environmental impact: unjustified increase in consumption of natural resources; lack of measures to monitor employee health, prevent accidents and occupational diseases; application of penalties for breaching environmental rules, endangering the health safety of employees and stakeholders, reduction in the number of services by reducing the number of employees fit for work.

In the field of social and personnel policy - measures have been taken to motivate personnel through financial incentives and the creation of a pleasant working environment, the implementation of the annual training and professional development plan, the involvement of employees in the decision-making process by co-opting a trade union representative on the Directorate, the maintenance of a budget for dealing with special social situations, the implementation of an induction and integration plan for new employees.

The following risks have been identified:

- Risks with medium initial impact: decreased retention rate of existing personnel or new employees, insufficient allocation of training hours, decreased budget allocated to improving working conditions and employee health prevention, failure to properly inform employees about the company's situation, decreased quality of services provided, decreased work productivity, trade union conflicts, demotivation of employees.

In the area of Business Ethics and Integrity Policy - In 2022, there were no cases of bullying or personal attacks or discrimination on the basis of gender/age/race/religion/political beliefs reported to the Disciplinary Committee. The risk of human rights violations has a medium initial impact, but through containment measures, these risks have been kept to a

low level. Provisions related to respect for human rights have been included in the internal rules and in the collective labour agreement.

TELETRANS

TELETRANS risks are being managed according to the internal procedure and Order 600/2018. In 2022, the main risks were related to the technical activity and refer in particular to the degree of wear and tear of Transelectrica's telecommunications equipment and infrastructure, on which we have to operate, according to the contracts in force. The insurance of spare parts, replacement of equipment or investments do not depend on the decision of TELETRANS, being exclusively the responsibility of the parent company.

The same risks identified in previous years have been perpetuated during 2022.

In addition, a technical risk associated with the telecommunications network operated by TELETRANS has been identified, namely "Provision of services in "best effort" mode when the installed capacity of the TELETRANS network is exceeded".

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

SMART

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

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



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

In order to develop/improve reporting, control and risk management capabilities, paying more attention to the relationship with Transelectrica, SSMRET SMART aims to:

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

OPCOM

The non-financial indicators used in OPCOM are:

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

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



FORMENERG

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

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

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

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

Non-financial performance indicators measure:

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

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

- training services

Indicators:

- Number of training courses series
- Number of trainees
- Income from training services

- hostel accommodation services

Indicators:

- Hostel occupancy rate
- Hostel accommodation services income

- customer satisfaction (external and internal)

Indicators:

- Level of student satisfaction with the quality of services provided
- Employee satisfaction

- monitoring the health status of employees

Indicator



- Medical check-ups according to the legal provisions in force
- waste monitoring
Indicator
 - No. of types of waste collected/ No. of types of waste collected separately*100.

TELETRANS

For 2022, TELETRANS has not established non-financial performance indicators.

6. Environmental management system

SMART

The way in which environmental aspects are identified and assessed is governed by the system procedure SMART-PSM-07.00 "Identification of environmental aspects and associated environmental impacts".

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

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

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

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

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

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

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

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

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

For these situations, the enforcement personnel is equipped with biodegradable absorbent soil. SMART holds environmental permits issued by the Territorial Environmental Agencies (where deemed necessary) and carries out the reporting required by legislation.

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

Examples of environmental issues with reduction measures:

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

OPCOM

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

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

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

In this regard, OPCOM representatives participate in the working groups set up at the Ministry of Energy with the participation of ANRE and representatives of Transelectrica and other entities as appropriate, with the objective of implementing a new support scheme to



support the production of energy from low-carbon sources, a mechanism under which OPCOM would act as counterparty in contracts for difference concluded with investors in clean technologies supported by state aid.

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

FORMENERG

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

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

In terms of environmental protection, FORMENERG is constantly concerned with minimizing the impact of its activities on the environment, and aligning itself with the requirements imposed by the regulatory bodies in the field. This is done by carefully monitoring resource consumption (energy, water) and responsible waste management.

➤ Energy consumption

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

Fuel consumption per hour is 108 Nm³/h. The plant is equipped with a 24.5 m high, 0.422 m² exhaust stack.

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

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

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

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

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

➤ Water consumption

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

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

Monitoring of wastewater discharged into the city sewer is carried out by authorized laboratories (currently ECOIND Bucharest). Measurements are carried out monthly in control



section R1 and data on the quality of the wastewater discharged will be reported annually to the environmental protection authority.

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

➤ **Waste management**

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

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

At the heart of the environmental and occupational health and safety policy is the identification and control of environmental aspects and risks associated with all activities carried out in the organisation, to ensure compliance with legal and other applicable requirements to which the organisation subscribes, prevention of pollution and occupational accidents and illnesses, and respect for the right of stakeholders to live in a clean environment.

Company policy in this area aims to:

- minimising the quantities of waste generated and managing it safely when it cannot be avoided;
- reducing consumption of natural resources;
- reducing the environmental impacts associated with the company's present and future activities and products by gradually replacing some technologies and raw materials with others that have a reduced environmental impact;
- Design and development of environmentally friendly and economical products that reduce the environmental and consumer footprint over their lifetime;
- the supply of raw materials and the sale of products for training and hotel services, a positive influence on sustainable and sustainable development;
- preventing the occurrence of emergencies with an impact on the environment and occupational health and safety by establishing and implementing consistent and effective measures to prevent major accidents involving dangerous substances;
- adopting preventive behaviour towards environmental pollution in order to continuously improve environmental performance;
- continuous analysis of risks and critical elements in processes;
- ensuring an optimal working environment for employees in order to maintain, primarily through preventive activities, the health and safety of employees;
- continuous monitoring of the health status of employees and taking action to improve their health and to prevent accidents and occupational diseases;
- respecting the right of stakeholders to live in a safe environment.

TELETRANS



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

The environmental issues identified at TELETRANS mainly relate to waste management and are kept under control in the Agencies and Centers in accordance with the legal provisions in force, the existing decision-making framework and the specific internal environmental procedures/instructions, which set out the duties and responsibilities of the TELETRANS personnel designated as responsible for environmental protection.

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

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

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

SMART

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

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

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

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

OPCOM

With regard to the social and personnel aspects of the relationship between employer and employee within OPCOM, these were carried out in accordance with labour legislation, as well as with the provisions of OPCOM's Collective Labour Agreement, in force in 2022, the Internal Regulations, OPCOM's Organisational and Functioning Regulations, the Regulations on the organisation and conduct of competitions to fill vacancies, the Code of Ethics and Professional Conduct, etc.



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

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

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

In the context of the pandemic that continued into 2022, in terms of its role and activity, OPCOM paid the utmost attention to ensuring the sustainability and continuity of its activity, i.e. the normal conduct of operations in relation to partners, market participants, authorities and other stakeholders. In this respect, OPCOM has always adopted a proactive attitude, in all the actions and projects it has carried out, limiting itself to compliance with the provisions and recommendations of the authorities. Thus, in an operational and sustained manner, it has implemented measures to maintain a healthy, stable and trustworthy environment both within the company and for partners (for example, the Plan of Measures for the Prevention and Management of Covid-19 Infections within OPCOM, the adoption of the necessary measures for the transmission of specific documents by e-mail without the need for a handwritten signature, the appropriate updating of procedures and working instructions in the administration of centralised markets, etc.).

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

Accordingly, the training of employees in 2022 had as its main objectives:

- the adaptation and full integration of the employee to the requirements of the job;
- updating knowledge and improving professional training;
- acquiring advanced knowledge, modern methods and procedures necessary for carrying out professional activities;
- developing communication skills in professional situations;



- stimulating innovation capacity with applicability within the limits of the assumed responsibility;
- development and implementation of new projects, which led to the diversification of the core business.

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

As regards the employees' right to be informed, in the first quarter of the year, the executive management informed the employees about the estimated fund for the year 2022 for social expenditure, and a protocol was concluded with the social partner on how to allocate the financial sources by type of social expenditure.

The meetings between the Employer and the Trade Union in 2022 were characterised by the willingness of the parties to dialogue. The parties negotiated the granting of wage rights in compliance with the legal provisions. During 2022, protocols and an Additional Act to the Collective Labour Agreement were negotiated and signed. Trade union rights have always been respected within the company.

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

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

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

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

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

FORMENERG

As regards social and personnel issues, a number of actions have been taken to ensure gender equality, proper working conditions, social dialogue, respect for the right of personnel to be informed and consulted, respect for trade union rights, occupational health and safety, dialogue with local communities and/or actions taken to ensure the protection and development of these communities.

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



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

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

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

FORMENERG takes all necessary measures to protect the life and health of employees. In order to ensure proper working conditions, health and safety at work, the company ensures a pleasant, clean working environment by working with professional companies, using ergonomic adjustable chairs so that employees have the correct positioning in relation to the computer and air conditioning systems during the summer.

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

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

At FORMENERG level, a technical framework is set up to deal with health and safety at work, with the following aspects:

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

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

The most important resource needed to achieve objectives is well-trained, motivated, honest and properly equipped employees. From a social point of view, the aim is to maintain a constructive working relationship with employees' organisations and other stakeholders, based on the relevant legislation, by:



- support constructive trade union activity and the conclusion of a Collective Labour Agreement specific to FORMENERG employees;
 - ongoing communication on all major aspects of organisational and business development with trade union organisations, considering employees as a third party stakeholder in the success of the business;
 - establishing and implementing ways of helping disadvantaged people and/or people in special family situations;
 - Establishing and implementing different facilities for all employees, depending on the potential of the organisation and the identified needs;
 - monitoring the health status of employees through regular specialist check-ups;
 - supporting employees and their families when they are in difficult health situations;
 - the granting of meal vouchers;
 - supporting disadvantaged people and/or communities through sponsorship and at the request of FORMENERG employees, directing 2% of the corporate tax paid by employees to the Red Cross and/or NGOs.
- FORMENERG ensures equal opportunities for its current and potential employees by:
- recruiting and promoting personnel in a transparent manner, taking into account the required competence and professional experience and the integrity of the candidates;
 - ensuring the conditions for continuous training and further training in the professions in which they work, as well as for the protection of the environment and occupational health and safety;
 - assessing work and skills only on the basis of objective, sustainable, measurable, fit-for-purpose, consistently and transparently monitored performance criteria for all employees;
 - creating optimal working conditions to stabilise personnel.

TELETRANS

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

8. Combating corruption and bribery

SMART

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

The Code of Ethical Conduct identifies ethical practices and accepted standards and is defined as a set of rules that determine what is right and wrong in employee conduct, a systematic reflection on the moral consequences of a company's decisions. The development of the Code of Ethical Conduct is a core component of the company's transparency, authenticity and accountability to shareholders, the community and the environment.



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

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

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

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

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

- compliance with all legal provisions and recommendations of Romanian capital market institutions;
- Regular benchmarking with international entities and adoption of international best practices;
- zero tolerance for deviations from the SSMRET SMART Code of Ethics.

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

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

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

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



- Adoption of HR-specific measures on increasing the satisfaction of highly qualified personnel and their retention in line with the current and long-term needs of SMART SSMRET;
- implementing a system of remuneration based on individual performance through the analysis of individual performance indicators.

OPCOM

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

If the OPCOM employee is offered gifts during the performance of his/her duties, he/she is obliged to declare it.

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

In accordance with Law no.176/2010 on integrity in the exercise of public functions and dignities, for the modification and completion of Law no.144/2007 on the establishment, organization and functioning of the National Integrity Agency, as well as for the modification and completion of other normative acts, the persons with management positions within OPCOM submit, starting from 2010, and update annually, declarations of assets and declarations of interests. In 2022, these declarations were submitted and transmitted electronically via the e-DAI system of the National Integrity Agency.

In accordance with the H.G. no.1269/17.12.2021 which approved the National Anti-Corruption Strategy for the period 2021-2025 and related documents, the Integrity Plan of OPCOM SA related to the National Anti-Corruption Strategy 2021-2025 was prepared and submitted to the Ministry of Justice and Transelectrica.

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

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

These general objectives have been broken down into specific objectives and specific objectives have been assigned measures for their achievement. The measures set out in this Plan, with a deadline of 2022 and those of a permanent nature, have been achieved.

FORMENERG

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



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

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

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

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

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

FORMENERG guarantees respect for human rights, in accordance with legal provisions, for its employees and collaborators, as well as for its stakeholders by:

- the provision of working conditions which respect the dignity of the individual and of workplaces which are safe and healthy at work;
- prohibition of any form of intimidation through language, attitude, gestures, any other form of attack on the person;
- the elimination of any form of discrimination based on gender/age/race/religion/political beliefs;
- a firm rejection of child exploitation;
- rejecting collaboration with organisations that do not respect human rights.

TELETRANS

TELETRANS is in the process of updating the legal requirements in the field of transparency and anti-corruption according to GD 1269/2021 on the approval of the National Anti-Corruption Strategy 2021 -2025), being implemented the requirements of Law 544/2001 on access to public information and Law 176/2010 on integrity in the exercise of public functions and dignities.

The activity for the prevention of corruption is coordinated by the Compliance Commission, established by Decision 32/27.01.2021, which took over the tasks of the Working Group for the application of GD no. 583/2016 within TELETRANS, established by Decision no. 311/17.11.2016.

The Declaration on adherence to the fundamental values, principles, objectives and monitoring mechanism of the National Anti-Corruption Strategy 2021-2025 is published on the company's website, but the Integrity Plan for the implementation of the National Anti-Corruption Strategy 2021-2025 is under development.

The Compliance Committee assists TELETRANS departments in the implementation of measures related to anti-corruption objectives by carrying out the following steps:

General objective I - Preventing corruption

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

2. With regard to ensuring transparency and access to information of public interest, the Company's website is updated and structured in accordance with Annex 5 of GD 583/2016, and there is a page dedicated to the information required by it.

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

General Objective II - Increase anti-corruption education among the personnel of the Company

The Code of Ethics has been updated, is posted on the company's website and is available for consultation by employees, and there is an internal *Ethics and Integrity* procedure containing all relevant information in this area. An ethics advisor has been appointed to monitor compliance with the company's rules of conduct and to assist employees on ethics and integrity issues.

TELETRANS also uses the *Reporting of Irregularities* procedure, which creates the necessary framework to prevent corruption risks by identifying and indicating them by any employee.

The procedures are posted on the company's internal website and are accessible to all employees.

General objective III - Fight corruption through administrative and criminal measures, strengthen administrative control mechanisms.

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

The internal audit department evaluates and verifies the company's structures in accordance with its own control plans, and is in turn audited by the parent company's counterpart, Transelectrica.

General Objective IV - Approve the Company level plan and identify specific risks and vulnerabilities at Company level.

Planning activities at company level shall be carried out in accordance with the legislation on internal management control and corporate governance, with due regard for integrity and ethical recommendations and standards and their inclusion in employee and business evaluation processes.

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

General Objective V - Strengthen integrity, reduce vulnerabilities and corruption risks within TELETRANS.

Procurement activity is carried out in compliance with public procurement legislation, based on an internal procedure that is regularly updated.

General Objective VI - Increase the implementation of anti-corruption measures through the approval of the integrity plan and regular self-assessment at TELETRANS level.

The CIM development programme is regularly updated and annual planning and reporting is carried out in accordance with the law.



A self-assessment of the internal management control system is carried out annually, based on the evaluation questionnaires established by law.

By implementing the Code of Professional Ethics, TELETRANS wishes to lay the foundations for a harmonious development of the organizational culture, based on fairness and responsibility towards employers, employees, customers and the Company.

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

SMART

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

In this respect, more attention should be given:

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

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

FORMENERG

The Company is committed to protecting the environment, resources and people. By the nature of its business, FORMENERG promotes sustainable development and includes courses on this topic in its offerings.

In order to reduce the **consequences on climate change** that the company's activity produces, by 2022, FORMENERG management has taken a series of measures in terms of the use of goods and services, as follows:

- To avoid climate change caused by **decreasing forest cover**.

- reduced paper consumption for course documentation (course materials, applications, etc.) by delivering information for some courses in electronic format (CD or memory stick);
 - Also for this purpose, but also at the request of the trainees, FORMENERG has run *online* courses using dedicated platforms (Zoom, Microsoft Teams);
 - recycled paper was purchased to run the company's business.
- To avoid climate change caused by **environmental pollution**:
 - the annual overhaul of the three company cars used to transport personnel to delegations was carried out;
 - parking space for bicycles used by employees or customers has been expanded;
 - most employees use the nearby metro to get to work.
 - To avoid climate change caused by **resource consumption**:
 - careful monitoring of resource consumption (energy, water) and responsible waste management;
 - work was carried out to optimise electricity consumption in the hotel (replacement of incandescent bulbs and fluorescent tubes with economical alternatives);
 - also for the Hotel TINERETULUI, refrigerators and coolers of class A consumption were purchased;
 - the Pro Natura message was displayed in the accommodation to encourage tourists to minimise energy and resource consumption.

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

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

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

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

TELETRANS

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



GLOSSARY

ANRE - National Energy Regulatory Authority

CNCAN - National Commission for the Control of Nuclear Activities

GEO - Government Emergency Ordinance

SDH - synchronous digital hierarchy

SLA - service-level agreement



