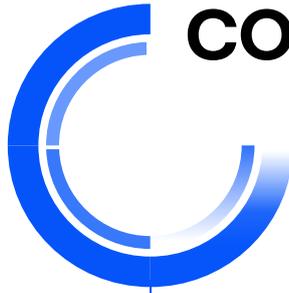




**2022** Sustainability  
**report**



# CONTENT

2	<b>1. Leadership message</b>
3	<b>2. About the Sustainability Report</b>
5	<b>3. Materiality Analysis</b>
11	<b>4. Our sustainable business model</b>
17	4.1 Organization governance and management
19	4.2 Ethics and best practices in business
23	4.3 Sustainability Strategy
26	4.4 Risk Management
28	4.5 Relationship with suppliers
30	4.6 Relationship with state authorities
31	4.7 Customer relationship
35	<b>5. Our people</b>
40	5.1 Professional training and promotion at the workplace
42	5.2 Diversity and inclusion
45	<b>6. Occupational health and safety</b>
48	6.1 Development of a safety culture
52	6.2 Inspections
53	6.3 The Competence Centre
54	6.4 Contractors Management
55	6.5 Safety equipment and features
56	6.6 Certifications
57	<b>7. Our performance</b>
58	7.1 Financial performance
59	7.2 Technical performance
61	7.3 Targets assumed
72	<b>8. Environment and climate change</b>
76	8.1 Managing energy consumption
78	8.2 Carbon footprint
80	8.3 Waste management
83	8.4 Circular economy
85	8.5 Biodiversity
88	<b>9. Engaging local communities</b>
89	9.1 Access to energy in vulnerable communities
90	9.2 Education
92	9.3 Circular and Solidary Economy
93	9.4 Patrimony
94	9.5 Developing the local economy
96	<b>10. Our position and commitment regarding the European Taxonomy</b>
104	<b>11. Annexes</b>
105	Annex 1 – Abbreviations
107	Annex 2 – GRI content index



## Leadership message



**Monica Hodor**

General Manager E-Distribuție  
Muntenia, Banat, Dobrogea

**Carlo Pignoloni**

President of the Board  
of Directors

### Dear partners,

We are pleased to present the 2022 Sustainability Report for E-Distribuție companies in Romania. Through this report we would like to share with all our stakeholders the challenges of year 2022, the results achieved by implementing the “Open Power” strategy and our initiatives to integrate sustainability into the core aspects of the distribution business, while maintaining a high level of care for our customers’, partners’ and stakeholders’ needs, and a constant preoccupation for the environment.

The year 2022 was another of great turbulence, characterized by converging crises, such as the continuation of the pandemic, the climate change effects, economic uncertainty, dramatic diplomatic conflicts, tensions within the energy commodity market, inequality intensification and volatility of the supply chain.

Within this context, we acknowledge once again the need for a flexible approach that continuously innovates and adapts and helps anticipate and address the multitude of changes that have become a constant over the recent years, so that we can contribute to further reduce risks and increase economic and social value. E-Distribuție companies have adopted a sustainable business model by committing to the key role that the distribution network infrastructure plays in the energy transition. We continue our contribution to the decarbonization and electrification process in line with the Objectives of the Paris Agreement.

Grids transformation remains our strategic objective and drives our technological and digital innovation progress by combining the use of traditional equipment with advanced grids solutions, increasing the resilience of our networks and fostering their sustainability.

Our leading role in the energy transition requires our commitment to promote transparency in all our processes, active listening, openness and orientation towards creative solutions. We enable talent and passion and harness uniqueness while consolidating our relationships with the local communities, customers and partners.

We are open to new technologies, partnerships and ways of using energy, involving all stakeholders to jointly create favorable grounds for a circular economy model, essential for addressing today’s challenges such as economic insecurity, social inequity and climate change.

Our people are central to our strategy, and a continuous source of inspiration for our core organizational values: trust, responsibility, innovation and proactivity. We maintain a high commitment for respecting our code of ethics, and the focus on our ‘Zero Accidents’ goal. Health and safety at work remain strategic objectives in our companies’ activities.

We are confident with regards to the future of the energy sector and continue to play an active role in significantly contributing to the main objectives of the Energy Transition.



## About the **Sustainability Report**



## About the report

E-Distribuție companies publish their fourth Sustainability Report, detailing their non-financial performance and how environmental, social, and governance aspects are integrated into their business strategy.

The information presented thus addresses aspects related to environmental protection and climate change, but also aspects related to personnel, human rights, anti-corruption and bribery, including a description of our business model, policies regarding the aspects mentioned above, and due diligence procedures applied and the main risks arising from the operations we carried out. As we aim to improve our performance year on year, we monitor and report a number of key non-financial performance indicators relevant to our business.

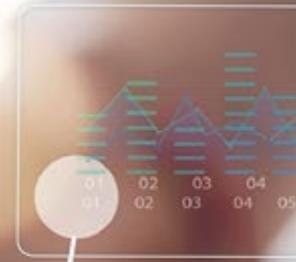
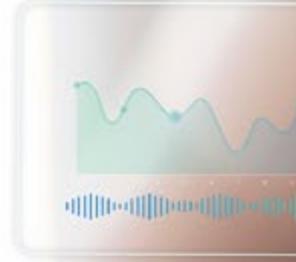
The report was prepared in accordance with the Global Reporting Initiative Standard (Global Reporting Initiative – GRI) and complied with the European Directive 2014/95/EU provisions transposed into Romanian legislation by Order of the Ministry of Public Finance no. 1938 of August 17, 2016, as amended. We note that this report has not

been subject to external assurance and that there are no restatements or changes related to the information presented in previous years.

The report provides a correct and realistic picture of the non-financial aspects of the activity that impact the transition to a sustainable business model. This report captures the non-financial performance of E-Distribuție companies with headquarters in:

- **E-Distribuție Banat S.A. Timișoara**,  
Pestalozzi Street no. 3-5.
- **E-Distribuție Dobrogea S.A. Constanța**,  
Nicolae Iorga Street no. 89A.
- **E-Distribuție Muntenia S.A. Bucharest**,  
Mircea Vodă Blvd. no. 30.

The E-Distribuție sustainability report includes qualitative and quantitative data on non-financial performance related to the period January 1, 2022 – December 31, 2022. You can send questions or suggestions regarding the content of this report to:



# 3 Materiality Analysis

## Materiality Analysis

In order to identify and prioritize the most relevant sustainability themes, we carried out the materiality analysis process in the context of ESG by involving relevant stakeholders and experts, using the specific methodology for this type of exercise, including the Global Reporting Initiative (GRI) guidelines.

The materiality analysis defines the themes significant to the company, reflecting its impact on the economy, environment, and society in general. In order to progress, it is important to understand and respond to the needs of different stakeholders through open and constant dialogue, adapting and focusing our efforts according to their requirements and expectations.

E-Distribuție companies are among the most important companies in the energy sector and face the daily challenge of addressing different categories of stakeholders, both internal and external.

The materiality assessment enabled the identification of the most significant aspects of our business, thus shaping the structure of our sustainability report in accordance with the priorities and perspectives of our stakeholders.

The methodology applied for the materiality analysis is based on the four-step process of the GRI best practices for determining materiality. To ensure that the consultation process and its results reflect the vision of the interested parties as accurately as possible, it is organized in several stages:

- 1.** The first step consisted of identifying the relevant aspects for the operations of E-Distribuție companies through the analysis of international sustainability standards, frameworks, and initiatives (Global Reporting Initiative, Sustainability Accounting Standards Board, Non-Financial Reporting Directive), of articles published in the mass media the media, as well as the sustainability reports published by the main companies carrying out similar activities.
- 2.** The second step consisted of identifying stakeholders and assigning relevance. The list of themes was analysed internally, each theme being evaluated from the perspective of economic, social, and environmental impact dimensions.  
  
Our attention is directed, to the same extent, to all categories of interested parties, communicating through specific channels with each category:
  - Employees;
  - Clients;
  - Suppliers;
  - Civil society;
  - Press.
- 3.** This was followed by the evaluation of the priorities of the interested parties, both internal and external, through the questionnaires which were sent to them. In addition, we organized a focus group with the strategic suppliers of E-Distribuție companies to determine which sustainability aspects are most relevant to them. Their participation was an active one, from which various topics of interest emerged for the E-Distribuție companies and which resulted in being aligned with the rest of the interested parties.
- 4.** The last step consisted of evaluating the relevance of ESG themes for the company, by involving and consulting the Management of the E-Distribuție companies.

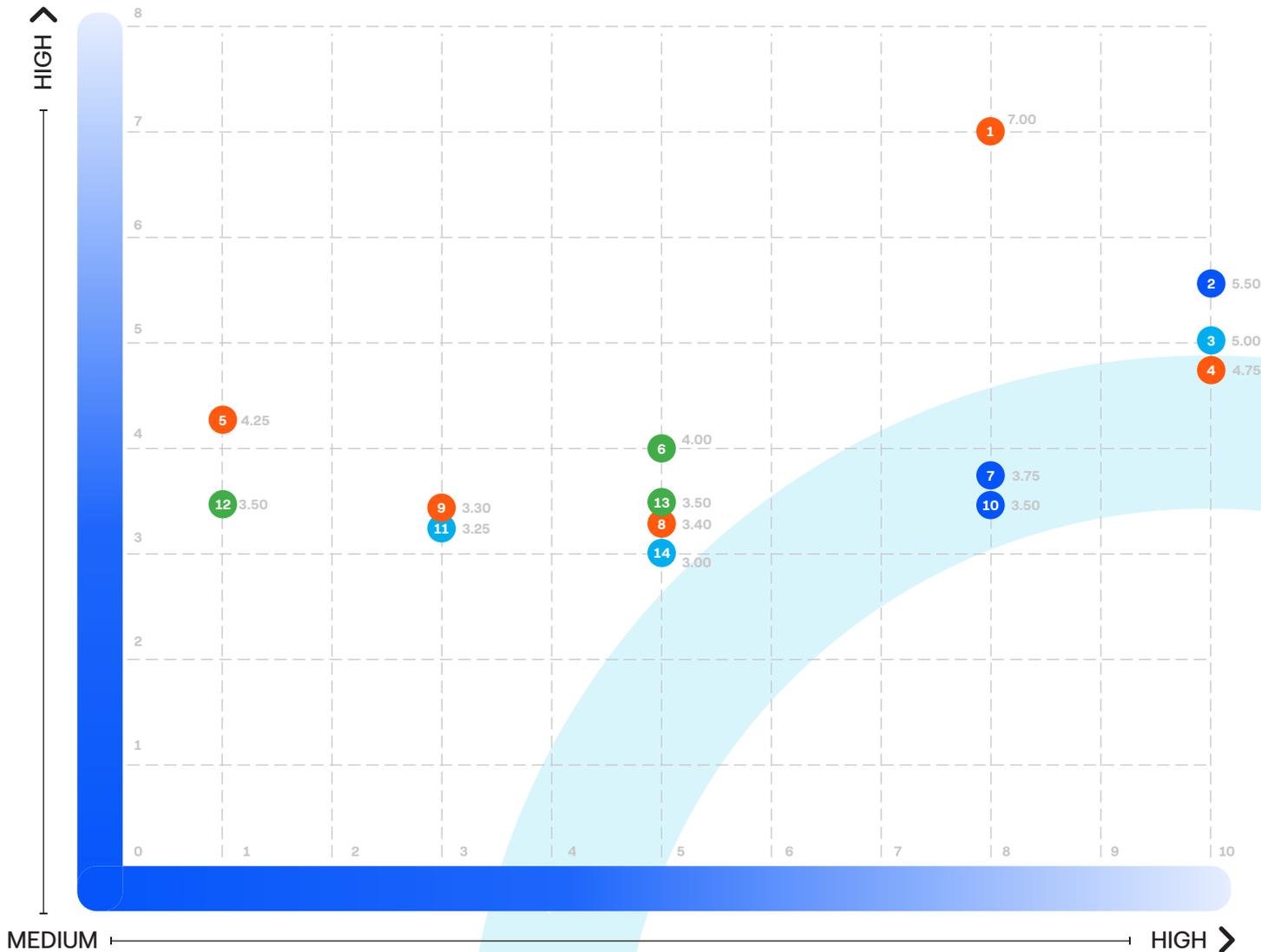
## Materiality Matrix

Following this analysis, we obtained a number of 14 material themes from different categories of sustainability

topics (governance, social, environment, economic and distribution network development), presented below:

Priority	Material topics	Key Performance Indicator (KPI)	Categories
1	» Employees' occupational health & safety	<p><b>GRI 403-1</b> Occupational health and safety management system;</p> <p><b>GRI 403-2</b> Hazard identification, risk assessment, and incident investigation;</p> <p><b>GRI 403-3</b> Occupational health services;</p> <p><b>GRI 403-4</b> Worker participation, consultation, and communication on occupational health and safety;</p> <p><b>GRI 403-5</b> Worker training on occupational health and safety;</p> <p><b>GRI 403-6</b> Promotion of worker health;</p> <p><b>GRI 403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships;</p> <p><b>GRI 403-9</b> Work-related injuries;</p>	» Social aspects
2	» Quality, security, and continuity of the electricity service	<p><b>EU 6</b> Management approach to ensure short and long-term electricity availability and reliability;</p> <p><b>EU 7</b> Demand-side management programmes including residential, commercial, institutional, and industrial programmes;</p> <p><b>EU 8</b> Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development;</p> <p><b>EU 10</b> Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime;</p> <p><b>EU 27</b> Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime;</p> <p><b>EU 28</b> Power outage frequency;</p> <p><b>EU 29</b> Average Power Outage Duration;</p>	» Development of the distribution grid
3	» Compliance with laws and regulations	<p><b>GRI 2-27</b> Compliance with laws and regulations;</p>	» Governance aspects
4	» Respect for human rights	<p><b>GRI 2-23</b> Policy commitments;</p> <p><b>GRI 2-24</b> Embedding policy commitments;</p>	» Social aspects
5	» Local community relations	<p><b>GRI 413-1</b> Operations with local community engagement, impact assessments, and development programmes;</p>	» Social aspects

Prioritate	Teme materiale	Indicatori de performanță	Categorie
6	» Climate Change & Energy Transition	<b>GRI 302-1</b> Energy consumption within the organization; <b>GRI 302-4</b> Reduction of energy consumption; <b>GRI 308-2</b> Negative environmental impacts in the supply chain and actions taken;	» Environmental aspects
7	» Digitalization of the distribution network	See the sub-chapter „ <i>Our sustainable business model</i> ” and the sub-chapter „ <i>Technical performance</i> ”.	» Development of the distribution grid
8	» Data protection and customer privacy	See the sub-chapter „ <i>Customer relationship</i> ”.	» Social aspects
9	» Diversity, inclusion and anti-discrimination	<b>GRI 406-1</b> Incidents of discrimination and corrective actions taken; <b>GRI 405-1</b> Diversity of governance bodies and employees; <b>GRI 401-1</b> New employee hires and employee turnover; <b>GRI 401-3</b> Parental leave;	» Social aspects
10	» Efficiency and Innovation of the network	<b>EU 12</b> Transmission and distribution losses as a percentage of total energy;	» Development of the distribution grid
11	» Interactions with suppliers on sustainability matters	<b>GRI 308-1</b> New suppliers that were screened using environmental criteria; <b>GRI 414-1</b> New suppliers that were screened using social criteria; <b>GRI 414-2</b> Negative social impacts in the supply chain and actions taken;	» Governance aspects
12	» Biodiversity	<b>GRI 304-1</b> Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; <b>GRI 304-2</b> Significant impacts of activities, products and services on biodiversity;	» Environmental aspects
13	» Circular Economy & Waste Management	<b>GRI 306-2</b> Management of significant waste-related impacts; <b>GRI 306-4</b> Waste diverted from disposal;	» Environmental aspects
14	» Ethics and best practices in business	<b>GRI 2-15</b> Conflicts of interest; <b>GRI 2-16</b> Communication of critical concerns; <b>GRI 205-1</b> Operations assessed for risks related to corruption; <b>GRI 205-2</b> Communication and training about anti-corruption policies and procedures; <b>GRI 205-3</b> Confirmed incidents of corruption and actions taken; <b>GRI 206-1</b> Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	» Governance aspects



**Social aspects**

- 1 The health and safety of the employees
- 4 Respect for human rights
- 5 Relationship with local communities
- 8 Data protection and customer privacy
- 9 Diversity, inclusion and anti-discrimination

**Environmental aspects**

- 6 Climate Change & Energy Transition
- 12 Biodiversity
- 13 Circular Economy & Waste Management

**Development of the distribution grid**

- 2 Quality, security, and continuity of the electricity service
- 7 Digitization of the distribution network
- 10 Efficiency and Innovation of the network

**Governance aspects**

- 3 Compliance with laws and regulations
- 11 Interactions with suppliers on sustainability matters
- 14 Ethics and best practices in business



In the context of the European Corporate Sustainability Reporting Directive (CSRD) and the recent publication by the European Commission of the first set of European Corporate Sustainability Reporting Standards (ESRS), which amend the current Non-Financial Reporting Directive (NFRD) and which will produce effects starting from the following year, we wanted to carry out a short exercise to introduce elements of double materiality, one of the concepts proposed by the new European Directive.

Double Materiality proposes a new, more complex approach in which companies must consider how their actions impact both people and the planet, but also how sustainability issues can affect their financial wellbeing. The information reported can be significant in terms of its implications for the company's financial value and its impact on the world at large.

Thus, to assess economic, social, and environmental challenges, identify risks, limit their impact, and take full advantage of the opportunities of the broader materiality analysis process, we analysed the main current and future ESG megatrends.

To carry out the analysis, we consulted a series of studies by the main research agencies in the field of sustainability, but also by relevant publications in the energy sector.

Fourteen main ESG megatrends have been identified, including digitalization, defining new governance models, climate change, energy efficiency, circular economy, biodiversity, employee health, and safety or diversity. The widely identified trends shaping the actions of companies interested in investing in ESG are well known at this point, determined by us through the materiality analysis, which shows us numerous intersections between material themes relevant to the stakeholders of E-Distribuție companies and current ESG megatrends.

Among them, we mention climate change, net zero objectives, circular economy, energy efficiency, digitalization, biodiversity, and employee well-being or diversity. All these topics concern us and our business strategy is directly addressed through the pillars that are the basis of the E-Distribuție companies' sustainability strategy.

For E-Distribuție companies, the new regulations generate the opportunity to highlight even more our business agenda, already strongly anchored in the principles of sustainable development, helping us to focus more on achieving a positive impact and to reduce the negative impact, where it exists.



## Our sustainable business model

- 4.1 Organization governance and management
- 4.2 Ethics and best practices in business
- 4.3 Sustainability Strategy
- 4.4 Risk Management
- 4.5 Relationship with suppliers
- 4.6 Relationship with state authorities
- 4.7 Customer relationship

## Our sustainable business model

E-Distribuție Banat, E-Distribuție Dobrogea, and E-Distribuție Muntenia are the electricity distribution companies within the Enel Group in Romania.

The Enel Group operates in 30 countries worldwide and supplies energy to more than 75 million end users. The company leads the transformation in the energy sector and is distinguished by its advanced level of network digitalization. Regarding the distribution business line, Enel is the global leader among private operators regarding the number of customers served.

On the local market, starting with 2005, the Enel Group has become one of the most important private investors in the energy sector, with operations in various sectors such as electricity distribution and supply, renewable electricity generation, and the development of innovative digital solutions in the energy field.

Currently, E-Distribuție companies cover about a third of the local distribution market and manage networks with a total length of about 133,000 kilometres in three important regions of the country: South Muntenia, Banat, and Dobrogea.

- **E-Distribuție Banat** manages the network in the counties of Banat – Timiș, Arad, Hunedoara and Caraș-Severin;
- **E-Distribuție Dobrogea** manages the network in the counties of Dobrogea – Constanța, Călărași, Tulcea and Ialomița;
- **E-Distribuție Muntenia** manages the network in South Muntenia – Bucharest area, Ilfov and Giurgiu counties.

The three distribution companies promote the Open Power philosophy based on values such as trust, responsibility, proactivity, and innovation.

These values create an open and dynamic work environment that encourages an entrepreneurial approach and the assumption of calculated risks, thus contributing to the sustainable progress of the entire Group. Our policy in the field is based on the Integrated Management System of Quality, Health, and Safety at Work, Environment, and Energy, within which we have established specific and measurable objectives through our integrated management programme.

These objectives facilitate improving processes and systems that lead to obtain, maintain and renew ISO certifications. To maintain performance in the areas of Quality, Health, and Safety at Work, Environment, and Energy, we have set the following objectives:

- Improving the quality of service by reducing the duration and number of interruptions for customers;
- Increasing safety in the operation of facilities, ensuring the well-being, health and safety of our employees, collaborators and customers;
- Reducing the impact of distribution facilities on the environment;
- Reduction of technical and commercial losses in electrical networks.

E-Distribuție companies aim to transform the networks they manage in Romania into smart networks, through a digitalization process supported by constant investments in modernization projects.

Through this transformation, networks become more resilient, while fault identification and remediation become simpler through rapid, including remote interventions .

## E-Distribuție

The network of E-Distribuție companies includes high and medium voltage primary substations (HV/MV), medium and low voltage primary substations (MV/LV), supply points, aerial and underground power lines for high, medium, and low voltage, electrical meter security blocks.

Our grid comprises **287 primary substations** with a total installed capacity of over **22,000 MVA**, and annually distribute approximately **15 TWh** of electricity via high, medium and low voltage power lines.



The three distribution companies are responsible for ensuring the continuity of the electricity distribution service for more than three million customers and we have duties regarding the metering activity, including the periodic reading of the meters, their replacement in case of defects or according to the modernization plans.

The main services we provide are:

- **Grid connection** - i.e., connecting customers to the electricity distribution grid;

- **Distribution of electricity** to customers connected to the grid, according to specific characteristics, such as the required power and voltage;
- **The measuring activity**, which involves installation and maintenance of meters, monitoring and reporting of electrical measurements.



## E-Distribuție companies in numbers

### Customers supplied from E-Distribuție grid

Distribution company	Residential customers	Business Customers	Total no. customers
E-Distribuție Banat	875,341	73,150	<b>948,491</b>
E-Distribuție Dobrogea	636,078	51,124	<b>687,202</b>
E-Distribuție Muntenia	1,373,708	73,926	<b>1,447,634</b>

### The amount of energy distributed in 2022 by our companies (MWh)

Distribution company	High voltage	Medium voltage	Low voltage	Total
E-Distribuție Banat	489,910	1,665,828	2,196,842	<b>4,352,580</b>
E-Distribuție Dobrogea	943,421	1,001,398	1,784,210	<b>3,729,029</b>
E-Distribuție Muntenia	234,467	3,069,497	4,133,468	<b>7,435,541</b>

### Network elements

E-Distribuție Banat	E-Distribuție Dobrogea	E-Distribuție Muntenia
<b>97</b> primary substations	<b>120</b> primary substations	<b>70</b> primary substations
<b>8,733</b> secondary substations	<b>6,373</b> secondary substations	<b>9,405</b> secondary substations
<b>6,382</b> MVA power in primary and secondary substations	<b>6,214</b> MVA power in primary and secondary substations	<b>9,110</b> MVA power in primary and secondary substations

## Vision and Values

Our mission, which we adopt at the group level, is based on the philosophy of **Open Power** and follows several directions::

- **Opening access to electricity:**  
We ensure access to electricity for as many people and communities as possible;
- **Openness to new types of energy:**  
We are open and promote the use of renewable and sustainable energy sources;
- **Opening the energy sector to new technologies:**  
We support the innovation and integration of new technologies in the energy field, to improve efficiency and sustainability;

- **Openness to new partnerships:**

We seek collaborations and strategic partnerships to drive progress in the energy field.

We operate for the benefit of the community, respecting all aspects related to the protection of the environment, health, and safety of people, constantly bearing in mind the responsibility towards future generations.

With this vision as the central point of the business strategy, Enel Group and, implicitly, E-Distribuție companies adopt the Open Power policy to stimulate sustainable progress.

**This policy is based on four fundamental values:**

We believe our success derives from the trust we build every day with our communities and partners.

### Trust



We take responsibility for improving the quality of life on our planet by providing solutions to the challenges of climate change and meeting the increased need for renewable energy so that electricity is accessible to all.

### Responsibility



### Proactivity

We are always looking for creative people from diverse backgrounds who can think in an original way, are curious, and see challenges as opportunities.



### Innovation

We place innovation at the heart of what we do, to ensure that the best and most creative ideas don't just stay at the concept stage but are put into practice to improve people's lives.



## Affiliations

E-Distribuție companies are affiliated to several national networks and organizations, contributing to the fulfilment of their missions through our experience and approach oriented towards the energy transition. These affiliations represent our companies' commitment to promoting a collaborative work environment, contributing to increasing the degree of innovation in the energy field.

We are actively involved in the development and implementation of sustainable energy solutions and have the opportunity to promote best practices. These collaborations allow us to stay connected and working towards the development and implementation of the latest trends and innovations in the energy field, contributing to the progress of the energy sector in Romania.



Federation of Associations of Energy Utilities Companys (AEUC)



Concordia (via AEUC)



Romanian Wind Energy Association (RWEA)



Foreign Investors Council (FIC)



American Chamber of Commerce (AmCham)



Italian Chamber of Commerce for Romania (ICCR)



Confindustria Romania



Aspen Institute Romania



Energy Policy Group



Romanian Energy Centre (CRE)



Romanian National Institute for the Study of Planning and Use of Energy Sources



Romanian Energy Suppliers Association (AFEER)



Romanian Photovoltaic Industry Association (RPIA)



Romanian National Committee of the World Energy Council (CNR-WEC)

## Awards

Our efforts enjoy attention and recognition year after year at national level, being awarded for the involvement, professionalism, and dedication with which E-Distribuție teams choose to carry out their activity.

This also happened in 2022 when we were happy to receive awards at the Forbes Romania Best Cities for Business

**First Award - „The largest business in the field of energy in the county”**



During the Forbes Romania Best Cities for Business 2022 gala (Timișoara), we enjoyed the recognition of the community of Banat and received the distinction as „the county's largest business in the energy sector”.

2022 gala (Timișoara) and at the „Ladies in Energy” event organized by the Focus Energetic publication. The award is a reward for the daily involvement of Ms. Oana Raluca Chiriac with all the customers served by E-Distribuție companies. The event is dedicated to all the ladies in energy who play an essential role in the sustainable development of the Enel group companies in Romania.

**Second Award - „Ladies in Energy” organized by Focus Energetic publication**



**Oana Raluca Chiriac**, Head of Customer Engagement of E-Distribuție companies, won the excellence award for „the energy and commitment with which she promotes the development of customer relations through smart and resilient networks”, during the „Gods in Energy” event organized by Focus Energetic publication.

# 4.1 Organization governance and management

**Our governance structure** is based on international best practices with a focus on independence, transparency, inclusiveness, and accountability. This is integrated in the strategic and operational processes, ensuring efficient management and in accordance with the purpose and values of E-Distribuție companies.

**Our mission** is to create value in the national energy market, considering the needs of customers, investors, and everyone we interact with. We carry out our activities to benefit the community, respecting the environment, health, and safety of people, considering our responsibility towards future generations.

**Our organizational and corporate governance model** ensures the appropriate integration of sustainability aspects into the company's relevant decision-making processes. This is achieved by clearly defining the tasks and responsibilities of corporate governance bodies. Management at the company level is ensured by the Board of Directors and the General Meeting of Shareholders in accordance with the Constitutive Act and Companies Law 31/1990.

These bodies play a central role in corporate governance, have competencies related to companies' strategic, organizational, and control policies, and monitor their sustainable success.

**The remuneration policy** is established by the General Meeting of Shareholders, which established a fixed remuneration for the members of the Board of Directors. This remuneration is determined according to their participation in at least one monthly meeting.

**The members of the Board of Directors** are selected according to their professional experience based on the proposals made by the shareholders. They establish the strategic direction and development objectives for the companies, approve the business plan and any subsequent changes, including proposals for the global strategy of the companies, the review, modernization, and restructuring of the governance and management of the organization, and also supervise the work of the managers in the companies.

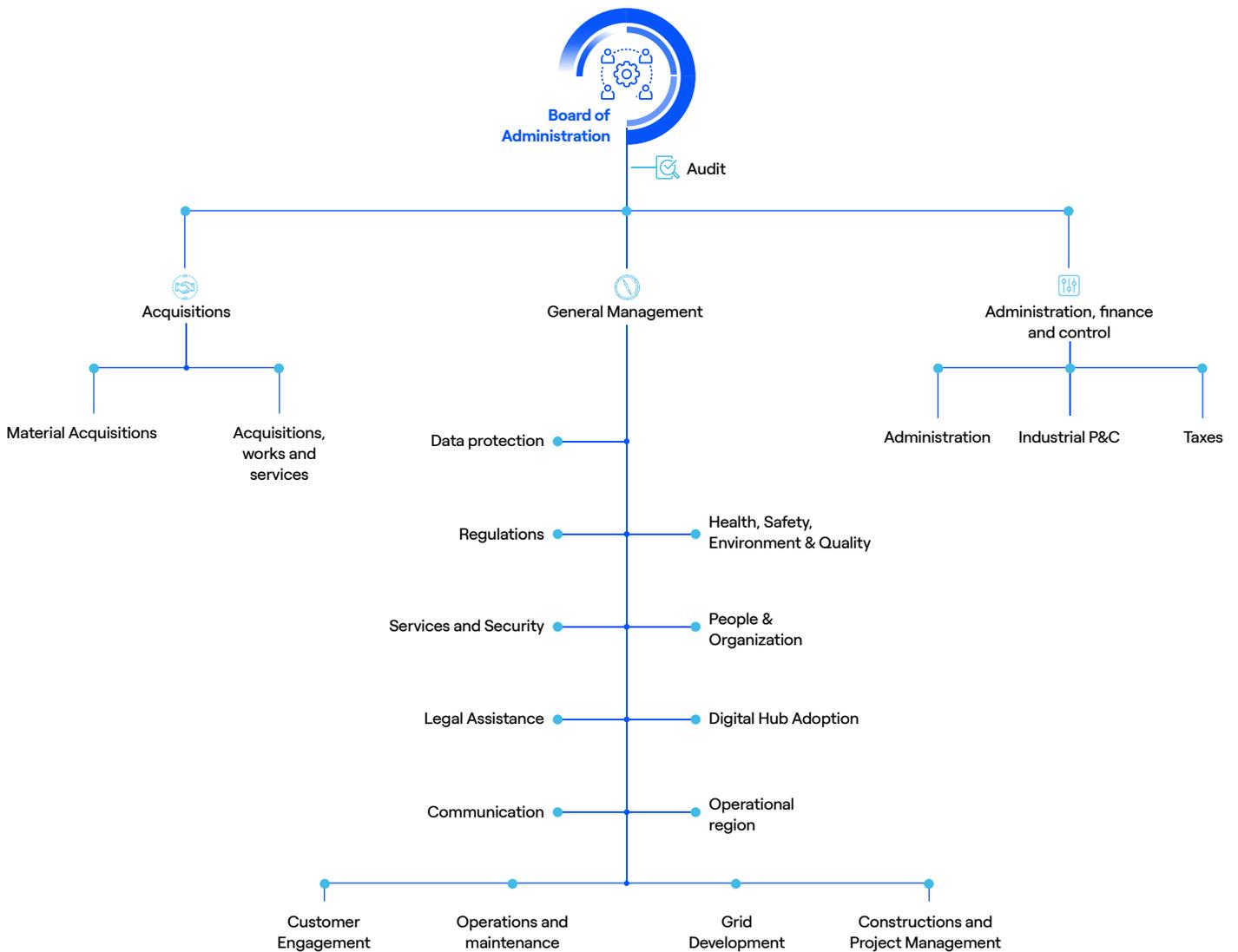
**The Board of Directors** can delegate the company's management to one or more directors, one of whom may be appointed General Director per the legislation in force.

In the case of the three distribution companies, the Board of Directors delegated the management to **Monica Hodor**, as **General Director**, and appointed **Maurizio Rastelli** as **Financial Director**, while **Simona Trofin** fulfills the role of **Procurement Director** of the companies.

Company	Headquarters	Geographical area	Legal form	Shareholders structure
<b>E-Distribuție Banat</b>	Timișoara, Pestalozzi Street, No. 3-5	Arad, Caraș-Severin, Hunedoara and Timiș counties	Joint stock company	<b>Enel SpA (51%); Energy Participation Administration Company (24,9%); S.C. Fondul Proprietatea S.A. (24,1%)</b>
<b>E-Distribuție Dobrogea</b>	Constanța, Nicolae Iorga Street, No. 89A	Călărași, Constanța, Ialomița and Tulcea counties	Joint stock company	<b>Enel SpA (51%); Energy Participation Administration Company (24,9%); S.C. Fondul Proprietatea S.A. (24,1%)</b>
<b>E-Distribuție Muntenia</b>	Bucharest, Mircea Vodă Blvd., No. 30	Bucharest, and Giurgiu and Ilfov counties	Joint stock company	<b>Enel SpA (51%); Energy Participation Administration Company (24,9%); S.C. Fondul Proprietatea S.A. (24,1%)</b>



The three distribution companies are organized according to the model below:



## 4.2 Ethics and best practices in business

The activity carried out by E-Distribuție companies is regulated by internal policies, which aim to prevent corruption and conflicts of interest. The phenomenon of corruption represents an obstacle to economic, political, and social development, distorting the rules, fairness, and transparency of markets. That is why, at the level of Enel Romania, we are committed to complying with a **Code of Ethics** that expresses our commitments and responsibilities regarding the management of our businesses and activities. **The Code of Ethics** is composed of general principles that govern relations with partners and define our fundamental values, such as impartiality, honesty, fair competition, transparency, and the valorisation of human resources.

It also includes criteria of conduct, a set of prescriptive rules that ensure the implementation of our core values.

The general objectives of E-Distribuție companies to prevent and combat corruption are the following:

- Absolute prohibition of behaviours that can be considered corruption or attempted corruption;
- Strict compliance with the legislation regarding the prevention and combating of corruption;
- Implementation of an Anti-Bribery Management System according to the **ISO 37001:2016** standard;

- Encouraging reporting and protecting those who report behaviour inconsistent with the company's internal policies;
- Pursuing and sanctioning behaviours that do not comply with the anti-bribery policy;
- The presence of an Anti-Bribery Compliance Committee, made up of representatives of the central units: Audit, Legal and Corporate Affairs and Health, Safety, Environment and Quality, which is given full authority and independence;
- Sensitization and training of employees regarding the prevention of corruption.

By implementing these objectives and measures, E-Distribuție companies demonstrate their firm commitment to preventing and combating corruption and promoting a culture of ethics and compliance within the organization.

The Code of Ethics includes a chapter on the procedures for implementing the conduct criteria, thus constituting an internal control system designed to ensure its compliance and continuous improvement.

All business processes are evaluated annually, including the risk of corruption.



### Code of Ethics

Integrity and fairness are fundamental principles in business activities and in the relationship with others, and these are stipulated in the Code of Ethics.

The Code of Ethics regulates the behaviour of all employees and reflects the principles and values of the Enel group.

**1,514** colleagues completed the Ethics training in 2022.

### Anti-corruption

The board of directors is informed and approves the main documents, including:

- The zero-tolerance plan against corruption;
- Enel Global Compliance Program;
- Code of Ethics.

When a new member is appointed to the Board of Directors, he will be notified and made aware of all these documents.

All policies and procedures are published on the company's Intranet page and communicated to all employees.

**1,252** colleagues completed the Anti-corruption course.

### Anti-bribery policy

At E-Distribuție level, there is an anti-bribery policy implemented, and through the application rules, the obligation to carry out client knowledge processes, as well as monitoring activities, risk assessment and reporting of suspicious transactions has been clarified.

During the reporting period, for E-Distribuție Muntenia company there was only one case of bribery. The case is under investigation, and the employee's employment contract is suspended.

**1,651** colleagues completed the Enel Global Compliance Program training module.

**58** colleagues completed the Good Behavioural Practices module.

### Data protection

At E-Distribuție level, information security management is rendered through a system according to the requirements of the **ISO 27001:2018** standard.

The management of confidential information complies with the requirements of the **ISO 27701:2019** standard certified system.

During the reporting period, no fines were registered in connection with the General Data Protection Regulation (GDPR).

During the reporting period, several series of trainings were organized with the employees, in which **83** people participated.

At the level of E-Distribuție companies, the Board of Directors adopted the Enel Global Compliance Program regarding corporate criminal liability (Enel Global Compliance Program). This programme is a governance tool designed to strengthen the Enel Group's ethical and professional commitment to the prevention of crimes committed outside Italy that may lead to corporate criminal liability and reputational risks.

The programme applies to non-Italian companies within the Enel Group and its rules are integrated by the Code of Ethics, the Zero Tolerance Against Corruption Plan (adopted by the entire Enel Group) and provisions established by local compliance programmes. This programme aims to ensure the alignment of corporate criminal liability practices with national and international norms in force.

An important aspect of this programme is the management of anti-bribery aspects, and E-Distribuție Muntenia, E-Distribuție Dobrogea and E-Distribuție Banat have obtained certification according to the international standard **ISO 37001:2016** regarding anti-bribery management systems applied in companies. This is a recognition of the efforts of distribution companies in Romania in implementing an effective anti-bribery management system and in accordance with international standards.

E-Distribuție activity is based on essential values such as integrity, responsibility, and respect for the law.

Competition plays a fundamental role in a free market, with a healthy competitive environment essential for sustainable growth.

We note that at the end of December 2022 (24.12.2022) the monitoring period for the commitments undertaken by E-Distribuție Muntenia before the Competition Council ended (E-Distribuție Muntenia's commitments were the subject of the Competition Council Decision no. 1/15.01.2019, and their monitoring period spanned 3 years). During 2022, both the access procedure in the case of inspections and the manual for compliance with competition rules made available to all employees were maintained.

In 2022, a maintenance audit of the **ISO 37001:2016** certification on anti-bribery management systems was carried out and successfully concluded without needing corrective actions or other special measures. Also, within E-Distribuție companies, no cases of corruption or conflict of interest were registered during the reporting period.

As in previous years, several staff training sessions were organized about professional ethics, demonstrating the constant commitment of E-Distribuție companies in this regard. To strengthen the fight against corruption and bribery, E-Distribuție companies have also implemented an updated policy on gifts and hospitality.



## Certifications



In 2022, the third-party audit was carried out by RINA SIMTEX and the certificate was obtained confirming the implementation and maintenance of the anti-bribery management system according to the conditions of **SR ISO 37001:2016**.

No non-compliances were identified.

## Precautionary Principle

An essential aspect of strategic management is implementing an internal control system, which aims to identify, assess, and adequately manage corporate risks in accordance with international best practices.

This system guarantees the constant monitoring and continuous improvement of the applicable practices within the distribution companies and ensures the following actions:

- Clear and transparent definition of the key responsibilities and duties of the people involved in the decision-making process at the corporate level, in order to avoid overlapping and duplication and to effectively coordinate the activities at the level of the business units and the entire company, according to the objectives set by the Board of Directors;
- Separation of activities to prevent or limit conflicts of interest;
- Familiarizing all employees with the applicable internal policies, such as the Enel Code of Ethics, the Zero Tolerance for Corruption Plan, and the Anti-Corruption Policy, by facilitating access to these documents via the intranet and by providing immediate information on any changes to them;
- Creation of an internal control unit, such as the Internal Audit, which operates independently from the other organizational structures and has the role of implementing various policies,

periodically reviewing these policies, but also other organizational documents that affect the roles within the company, ensuring compliance with the applicable rules;

- Informing the Board of Directors about the relevant issues arising within the company's activities;
- Involvement of the Board of Directors in the decision-making process regarding the subjects of major and strategic importance for the company, in accordance with the legal provisions and the rules regarding the holding of meetings of the Board of Directors.

Any violation or alleged violation of the Compliance Programmes can be reported anonymously through the secure „Ethics Point” platform. This platform enables reporting in accordance with company policy and local regulations, and the Audit function analyses and investigates received reports.

E-Distribuție companies guarantee the anonymity of reports and protection against reprisals, through the „*Policy on the management of notifications regarding possible violations of Enel's Compliance Programmes*” (November 2018), while ensuring protection against unfounded reports or made in bad faith with the aim of harming individuals and/or companies.

To report a violation, you can access the secure platform at the following address :

Compliance with applicable laws and regulations is an important aspect for E-Distribuție companies, therefore they share a common commitment to the correct conduct of their activity. We support transparency in all our endeavours. We present below the financial sanctions which were granted during the 2022 reporting period to E-Distribuție companies.

Among the institutions that have issued financial sanctions are the National Energy Regulatory Authority (ANRE), the National Authority for Consumer Protection (ANPC), the Territorial Labour Inspectorate (ITM), the Romanian Bureau of Legal Metrology (BRML), the National Company of Road Infrastructure Administration (CNAIR) and the Environmental Guard.

Company	Monetary value of fines [RON]
E-Distribuție Banat	1,872,927
E-Distribuție Dobrogea	2,068,880.5
E-Distribuție Muntenia	1,934,330

## 4.3 Sustainability Strategy

As part of the Enel Group, the mission, vision, and values of the group drive and shape the objectives of the E-Distribuție companies, as well as their sustainability strategy. Thus, our purpose is captured in the statement **„Open power for a brighter future: empower sustainable progress”**, which reflects our ongoing dedication and serves as the main source of motivation for our employees. Embracing the Open Power philosophy involves fighting for a better future for all, promoting sustainable development and preserving an environment that is favourable not only for current generations, but also for future generations.

In this way, the organization was able to outline a vision for the future centred on sustainability and innovation as key elements, to respond to the global challenges of the energy transition and to achieve the climate goals set by the United Nations.

We have developed a sustainable strategy and an integrated business model through which we want to ensure the resilience and sustainability from a social, economic, and environmental point of view of our entire business, contributing to the achievement of the 17 Sustainable Development Goals of the United Nations.

The four Sustainable Development Goals (SDGs) to which we believe we can contribute the most are **SDG7** (Affordable and Clean Energy), **SDG9** (Industry, Innovation, and Infrastructure), **SDG11** (Sustainable Cities and Communities) and **SDG13** (Climate Action).

In order to develop the Sustainability Plan, the objectives are periodically established that are regularly updated, to ensure a continuous alignment with the business strategy and the results obtained, to integrate sustainability throughout the value chain. In this regard, we consider the impact on the economy, the environment and society in general.

At the heart of our sustainability strategy is our ambition to reach zero emissions by 2040, thanks to the crucial role that E-Distribuție companies play in the electrification of the Romanian economy. Electrification is the most affordable energy transition solution, and our business model is a sustainable one, facilitated by grid security and reliability, as well as clean electrification of consumption.

We always consider the needs of our stakeholders throughout all our activities. In this context, innovation, digitalization, the circular economy, and sustainable finance act in all sectors and accelerate growth.



**Iustina Neagu**  
Head of Sustainability,  
Enel Romania

Digital transformation and the flexibility of the energy system are becoming essential to ensure an energy transition based on electrification, addressing challenges related to integrating new renewable capacities, electric mobility infrastructure, prosumers, and more.

Digital solutions can bring considerable benefits to the technical staff of distribution operators and consumers, but if they are not accessible, they can also be a contributing factor to deepening vulnerabilities, inequalities, and even social exclusion.

The socio-economic challenges that electrification entails are at least as relevant as the technological, investment, or regulatory ones. In this context, electrification must be centred on people, seeking to address the most particular needs, whether we are talking about consumers or current and future employees, not to leave anyone behind.

Thus, we follow a path of sustainable growth, which aims to ensure respect for nature and human rights, with the support of a solid governance structure.

The 2023–2025 Sustainability Plan reinforces our commitment to decarbonization, taking into account the emissions generated by our activities and confirming our commitment to the protection of biodiversity during the installation of new capacities, focusing on areas of high importance for biodiversity, respecting forest conservation and conservation of protected areas. Increasing the level of electrification remains one of the main objectives of the energy transition, being present in the Sustainability Plan with the aim of developing the networks not only in terms of quantity, but also in terms of quality and expertise, guaranteeing quality, reliability, and flexibility.

New objectives related to the general well-being of employees were defined as a factor that allows the development of innovation potential.

## The sustainability plan 2023 - 2025

E-Distribuție companies follow the global trends of the Enel Group by substantiating the development strategy with a focus on the same five strategic directions of action:

**1. Zero Emissions Ambition:** Accelerating Net-Zero goals by 2040 and meeting customers' energy demand with a reliable and sustainable service;

**2. People:** Development and long-term support of all stakeholders (employees, local communities, suppliers, etc.);

**3. Nature:** Promotion and protection of natural capital and biodiversity;

**4. Accelerators:** Acceleration of sustainable progress through innovation, digitization and cyber security, circular economy, sustainable finance;

**5. Human rights:** Respect and promote human rights, support good governance, continuous improvement of health and safety objectives



## The sustainable development objectives

The Sustainable Development Objectives constitute the foundation of the development strategy of E-Distribuție companies, with the aim of anticipating global trends and ensuring their strategic leadership position on the energy sector market. The companies also aim to identify new stakeholders from the sustainable development ecosystem, in order to promote and accelerate the

energy transition. This is achieved by taking an inclusive and equitable approach, creating long-term value for all stakeholders.

E-Distribuție companies have structured their local sustainability plan for the period 2022-2030 around the 2030 Agenda for Sustainable Development, as follows:



Electrification and increasing access to energy by expanding networks and increasing access to energy for vulnerable consumers.



Innovation and digitalization of networks by building resilient networks with the help of new technologies, especially augmented reality, and artificial intelligence, installing smart meters, and developing sustainable solutions such as the installation of photovoltaic panels with the aim of increasing own consumption of energy from renewable sources.



Reductions in network losses, thus contributing to decarbonization and energy efficiency targets.



Ensuring health and safety through innovation and digitalization, developing new safety projects with the help of augmented reality and artificial intelligence.



Protecting biodiversity and the environment, by building a circular business model and by consolidating existing projects, thus contributing to the Zero Waste target, assumed at Group level and to the commitment to protect and to the commitment for impacted habitat protection.



Involvement of all stakeholders by strengthening and developing sustainability projects (such as dual classes „Future Electrician“ or developing solutions for vulnerable consumers).



## 4.4 Risk management

The process of defining the Group's strategy is accompanied by a careful analysis of the risks and opportunities related to it, including aspects related to climate change. Each year, a quantitative analysis of the risks and opportunities associated with the Group's strategic positioning is presented, which includes climate-related aspects such as regulatory factors and climate phenomena.

E-Distribuție companies have adopted a risk identification system that serves as a reference point for risk management and monitoring at the level of the companies and all corporate units involved. Using a common language facilitates a comprehensive approach and a clear representation of risks within companies. This contributes to identifying the main types of risks that affect the processes of E-Distribuție companies and the roles of the organizational units involved in their management. Through the risk classification process, they are grouped into macro-categories such as strategic, financial, and operational risks, compliance and non-compliance risks, governance and culture risks, and digital technology risks.

At the level of Distribution companies, there are also a series of procedures for preventing and managing emergencies and increasing resilience in crises. (e.g., Innovative 4R Resilience Strategy for Electricity Distribution Networks, Emergency Management in Electricity Distribution Networks, Risk Prevention and Preparedness Measures for Vegetation Fires Affecting Electrical Installations).

As risks can be associated, including with the performance of our facilities, implementing an internal control and risk management system is essential within the overall corporate governance structure, strengthening our ability to identify risks and opportunities in an energy sector in continuous evolution.

The risk management system consists of a set of rules, procedures, and organizational structures that support us in identifying, assessing, managing, monitoring, and controlling the main risk factors in the environment, social, and governance.



## Environmental risks

### SDG



#### Climate change, Responsible Production and Consumption and Protecting the Terrestrial Ecosystem

### Risk

- Accelerated physical degradation of the distribution infrastructure caused by the effects of climate change (e.g., extreme temperatures and/or weather phenomena).
- Achieving climate ambitions requires considerable investment and organizational effort on the part of distribution operators.
- The need for investments and the implementation of programmes regarding the protection of biodiversity in areas with distribution networks.

### E-Distribuție approach

- The application of long-term climate scenarios makes it possible to prepare adaptation plans in accordance with the activity of Distribution companies. Weather scenarios are developed by identifying meteorological phenomena that could represent a risk (heat waves, extreme precipitation, frost, fire risk, etc.).
- Annual environmental plan and report development.
- Updating procedures and introducing environmental targets in business plans.
- The development and implementation of biodiversity protection programmes are considered a priority at the level of distribution companies.

## Social risks

### SDG



#### Access to energy



#### Quality Education and Decent Work and Economic Growth

### Risk

- Risks related to the co-interest of local communities on the issue of access to energy for all citizens.
- Legislation that does not adequately respond to the needs of vulnerable communities (informal settlements).
- The presence of the company in several regions of the country requires the application of policies adapted to their particular needs.
- Risks related to human capital. The transformations in the energy sector require updating of the skills of the personnel working in the distribution companies

### E-Distribuție approach

- Increasing the active involvement of distribution companies in the communities where they are present.
- Building strategic partnerships with experienced NGOs in the area of vulnerable groups and informal housing.
- Development of studies, guides and learning programmes dedicated to employees to be able to have a tailored response to the needs of all stakeholders
- Carrying out internal programmes among employees for new skills development.
- Investments in dual-type education for training future electricians and other categories of technical personnel

## Risks related to governance and organizational culture

### SDG



#### Governance and Corporate Culture

### Risk

- The complexity of the national energy system can generate confusion among external stakeholders regarding the responsibilities of actors in the energy sector (producer, transporter, distributor, supplier).
- In this context, confusions arise and produce unrealistic expectations regarding the role of distribution and implicitly communication syncope.

### E-Distribuție approach

- Increasing the awareness of external stakeholders regarding the role of the distributor by running public communication campaigns (the Electripedia online platform and the „Energy and me (Eu si Energia)” radio campaign are tools designed by Enel Romania and currently active).

# 4.5 Relationship with suppliers

Our companies have adopted a supply chain management system that guarantees procurement transparency, fair competition, fair partnerships, and full compliance with relevant standards.

The Code of Ethics, the Zero Tolerance for Corruption Plan, the Human Rights Policy, and the Enel Global Compliance Programme underpin our procurement activities and serve as a guide and code of conduct for suppliers and contractors.

### Suppliers qualification system

Enel Group implemented a „Supplier Qualification System”, which was also adopted by E-Distribuție companies. This system allows for precisely selecting and evaluating businesses that wish to participate in procurement processes. Our suppliers undergo rigorous evaluation and constant monitoring to meet our standards.

The assessment covers technical, economic, financial, legal, environmental, safety, human rights, and integrity to ensure adequate quality and reliability. Each supplier is qualified for one or more specific categories of products and services, and eligibility is granted only if the criteria established for that category are met. The standards by which our suppliers are analysed differ depending on the field of activity.

Thus, we evaluate suppliers using the following environmental criteria:

- Complaints/fines/lawsuits on environmental grounds;
- Environmental certification, CO<sub>2</sub> emission measurements;
- Use of renewable energy;
- Use of vehicles with low particle emissions;
- Sustainable packaging;
- Reduction of water consumption, etc.

From the perspective of social criteria, suppliers are analysed according to the following criteria:

- Commitment to a code of ethics;
- Adherence to the principles of the United Nations Global Compact;
- Violation of the work regime of minors;
- Recognition of the right to association and collective bargaining;
- Existence of fair working conditions;
- Existence of labour complaints/lawsuits, etc.

In 2022, 100% of suppliers were evaluated according to social and environmental criteria, as in 2021.

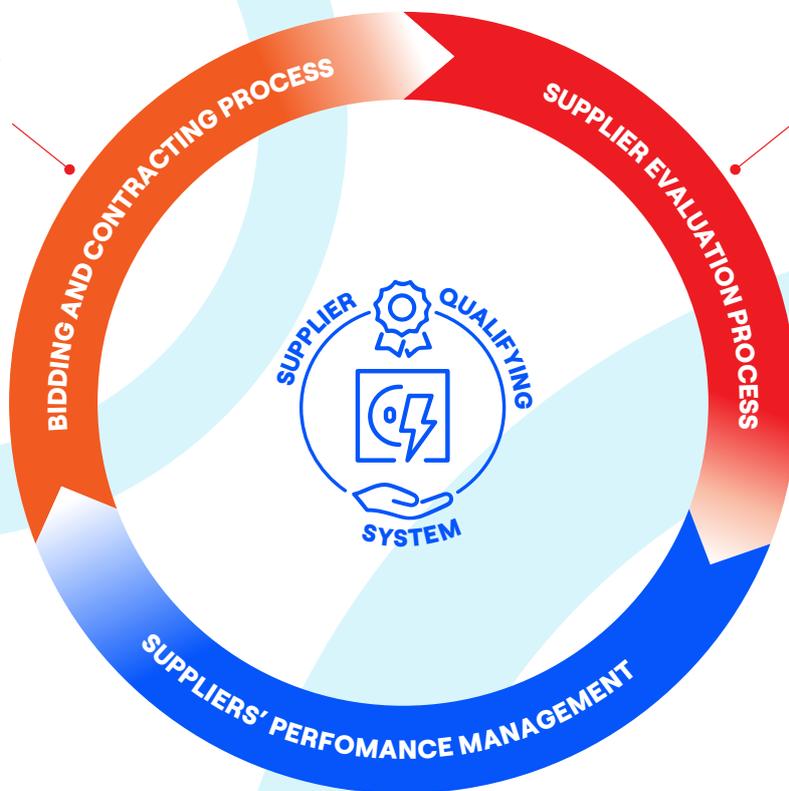
During the reporting period, 312 contracts were concluded with 119 suppliers, with a total value of almost 139.86 million euros:

Enel Group’s tender processes include a specific „key sustainability factor (K)”, which includes environmental, safety and social components. Thus, in 2022, the sustainability factor K was applied in 11 tender procedures leading to the conclusion of 32 contracts worth almost 80.16 million euros.

	Local suppliers		Suppliers at the EU level	
	2021	2022	2021	2022
<b>Total number of suppliers</b>	113	<b>99</b>	24	<b>20</b>
<b>Total number of contracts concluded</b>	304	<b>257</b>	90	<b>55</b>
<b>Contracts value</b>	167 mil. EUR	<b>130.48 mil. EUR</b>	21 mil. EUR	<b>9.38 mil. EUR</b>



Adoption of the “K sustainability” factor, monitored throughout the contractual period.



Evaluation of suppliers regarding health and safety, environment, and human rights indicators.

Performance evaluation based on health and safety, environment, and human rights indicators.

### Supplier qualification system

#### Health and Safety

„Safety Self-Assessment” is a tool through which our companies can easily communicate key requirements to their suppliers and has become an integral part of the sustainability requirements for assessment since 2018.

#### Environment

The criteria for evaluating the impact on the environment vary according to the category of equipment and the level of associated risk, assessed on a scale from 1 to 3. If a high risk to the environment is identified, it is always required to obtain ISO 14001 certification or an equivalent certification.

As part of the qualification process, we have introduced specific assessment of environmental requirements, in addition to the usual checks, for suppliers who wish to be registered on the Supplier Register.

#### Human rights

Adopting a cautious approach, according to the rules of the Group we belong to, our companies evaluate suppliers from a human rights perspective, regardless of the level of risk, through a dedicated questionnaire.



## 4.6 Relationship with state authorities

Effective collaboration with public authorities is a vital component of our business, and to ensure this, we have focused on cultivating and strengthening relationships with these entities.

We have worked hard to overcome the obstacles associated with rigid institutional communication and have succeeded in developing strong partnerships.

By cultivating human relationships, we have coordinated to effectively manage crises, such as those caused by weather in our distribution areas. We also collaborated on local development plans, investments, and other relevant issues.

Severe weather conditions can adversely affect the power grid, causing breakdowns and temporarily disconnecting customers from power. Response time in such situations is significantly reduced when our response team's efforts are supported by public authorities, who have complementary communication channels to inform people affected by disruptions.

Our interventions in various community areas may be disruptive or disruptive until the work is completed. Therefore, it is important to coordinate our activities with those scheduled by local authorities in order to minimize the discomfort felt by residents.



# 4.7 Customer relationship

We highly value our partnership with customers in the distribution industry. We always keep communication channels open with them as we value their opinions on the development directions of our companies. That's why we strive to give them as many ways as possible to communicate.

To contact us, our customers have various communication channels at their disposal: by phone or

online, at the dedicated e-mail address or through the form available on our website. These channels are means by which customers can obtain answers to questions or clarifications related to our electricity distribution service.

For any problem related to electricity supply or interruptions, customers can report the situation by phone through a dedicated number, specific to each distribution area.



**Fault Alert 24/7 - Toll-free numbers on national territory**



**Normal rate phone numbers**



**E-mail (Information, notices, complaints)**

**Banat:** 0800.070.444

**Dobrogea:** 0800.070.444

**Muntenia:** 0800.070.444

**Banat (județele Arad, Caraș-Severin, Hunedoara, Timiș) counties:**  
County code + 929

**Dobrogea (județele Călărași, Constanța, Ialomița, Tulcea) counties:**  
County code + 929

**Muntenia (Bucharest, and Ilfov and Giurgiu counties):**  
021.9291

**Banat:**  
reclamatii.banat@e-distributie.com

**Dobrogea:**  
reclamatii.dobrogea@e-distributie.com

**Muntenia:**  
reclamatii.muntenia@e-distributie.com

**We follow several principles in informing our customers, according to our Code of Ethics; this information must be:**

- Compliant with current regulations;
- Complete;
- Accessible.

In order to be closer to our customers, we have intensified our efforts to improve our relationship with them on social media platforms.

This way, all our customers can stay connected and updated with the latest news about our companies through our official Facebook page.

The Facebook chat service is still available to assist our customers with issues related to our electricity distribution service. Through this service, customers can be informed in real time about the progress made in resolving reported situations.

Customers interested in becoming prosumers find all the necessary information on the site, including step-by-step explanations for the installation of photovoltaic panels or other energy production equipment.

Customers benefit from online services dedicated to connecting to the network, by creating an account on our website. Through this platform, customers can submit the necessary documents and track the status of their application until completion, while also having a connection guide at their disposal.



Through the customer account, access to existing online services such as **site approval**, **POD information**, **index reading history**, **load curves**, the possibility of receiving

various **notifications**, **communications** or **alerts**, the ability to send notices regarding the distribution network and other relevant matters continues to be allowed.

POD INFORMATION      LOAD CURVES      READINGS HISTORY      NETWORK CONNECTION      LOCATION NOTICE

POWER INCREASE      POD DELEGATION POTENTIAL SUPPLIER      I WANT TO BECOME A PROSUMER      MY ALERTS      E-NOTIFY



**They can also benefit from the Virtual Visit**, which is a digital service that we have developed for our customers, through a video connection on a smartphone.

It gives customers the opportunity to find out directly from our technicians what the optimal connection solution is if they want to connect a new home to our

distribution network or if they want to install a charging station for their electric car.

The virtual visit is an alternative to the field visit carried out by our technicians in order to identify on-site the most suitable solution for the customer's connection request.

The virtual visit only applies to simple, low-complexity situations, such as a branch for a house or a power boost, aspects that our colleagues will determine.

It is important to note that the virtual visit can only occur after our assessment and depending on the specific details of the request.



Our customers also benefit from **the ability to check the status of planned outages** in their distribution areas as recorded in our systems using the outage map available on our website.

The information is updated at 30-minute intervals, based on records from our systems, and provides details on the state of medium and low voltage networks. In the case of low-voltage outages, collective outages affecting more than one customer are highlighted.

The **„Stop fraud“ platform** aims to prevent and stop actions of illegal connection to the electricity distribution network, as well as unauthorized interventions on measuring equipment aimed at preventing the recording of real electricity quantities.

Through this platform, we receive and centralize notifications regarding non-compliance with the legal norms of electricity consumption, from any person who observes or notes such situations. These notifications are registered under the protection of anonymity.

We review the complaints received and undertake verification and resolution actions in order to improve the quality of distribution services so that our customers benefit from access to electricity at the appropriate standards.

In addition, **energy suppliers** benefit from dedicated online services by creating an account on our website. Through our platform, they can manage their electricity distribution contract online, with access to numerous benefits.

### Complaints

- Register a request (complaint, notification, request for information).

### Online services related to the Contract

- Supplier change notification;
- Change of supplier / active contract;
- Termination of contract;
- Change of contract.

### Additional online measurement services

- Readings on demand;
- Measure;
- Disconnect;
- Reconnection.

### Online services for connecting to the network

- Connecting providers;
- Consumer connection;
- Location Notice.

### Compensation services

- Compensation.

### Cancel other services

- Cancel the request with ODL (work request).

<b>POD INFORMATION</b>	<b>LOAD CURVES</b>	<b>READINGS HISTORY</b>
<b>MEASUREMENT DATA REGARDING DISCONNECTION</b>	<b>LOADING SELF-READINGS</b>	<b>MASSIVE LOADING SELF-READINGS</b>
<b>POD DELEGATION POTENTIAL PROVIDER</b>	<b>DISTRIBUTION SERVICE INVOICE</b>	<b>CONSUMER AGREEMENTS</b>
<b>ACTIVE PODs REPORTS</b>	<b>PODs IN PROCESS OF CHANGING PROVIDER</b>	



Starting within 2019, E-Distribution companies have become leaders in the installation of **smart meters** in Romania, depending on the number of meters installed, benefiting not only urban but also rural customers. The installation of smart meters is part of a modernization programme, by adopting a digital technology similar to that used in advanced countries in this field. According to the calendar established by ANRE, according to Decision 778/8.05.2019, E-Distribution companies will continue the installation of meters in the period 2019–2028, in the counties where they manage the electricity network. A list of locations where smart meters will be installed in 2023 is available [here](#) on our website.

In this context, at the beginning of 2022, an information campaign was launched for E-Distribuție customers who have smart meters regarding exceeding the approved power at the point of consumption in order to prevent possible accidents in the usage facilities.

In order to ensure the optimal operation of the distribution network and to prevent possible incidents in customers' use facilities, E-Distribuție Muntenia has notified electricity suppliers operating in Giurgiu and Ilfov counties to inform customers who have smart meters about their consumption of energy and exceeding the approved power at the place of consumption. This measure is part of the periodic actions to verify that the authorized capacity is exceeded among end customers, according to the technical connection approval (ATR) or the connection certificate (CER) and does not lead to their total disconnection from the energy system.

Customers have been informed that if the power absorbed at the point of consumption exceeds the contracted value (mentioned in the technical connection approval/connection certificate), the smart meter temporarily interrupts the electricity supply. They can restart the meter without the intervention of the technical teams after reducing their consumption (for example, by disconnecting

appliances with high electricity consumption), and the supply will be automatically resumed.

In order to use a higher amount of electricity than specified in the technical connection approval/connection certificate, customers must submit a power increase request. This request can be submitted directly to the distribution operator, after creating an account on [www.e-distributie.com](http://www.e-distributie.com), in the „Connection” section, selecting the „Power increase” option.

More details about the power increase request can be found here:



After submitting the power increase request, based on the technical solution developed by E-Distribuție, a new technical approval for connection is issued within a maximum of 30 calendar days, according to the legal provisions. Depending on the technical solution mentioned in the technical connection approval, the specific stages of the network connection process are followed.

More details about this process can be found here:



## 5 Our People

- 5.1 Professional training and promotion at the workplace
- 5.2 Diversity and inclusion

## Our people

The inclusive approach, which puts the person at the centre of the social and professional dimensions, becomes essential to cope with this transformation. To successfully navigate this challenging transformation, we have adopted an inclusive approach that places people at the centre of our strategy.

Passion, involvement, and listening are the fundamental values that characterize our way of working. We constantly strengthen our internal employee development processes to support their professional development, focusing on well-being, motivation, responsibility, and active participation, allowing each person to their potential.

We promote a continuous learning experience that accompanies employees throughout their personal and professional lives, enabling them to become more effective in facing future challenges.

We are also guided by the key values underlying the Open Power approach: trust, responsibility, proactivity, and innovation. We build an open and dynamic work environment that promotes the inclusion of diversity and where leadership encourages people's talent, skills, and aspirations.

We integrate an empathetic leadership style, inspiring and encouraging teamwork, promoting a collective approach and a collaborative work environment where each person gets involved and contributes to the growth of the team's potential.

At the same time, in this transformative context, the skills needed by an employee evolve rapidly, and strategies for improvement and retraining become increasingly important in developing new talents supporting a just transition. We focus on technical solutions, developing soft skills, and establishing strong relationships with our employees.

Our **Code of Ethics** and **Diversity Charter** guide the working environment in our companies. The code of ethics establishes standards of conduct in recruitment and contains provisions regarding the rights and responsibilities of employees.

Our team comprises people with diverse professional and cultural experiences, all Enel Group companies being signatories of the Diversity Charter.

The recruitment of future employees is carried out in accordance with the values of the Open Power strategy. Equality of opportunity is the fundamental principle of our recruitment policy, and the recruitment process respects candidates' lives and personal opinions to the highest degree.

We ensure that access to positions and roles is based on professional criteria and merit through a transparent process that considers our employees' professional ambitions and talents.





**Various categories of employees of E-Distribuție companies:**

<b>E-Distribuție Banat</b>	<b>Total</b>	<b>Women</b>	<b>Men</b>
Total number of E-Distribuție employees at the end of 2022	<b>760</b>	118	642
Total number of temporary contract employees at the end of 2022	<b>44</b>	9	35
Total number of employees 2022	<b>122</b>	20	102
Number of temporary contract employees in 2022	<b>25</b>	7	18
Total number of full-time employees	<b>760</b>	118	642
Number of part-time employees	<b>55</b>	24	31
Total number of full-time employees in 2022	<b>122</b>	20	102
Number of part-time employees in 2022	<b>4</b>	3	1
Number of people in Internship in 2022	<b>24</b>	8	16

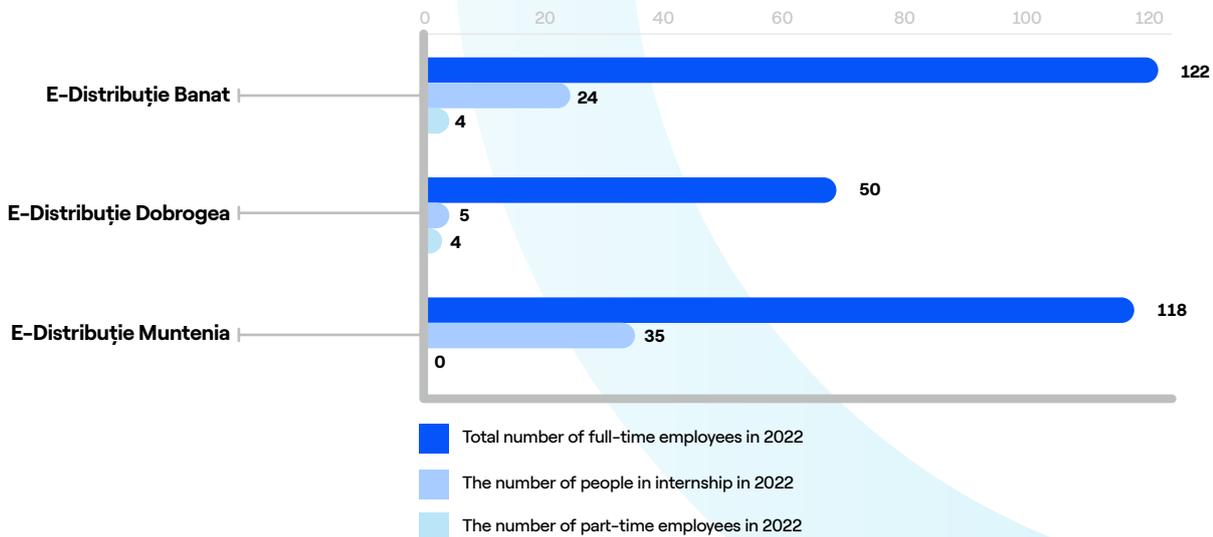
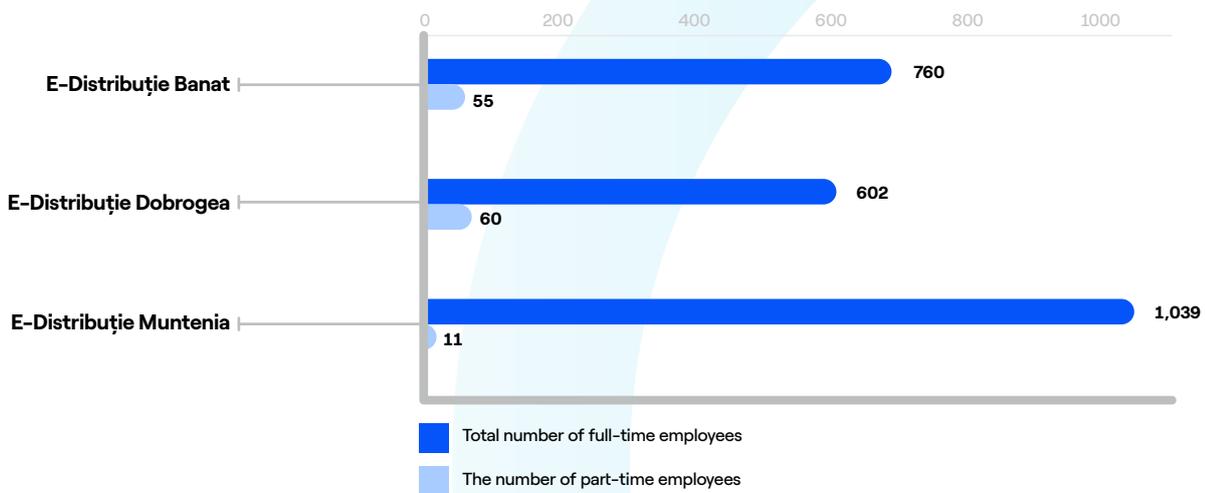
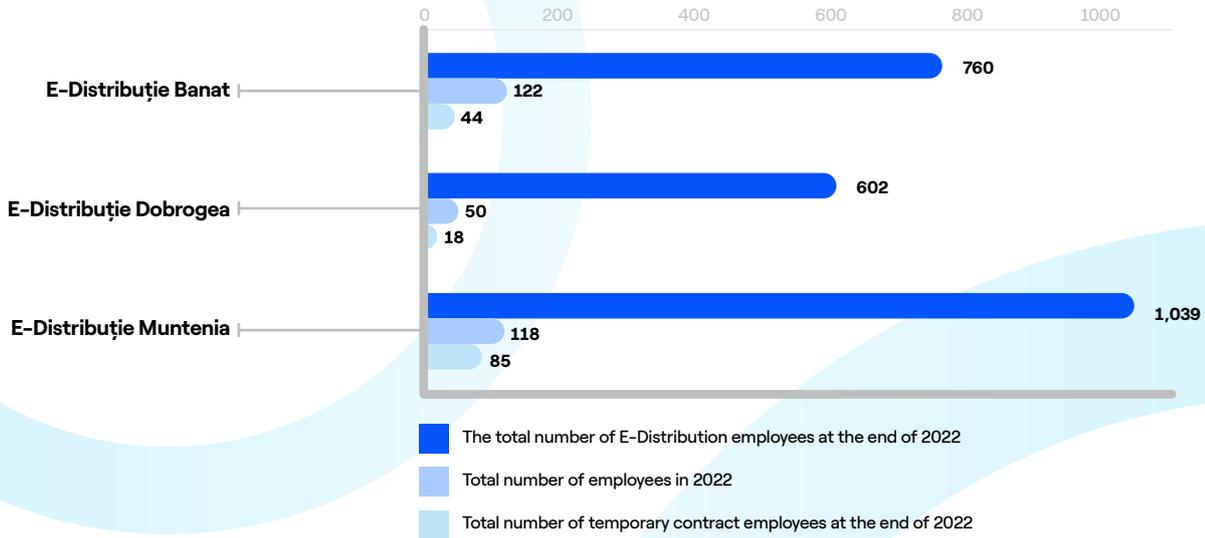
  

<b>E-Distribuție Dobrogea</b>	<b>Total</b>	<b>Women</b>	<b>Men</b>
Total number of E-Distribuție employees at the end of 2022	<b>602</b>	99	503
Total number of temporary contract employees at the end of 2022	<b>18</b>	3	15
Total number of employees 2022	<b>50</b>	16	34
Number of temporary contract employees in 2022	<b>11</b>	3	8
Total number of full-time employees	<b>602</b>	99	503
Number of part-time employees	<b>60</b>	28	32
Total number of full-time employees in 2022	<b>50</b>	16	34
Number of part-time employees in 2022	<b>4</b>	3	1
Number of people in Internship in 2022	<b>5</b>	2	3

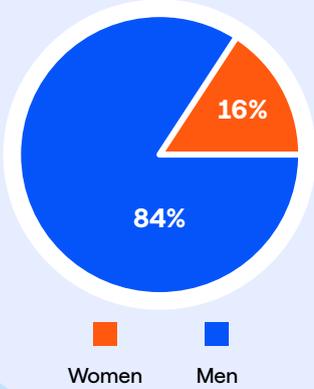
<b>E-Distribuție Muntenia</b>	<b>Total</b>	<b>Women</b>	<b>Men</b>
Total number of E-Distribuție employees at the end of 2022	<b>1,039</b>	248	791
Total number of temporary contract employees at the end of 2022	<b>85</b>	26	59
Total number of employees 2022	<b>118</b>	48	70
Number of temporary contract employees in 2022	<b>37</b>	18	19
Total number of full-time employees	<b>1,039</b>	248	791
Number of part-time employees	<b>11</b>	5	6
Total number of full-time employees in 2022	<b>118</b>	48	70
Number of part-time employees in 2022	<b>0</b>	0	0
Number of people in Internship in 2022	<b>35</b>	19	16

Various categories of employees of E-Distribuție companies:

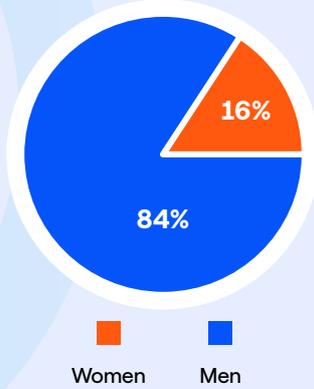


Percentage of total employees:

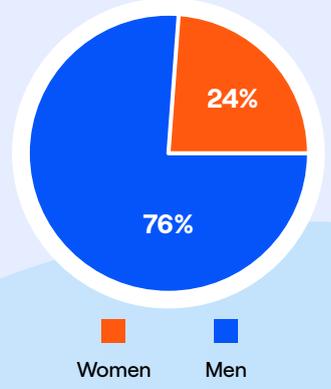
E-Distribuție Banat



E-Distribuție Dobrogea



E-Distribuție Muntenia



The following tables show the turnover of staff during the reporting period in E-Distribuție companies, divided by gender and age:

E-Distribuție Banat		Total	Women	<30	30-50	> 50	Men	<30	30-50	> 50
Employment Jan. 2022 – Dec. 2022		122	20	16	4	0	102	56	45	1
Closed contracts Jan. 2022 – Dec. 2022		156	21	9	3	9	135	41	33	61

E-Distribuție Dobrogea		Total	Women	<30	30-50	> 50	Men	<30	30-50	> 50
Employment Jan. 2022 – Dec. 2022		50	16	5	11	0	34	14	19	1
Closed contracts Jan. 2022 – Dec. 2022		73	10	3	4	3	63	8	19	36

E-Distribuție Muntenia		Total	Women	<30	30-50	> 50	Men	<30	30-50	> 50
Employment Jan. 2022 – Dec. 2022		118	48	35	13	0	70	43	25	2
Closed contracts Jan. 2022 – Dec. 2022		137	33	18	8	7	104	32	31	41

Granted benefits

- Free health services subscription;
- Parental leave;
- Meal vouchers;
- Bonuses on holidays such as Easter, Christmas and Electrician’s Day, also 8<sup>th</sup> of March for women;
- Christmas bonus for the employee’s underage children;
- Bookster Subscription;
- Services with preferential discounts for employees of the Company;
- Free psychological counselling;
- Paid leave;
- Holiday voucher compensation;
- Day off 8<sup>th</sup> of March for women;
- Day off for employees – Electrician’s Day;
- Day off on the employee’s birthday;
- Car accidents insurance for drivers and passengers.

# 5.1

## Professional training and promotion at the workplace

E-Distribuție companies are firmly committed to developing and perfecting the skills of their employees at work. We provide our employees with access to training resources, and their line managers track their progress. We encourage and support performance and keep the resources available to our employees to facilitate the transition to new roles and responsibilities.

We recognize that developing new skills can be a collective, collaborative effort, especially when the process is organized within an institutional framework.

Training our employees can also be an opportunity to cooperate and create a new network of connections based on the learning experience. We thus encourage new ways to increase our employees' ability to work as a team and complete tasks effectively.

We explore the most interesting development methods meant to guide our people to success through training, coaching, personalized learning, or technology-assisted learning. Given our digitalization goals and passion for innovative technologies and methodologies, we offer employees the opportunity to become better professionals through annual training courses

Through an internal platform, our employees can access more than 1,000 different courses and specific trainings, which cover improving technical and business skills (soft & hard skills).

Thus, we ensure that our employees have the opportunity to continuously develop their skills and adapt to the ever-changing demands of the work environment.

Training programmes usually aim at two directions for improving the professional skills and abilities of our employees:

- Digital skills: e.g., use of digital equipment and specific applications for electricians, courses to improve foreign language skills – English, Italian, Spanish;
- General skills of employees: teamwork, company values, conflict and stress management, time management, leadership for employees in managerial positions.



**Our employees have access to over 1,000 different courses and specific trainings.**

**In 2022, the employees of our companies, both women and men, benefited from 10,000 hours of training, as follows:**

Company	Operational staff		Office employees		Management	
	Women %	Men %	Women %	Men %	Women %	Men %
E-Distribuție Banat	1.21	44.97	11.74	16.57	12.43	17.89
E-Distribuție Dobrogea	4.38	52.41	18.55	15.45	11.28	20.69
E-Distribuție Muntenia	73.38	73.13	25.54	32.86	52.73	58.09



During 2022, technical training actions aimed at improving the professional skills of the operative staff were carried out. In this regard, technical training was organized for the authorization of electricians, which involved a number of 1,003 employees, as follows:

- **E-Distribuție Muntenia** = 392 employees
- **E-Distribuție Banat** = 368 employees
- **E-Distribuție Dobrogea** = 243 employees

This initiative was implemented due to a need identified within the company to ensure the development and consolidation of the necessary skills for operative personnel. Through these trainings, the aim was to improve the level of technical competence of employees and ensure compliance with the rules and regulations in force in the electrical field. This approach highlights the Enel Group's commitment to investing in employees' professional development and ensuring that they have the knowledge and skills necessary to carry out their work safely and efficiently.

**The Performance Evaluation Process** is an annual procedure, carried out according to internal regulations, with the aim of objectively evaluating how employees have fulfilled their objectives and duties, based on the established evaluation criteria.

The assessment of individual professional performance is carried out for:

- Evaluation of how employees perform their duties in relation to the predetermined criteria;
- Establishing directions and ways of professional development of employees and improving their performance.

The assessment of individual professional performance is carried out in the following stages:

- 1.** The evaluation carried out by the employee's direct supervisor;
- 2.** The meeting between the appraiser and the appraised employee to discuss the results obtained and, if applicable, the necessary future actions to continue the proper performance of the specific tasks in accordance with the company's requirements;
- 3.** Countersigning the evaluation form.

In 2022, 100% of employees received a professional performance review in accordance with the evaluation process, the same as in 2021.

## 5.2 Diversity and inclusion

We are committed to promoting and improving knowledge, relationships and influence between diverse cultures while respecting human rights. Recognizing the importance of the role that diversity plays in any company is essential and is a fundamental condition for creating an inclusive corporate culture, where every person feels accepted, regardless of race, ethnicity, religion, gender, age, sexual orientation, or abilities.

E-Distribuție companies adopt an inclusive approach in the process of recruiting and promoting employees, respecting the principles of diversity and equality. We ensure that all groups of people, regardless of gender, ethnicity, culture or other components of identity, benefit from visibility and are treated fairly in the work environment.

We promote a culture of diversity and inclusion by implementing and enforcing policies and procedures that ensure equal opportunity, non-discrimination, diversity, inclusion, and equal advancement opportunities for all employees. We are committed to fair and non-discriminatory treatment in our dealings with our employees, partners, collaborators, and customers.

These measures reflect our commitment to promoting inclusion and creating a work environment where every employee feels valued, respected, and encouraged to make their maximum contribution.

Thus, we have a zero-tolerance policy towards any form of discrimination and harassment based on ethnic, racial, sexual, political, religious or any other criteria, both in the recruitment and promotion process and in the daily activities of our employees.

We encourage any employee who encounters such abuse to report the incident to our Internal Audit Department or Group management. During the reporting period, there were no incidents of discrimination at the level of E-Distribuție companies.

We support the principle of equality between women and men and we aim to reach a balance between the number of women and the number of men in the management and staff structure of E-Distribuție, while also being aware that this aspect is largely influenced by the specifics of the activities we carry out.

### E-Distribuție Banat

Management					Employees				
Gender		Age			Gender		Age		
Women	Men	<30	30-50	>50	Women	Men	<30	30-50	>50
23%	77%	0%	64%	36%	16%	84%	6%	40%	55%

### E-Distribuție Dobrogea

Management					Employees				
Gender		Age			Gender		Age		
Women	Men	<30	30-50	>50	Women	Men	<30	30-50	>50
20%	80%	0%	66%	34%	15%	85%	5%	44%	51%

### E-Distribuție Muntenia

Management					Employees				
Gender		Age			Gender		Age		
Women	Men	<30	30-50	>50	Women	Men	<30	30-50	>50
31%	69%	4%	70%	26%	24%	76%	9%	50%	41%

Since 2019, Enel Group has joined the global „Valuable 500” movement, which aims to bring together 500 private companies to promote the value that people with disabilities bring to society from a social, economic, and business perspective. As part of this movement, the „Value for Disability” project was launched in 2020.

In December 2020, we adopted an Inclusion Plan for people with disabilities, which reflects the four pillars of the project. These pillars focus on the main obstacles faced by disabled people in accessing jobs:

**1. Inclusion of people with disabilities:**

We are committed to promoting the active inclusion of people with disabilities in our work environment and facilitating employment and professional development opportunities for them.

**2. Organizational culture:**

We work to develop an organizational culture that encourages and supports diversity and inclusion, promoting respect, awareness and awareness of the needs and potential of people with disabilities.

**3. Digital accessibility:**

We ensure that the technologies and digital platforms used within the company are accessible to all employees, including those with disabilities, so that they can participate and contribute equally.

**4. Physical accessibility:**

We are committed to creating an accessible physical work environment adapted to the needs of people with disabilities by removing architectural barriers and providing appropriate facilities and equipment.

These four pillars reflect our commitment to facilitating access to available positions within our companies for people with disabilities. Our future directions are focused on the following areas:

• **Building internal capacity:**

We want to develop and strengthen our capacity to address diversity and inclusion within our organization. This involves preparing and training employees to effectively respond to the specific needs of colleagues and customers with disabilities;

• **Creating an inclusive environment:**

We ensure a work environment where each person feels part of a team, being valued for the contribution they make. We promote an organizational culture that encourages diversity and mutual respect;

• **Training and Outreach:**

We organize training and outreach activities for all stakeholders so that they can understand the professional opportunities of people with disabilities and gain knowledge about accessibility and reasonable accommodation. We want to create an inclusive environment for colleagues with disabilities and develop offers and services dedicated to customers with disabilities;

• **Equality of opportunity:**

We are committed to equal opportunity for physical and digital accessibility. We want to remove physical and technological barriers that can prevent people with disabilities from fully participating and engaging in our activities.

In order to identify the needs of people with disabilities, both from the perspective of customers and employees, we benefited from the support of experts from the community dedicated to people with disabilities, through the partnership with the Foundation for the Development of Civil Society (FDSC) and the Federation of Non-Governmental Organizations for Social Services (FONSS).

By implementing these actions, we want to ensure that people with disabilities have fair access to professional opportunities and can contribute to the success of our organization. At the same time, we strive to offer services and products that are accessible and adapted to the needs of customers with disabilities.





We also initiated a series of initiatives and workshops with various themes throughout 2022:

- **We continued to develop the Ability Line4** initiative which focuses on the needs of our colleagues to be informed and supported. They have access to a dedicated, free, and confidential e-mail address and telephone line, where they can ask any kind of questions regarding possible disabilities and their classification in accordance with the legislation on the degree of disability, the classification procedure, the diseases that determine framing etc. and they can get support from a specialist throughout the process if they decide to go ahead.
- In this sense, we initiated a series of podcasts, **Ability Podcasts**, through which we want to contribute to the development of an inclusive organizational culture, in which each person feels listened to, appreciated, and supported in the development process.
- **Wellbeing Programme** is a programme through which we want to contribute to the well-being of employees by implementing various initiatives and activities (newsletter on well-being topics, self-assessment tests, coffee breaks, online workshops on various topics). Each activity has a certain number of points and twice a year, these points are calculated,

and colleagues who have reached the maximum score can also benefit twice a year from 2 paid days off.

- **Your personal counselor** is another initiative, through which we offered access to 4 free psychological counselling sessions, in the context of the pandemic. As the initiative was very well received, since July of last year free psychological counselling was included in the medical subscription and every employee can benefit from these services.
- **MaCro Caring** is a programme through which three employees from the People & Organization department were trained and designated Heart Managers, their role being to discuss with and support employees that suffer from chronic diseases.
- **Podcasts:** About uniqueness/ Embracing uniqueness/ The role of uniqueness - through which we want to contribute to the development of an inclusive organizational culture, in which each person feels listened to, appreciated and supported in the development process.
- **Internal articles** addressing topics such as diversity: *Diversity and inclusion, involvement in Romania, Diversity creates opportunities and successful teams.*



# 6

## Occupational Health and Safety

- 6.1 Development of a safety culture
- 6.2 Inspections
- 6.3 The Competence Centre
- 6.4 Contractor Management
- 6.5 Safety equipment and features
- 6.6 Certifications

## Health and safety at the workplace

Health, safety, and the well-being of our colleagues are the most precious values that are essential to protect at all times. We are fully committed to upholding human rights and promoting a strong safety culture that provides a secure workplace for all our employees and partners.

We understand that this is not only a legal responsibility, but also a moral obligation that we take very seriously. Considering that the safety of our people is essential, our main objective is **Zero incidents**.

Therefore, we have implemented a comprehensive workplace health and safety programme, which includes robust safety measures and a clear risks and hazards taxonomy. Our goal is to create a sustainable and secure working environment that benefits all our employees and partners.

E-Distribuție companies have implemented a functional and certified **Integrated Management System (IMS)** which has the following objectives:

- Defining a functional management model for all organizational units;
- Satisfying stakeholders' interests;
- Monitoring the effectiveness and efficiency of processes;
- Keeping risks under control and appropriately managing opportunities;
- Implementing the best available and accessible practices;
- Maintaining and enhancing organizational knowledge, as well as complying with legal and regulatory requirements and internal policies, procedures, and programmes.

The management system aims to control processes, monitor, and continuously improve their effectiveness and efficiency. The health and safety management, in accordance with ISO 45001 requirements, is focused on the individual/person and is also certified as part of the integrated management system.

The system is applicable throughout the organization, in all our spaces and facilities, and is certified in the following domains:

- Provision of electricity distribution services;
- Design, development, and modernization of electrical networks;
- Operation and maintenance of high, medium, and low voltage electrical networks;
- Commercial operations for electricity distribution within the range of 0.4 – 110 kV;
- Connecting consumers, prosumers, and producers to the Distribution Electric Network (DEN);
- Managing connections to the Distribution Electric Network (DEN);
- Electric energy measuring services, balance, forecasting, and electricity procurement;
- Testing of electrical equipment and installations.

### **The distribution companies hold conformity certificates issued by an accreditation body that is a signatory of the EA MLA (European co-operation for Accreditation Multilateral Agreement).**

Periodically, during dedicated Health and Safety Committee meetings, aspects related to communication – participation – consultation – continuous improvement are presented and analysed, together with results derived from:

- Management reviews of the H&S management system;
- Management of objectives and achievement of targets;
- Results of internal and external audits;
- Management of non-conformities, corrective and improvement actions;
- Potential changes that could impact the management system.



With regards to the **policies and procedures implemented** within E-Distribuție companies, it is worth mentioning that documented information (including policies, organizational procedures, operational instructions, technical documents, etc.) is verified to ensure its adequacy and is updated whenever necessary. Records are maintained to support and demonstrate the conformity of activities. Thus, the Integrated Management System encompasses the following documents:

- The Integrated Management System Manual;
- The Integrated Management System Policy Statement;
- Management programme / Action plans;
- Policies;
- Organizational procedures;
- Operational, technical and work instructions;
- Work methods;
- Documented information (documents and records) that demonstrate the efficient planning, operation, and control of its processes.

Whenever necessary, documents are issued to integrate new requirements and ensure the proper functioning and adequacy of the Integrated Management System, including that of the health and safety management. The management of documented information is standardized across the Enel Group and tailored to local specificities, with particular organizational policies and procedures being issued. During the reporting period, a total of eight work-related incidents were recorded: five minor road-related accidents, two accidents of a different nature, and unfortunately, one fatality that occurred in the electrical installations.

The fatality is currently under investigation. Out of the eight work-related incidents, five were recorded at the EDM level, two at the EDB level, and one at the EDD level.

As a result of these incidents, several measures have been taken, and numerous communication and awareness campaigns have been initiated among all staff, both internal and external.

Training sessions and awareness campaigns have been conducted among the staff, with regards to the implementation of the Five Golden Rules and the use of personal protective equipment for electrical hazards, as well as the use of protective work equipment for work involving the risk of falling from heights, with a focus on underground systems.

The number of training sessions related to NTE 009 and the operational instruction 2301 „The regulation concerning the process of requesting the withdrawal of equipment from operation” has increased, along with site checks, to ensure their understanding and comprehension.

Measures have been taken to redefine the procedure for accessing confined spaces, as well as to implement an Inspection Plan targeting confined spaces and a Safety Inspection Plan focused on activities involving electrical risks.

Additionally, the preparation of a **Technological Modernization Plan** has been ordered, along with an **Emergency Plan** for accessing and conducting activities in units with non-interlocked compartments.

Because we understand the importance of prioritizing occupational health and safety, we continue to make intensive efforts to reduce risks and consistently enhance the organization’s risk assessments. Throughout 2022, we have prioritized numerous risk areas, and the communication and training programme concerning occupational health and safety has been highly intensive.

# 6.1 Development of a safety culture

The core elements of our safety culture include the consistent dedication of all staff employed in the E-Distribuție companies, the integration of safety measures into all processes, the regular organization of training and instructional activities with specific themes,

the disclosure and analysis of all workplace accidents, the careful selection and management of contractors, the periodic internal and external audits, as well as the exchange of experience with top international players in the field.

## Communications and trainings

The safety of our employees largely depends on their level of understanding and awareness of the risks and hazards that can arise in the workplace; for this reason, we regularly organize training sessions regarding the main causes of accidents, and we also have a structured internal communication plan concerning occupational health and safety.

In 2022, similar to previous years, management consistently communicated the message that safety must always come first, the most important goal being that each colleague returns home safely at the end of the day

Furthermore, there were periodic communications on health-related topics, such as:

- Online workshops on the importance of prevention in oncological conditions and regular check-ups for the early detection of cervical and breast cancer. These workshops were conducted in collaboration with the Renașterea Foundation;
- Online workshop about the harmful effects of smoking and the Allen Carr method. This event was dedicated to smokers or those who wanted to help someone quit a harmful habit. The Allen Carr method, a recognized approach in quitting tobacco, was presented;
- Online nutrition workshop. Highly appreciated by our colleagues, this workshop covered various topics related to healthy lifestyles and balanced diets;
- Online workshop on work-related stress, including causes, symptoms, treatment, and prevention;
- Online workshop for „World Heart Day,” organized on the international day dedicated to heart health, with focus on raising awareness about the risks and symptoms of cardiovascular diseases.

We have implemented a series of important programmes, some of which were conducted in previous years as well; through these programmes, we are committed to supporting our colleagues by providing guidance and continuous training in the field of safety. Some of these programmes include:

### Safety Leadership

Involvement of managers in safety matters – through this programme, safety-focused meetings organized by managers for their teams were encouraged, with the support of the Health and Safety Department.

The objective of these sessions is to demonstrate the leadership’s commitment to health and safety and to provide our colleagues with another opportunity to communicate safety issues and risks to their managers.

Throughout 2022, a total of 99 Safety Leadership sessions were organized, which involved the entire operational staff within the E-Distribuție companies.

### Alerta Café

A programme that focuses on occupational safety, involved meetings with colleagues from the Health and Safety Department and the operational staff, as well as contractors, held at their locations

These meetings take place in the morning, before work begins, providing a relaxed setting to discuss field-related safety issues „over a coffee.”

The initiative aims to correct potentially unsafe behaviours and reinforce correct work methods in situations that colleagues may encounter less frequently in their operational activities.

Throughout 2022, a total of 216 Alerta Café sessions were held with contractors, and 271 Alerta Café sessions were conducted at the E-Distribuție operational units, benefiting the entire operational staff.

## Buddy Partner Programme

In our effort to embed a safety culture deeply within the organization, we have developed the Buddy Partner programme, because we always feel safe around people we trust.

Thus, we formed a working group composed of individuals with significant influence within their network over the operational staff, individuals who share their opinions and practices regarding workplace safety among these teams.

These individuals (safety influencers) are experts in the energy sector who are respected by their peers. Safety influencers mentor their colleagues to become more aware of health and safety risks. Their expertise is crucial for shaping the behaviours of others through methods such as suggestion and motivation.



In this manner, a network of „safety influencers“ has been established, carrying out a series of standardized activities tailored to their specific areas of influence and work characteristics.

A **Buddy** is essentially someone who engages in an activity together with their colleague, allowing them to support and encourage each other. This change in paradigm aims to strengthen safety standards and prevent accidents in multi-operator activities by enhancing a peer-to-peer relationship. In 2022, a plan was implemented to promote this concept, which is vital for employee safety. Electricians from the three regions - Muntenia, Banat, and Dobrogea - were brought forward as part of this initiative. At the end of 2022, a questionnaire was launched to assess the level of knowledge and practical application of the Buddy Partner concept. The results have been analysed, and actions will be taken based on these findings.



## STOP work

E-Distribuție employees work hard to deliver electricity to our homes and beyond. This is why we pay attention to their health and safety, preventing injuries. For this purpose, Stop Work Policy is designed to stop or signal all behaviours considered unsafe and any potential risky actions, omissions, or situations.

The potential risk itself is enough reason to halt the activity, if we suspect that we or anyone close to us could be harmed because of an accident. This policy is designed to be able to stop the activity in the event of a risky situation or dangerous behaviour. It serves as an alarm that could be promptly activated, having a crucial impact on health and safety.

In addition to the internal communication plan, there is a global communication plan with numerous initiatives, including:

### Stop4Safety

This initiative was developed to increase awareness of the importance and impact of the Stop Work policy and to promote a healthier work environment. Its main objective is to pause daily operational activities and step away from stress, haste, and daily routine in order to reflect comprehensively on safety, critical issues, and proposed ideas to achieve the goal of zero accidents.

In this way, a regular workday is transformed into a moment of reflection and open discussion about safety issues, and it includes debates on safety topics, video materials, and testimonials useful for improvement, as well as proposing future solutions and actions to be implemented.



## Safety Messages – 12 Safety Messages

an initiative from the 2022 communication plan aimed at emphasizing the importance of workplace safety. As part of this initiative, **12 video messages** were created to highlight the most critical safety concepts for employees.



To support the change processes and ensure a strong safety culture at all levels, E-Distribuție companies have implemented a well-structured professional training process for all employees. In 2022, E-Distribuție teams received approximately **77,320 hours** of training in health and safety. These training sessions are dedicated to all categories of personnel, with an emphasis on the following topics:

- Current legislation regarding Occupational Health, Safety and Quality;
- Policies, organizational procedures, technical instructions;
- Reporting incidents: accidents, near-miss incidents;
- STOP WORK Policy;
- Electrical works. The 5 Golden Rules;
- Buddy Partner concept;
- Toolbox Talk;
- Performing inspections in the field of H&S;
- Integrated management system – Strategy and Management;
- Requirements of ISO standards;
- Waste, material, and equipment management resulting from works;

## Employee Awareness Initiatives

A series of workshops aimed at increasing awareness of safety aspects through emotional and motivational videos. A total of **41 workshops** were organized, with **844** colleagues participating.

- Labelling and characterization of hazardous waste;
- Automotive safety;
- First aid procedures: resuscitation (respiratory and cardiocirculatory arrest), fainting, shock;
- Regulations and operational instructions issued during the COVID-19 pandemic;
- Fire evacuation procedures.

The purpose of these training sessions is to protect the physical and psychological health and well-being of employees and to develop specific skills of the personnel within the companies.



## The Health and Safety Initiative

### Safety at school

Over 120 children aged 6 to 9 took part in interactive sessions with our safety specialists over the course of 5 days in May.

The journey aimed to provide insights into the energy sector, highlighting its benefits as well as its risks. The programme raised questions, provided answers, and encouraged hypotheses, all with the goal of beautifully describing the world of electricity in a way that children could understand, the involvement of our dedicated specialists being full of energy.

The programme was a great success, earning a significant award at the [2022 Safety Awards Gala](#).



### Family day

Employees and their families learned about the energy sector during their visits to the electrical stations. Thus, during the Energy Worker's Week, three primary substations in Bucharest, Fetești, and Timișoara opened their gates to welcome the children of our colleagues. On July 19th, over 80 adults and children were enthusiastically greeted by colleagues ready to answer all their questions. They explained to the little ones what electricity is, how it

is generated, how it reaches our homes from the stations, the uses of electricity, safety measures, and how to avoid accidents.

The children also learned about the work of an electrician and the safety measures that need to be followed when working with electricity. Equipped with insulating gloves and protective helmets, the children immersed themselves in the world of VR through the new training technology and had the chance to explore a self-propelled platform-type emergency vehicle.

Not only the children had fun during the hours spent among the installations and protective equipment, but also our colleagues, who discovered once again that the energy of children is unlimited.



### Discussions on health and safety topics

Through this exercise, valuable conclusions and feedback were shared from both sides, providing a new opportunity to discuss the importance of health through the involvement of various levels of leadership in open and candid discussions with operational personnel, with the purpose of identifying challenges related to the safety of our employees and to assess the executed activities.

## 6.2 Inspections

Over 7,000 inspections carried out in 2022

We consider that one of the most important activities we can undertake for proper health and safety risk management in the workplace is conducting inspections and visits within the E-Distribuție spaces. These are carried out regularly and rigorously to identify weaknesses and improvement opportunities.

### Cross Inspections

Inspections are conducted in a team with a representative from another department, aimed at standardizing the control method and exchanging experiences with other colleagues who have control responsibilities.

In 2022, 234 cross inspections were conducted.

### Fuori Linea Inspections

Verifications where the inspector conducts the inspection in a department other than its own, to objectively observe aspects and highlight certain issues that routine familiarity might prevent their colleague from noticing.

In 2022, 3,787 Fuori Linea inspections were conducted.

### Wave Alert

Inspections carried out in the form of a wave alert that lasts for a week. During this period, health and safety

inspectors dedicate their activity exclusively to field inspections.

In 2022, there were 12 „waves“ during which 3,431 inspections were conducted.

### Additional on-site safety risk verification (ECOS – Extra Checking on Site)

The main objective of additional site verification is to inspect and report on the level of compliance with the Group’s safety and environmental norms, procedures, and processes, and their implementation at the operational level.

This includes highlighting any non-conformities, areas for improvement, relevant action plans, as well as identifying safety and environmental best practices.

In 2022, 7 additional verifications were carried out.

### Improving inspection quality through the Total Quality programme

The global „Total Quality“ programme conducted at the HSEQ Department aims to transform current Safety, Environment, and Quality inspections into comprehensive checks that involve cumulative aspects from all three targeted areas.



## 6.3 The Competence Centre

### Practical training

Practical trainings were resumed as soon as the Covid restrictions were removed. Training sessions were attended by 742 electricians, focusing on the following topics:

- Practical application of the „STOP WORK” policy;
- Implementation of the „Buddy Partner” concept;
- The Five Golden Rules vs. technical measures in electrical installations;
- Electrical risk prevention;
- Work organization;
- Work handover area;
- Working under voltage - applying the specific working method for Low Voltage;
- Work in confined spaces.

### Task Force PDL (Permit To Work)

It involves identifying areas for improvement in the process of developing and validating „end-to-end” work plans, including E-Distribuție intervention plans, where applicable. The activity is organized by the Health and Safety Department at the country level, with global coordination, involving 199 local representatives from

all Territorial Units. Sixteen case studies related to complex installations have been prepared, covering the following typologies:

- Underground medium-voltage power lines;
- Aerial medium-voltage power lines;
- Aerial high-voltage conductors;
- Uninsulated aerial conductors for medium-voltage power lines;
- Primary substations;
- Secondary substations.

### Rock`n Opex – PIP (Periodic Instruction Plan) 2023

The Rock`n Opex Programme 2023 (Periodic Instruction Plan in a dedicated workplace education platform) emerged from the desire to create attractive and easily accessible materials specific to the training topics in the fields of: Health and Safety at Work, First Aid, Driving, Professional Skills, Emergency Situations, Environment and Energy, Integrated Requirements, and Quality.

These materials can be uploaded to the platform for use by a wide range of individuals during the periodic training process. The goal was to enhance the training process and its digitalization, working in line with the Agile Philosophy and using the Scrum methodology.



# 6.4 Contractors Management

## Contractors evaluation

Each contractor who wishes to work for E-Distribuție undergoes a safety and health evaluation as part of the bidding process.

At the same time, an evaluation of contractors during the contract period has been implemented. Thus, based on available data, evidence, and other information from qualification, bidding, active contract, and consequence management phases, the Health and Safety Department prepares the Annual contractor evaluation plan for contractors working with E-Distribuție companies.

## Supporting contractors regarding safety

For contractors with low performance, we have established a procedure that involves conducting an initial evaluation of the contractor. Based on the results, we provide support over a 4-month period, followed by another evaluation to identify and assess the level of improvement, with the ultimate goal of assisting them in enhancing their results and key performance indicators. The support provided includes an action plan comprising the following steps: weekly monitoring, training, inspections, and meetings.

## H&S Applications

**To enhance the safety of employees, E-Distribuție companies have over time either developed or acquired a series of additional applications that contribute to the efficient integration of health and safety principles in the workplace.**

### APP 5RO

A tool for managing the application of the 5 golden rules for safety in electrical works. Our operational colleagues are required to upload a photograph from their electrical work while adhering to the 5 golden rules. Another colleague from the unit must verify and approve the photographs. Additionally, the Health and Safety Department monitors the identified non-conformities and the implemented actions.

### Toolbox Talk

In order to improve safety standards during work execution and prevent accidents, it is necessary to organize a safety meeting before starting any operational activity (pre-task briefing - referred to as Toolbox Talk in E-Distribuție), as well as at the end of the activity (post-task evaluation).

### Dashboard HSEQ

A global dashboard for tracking health and safety activities implemented in 2022 in the workplace.

The purpose of contractor evaluation is to conduct a comprehensive assessment of their performance concerning a full range of safety topics, such as regulations, training, best practices, organization, with a special emphasis on cultural and leadership aspects.

The evaluation result consists of two scores: **the technical part** and **the cultural and leadership part**. If a Technical Action Plan is needed, a detailed list of actions is defined, and each action is assigned to a validator, namely an E-Distribuție employee responsible for overseeing the completion of the action.

The contractor periodically submits evidence of completing the action plan to the Health and Safety Department and, if applicable, to the Contract Management Unit (only for ongoing contracts) and, with the support of validators, reviews the evidence, and any inconsistencies or unsatisfactory levels are identified and highlighted.

**During 2022, 6 contractor evaluations were conducted, resulting in 83 corrective measures completed. Additionally, 4 assistance actions were provided for 4 contractors.**

A dashboard displaying the targets and key performance indicators relevant to health and safety activities. The application aims to manage safety incidents (work accidents, near-misses - situations close to accidents) and track the progress of activities under safe conditions.

### SHE Metrics

An application for managing contractor evaluations and conducting global accident investigations.

### SHE START

Incident management application for safety incidents (work accidents, near-misses) and safety observations.

### AIDA

An application used for recording inspections and allocating personal protective equipment for each employee.

### SAP H&S

# 6.5

## Safety equipment and features

The budget for safety equipment in 2022 for the three E-Distribuție companies amounted to 1.8 mil. euros.

**Safety equipment budget in 2022: €1.8 million**

Annually, we procure various safety clothing for our colleagues (arc-resistant work suits, waterproof jackets and pants, thermal-insulated clothing), summer and winter footwear, electrical-insulating boots, work gloves, insulated gloves, protective helmets, reflective vests, height work belts and ropes, protective

devices (voltage detectors, insulating sticks, sheaths, panels, insulating covers), as well as other materials such as anti-animal devices, first aid supplies (kits, sprays for burns and wasps), fire prevention and extinguishing materials, fire extinguishers, occupational safety signs. We also purchase carbonated mineral water for hot periods and tea for colder times. The costs also cover services such as occupational health checks, fire extinguisher inspections, insulating equipment checks, etc.

In 2022, safety equipment and devices such as voltage and phase correspondence detectors for medium voltage power lines and secondary substations, 3-section 8m sliding ladder, 3-section 10m sliding ladder, lightweight metal alloy ladder with two climbers and joining elements for climbing on 12m tubular poles, short-circuits, measuring devices, tool kits, amounting to a total of 921,000 euros were acquired for investment purposes.

Our employees use them to carry out their activities in a safe manner.

### COVID-19

In 2022, we continued to protect our employees by offering them optimal conditions to work from home, in a smart working system for activities that can be done remotely, while for other activities, we took measures to ensure that the interaction is as controlled as possible and free of infection risk.

**COVID-19 prevention budget in 2022: €300,000**

In 2022, we provided E-Distribuție employees with materials and services to prevent infection with COVID-19, such as surgical protective masks, FFP2 masks, protective gloves and disinfectant gel for high-risk areas.

### Next to office

As the health situation has improved and some restrictions have been removed, many of our employees expressed their desire to work from the office.

To this end, access to E-Distribuție headquarters was granted based on a request registered through dedicated forms and by respecting the same safety measures (wearing protective masks, respecting social distancing, and limiting the number of colleagues per floor).







## Our performance

- 7.1 Financial performance
- 7.2 Technical performance
- 7.3 Targets assumed



## Financial performance

The financial results obtained by E-Distribuție companies in 2022 confirm the stability of our business model, which allowed us to successfully cope with a challenging year. We support economic development and long-term performance of the company by generating value in a sustainable way. This can only be achieved when financial performance, operational efforts, quality service delivery, and care for our colleagues are treated with the same importance. E-Distribuție companies always prioritize their obligations to the state.

In 2022, the total amount of tax contributions paid by the three companies amounts to 76 million RON. In 2022, the total amount of tax contributions paid by the three

companies amounts to 76 million RON, which have made a significant contribution to the state and local budgets

These indirect contributions have a positive impact on society and could represent the equivalent of:

- The purchase and installation of 100 turnkey photovoltaic systems with a power of approximately 35 kW;
- The modernization and rehabilitation of 10 kindergartens;
- Equipping 5 hospitals with imaging equipment.

E-Distribuție Banat (mil. RON)	2020	2021	2022
Turnover	517	547	706
Tax contributions	37	32.5	16.3
State budget	33	29	12.6
Local budget	4	3.5	3.7
Operating income	557	594	1,009
Operating expenditure	518	630	953
Employee costs	92	101	108
Profit	39	-33	60

E-Distribuție Dobrogea (mil. RON)	2020	2021	2022
Turnover	488	511	640
Tax contributions	40	46.7	15.4
State budget	37	46	12.5
Local budget	3	0.7	2.8
Operating income	530	555	937
Operating expenditure	466	544	851
Employee costs	78	84	87
Profit	54	12	76

E-Distribuție Muntenia (mil. RON)	2020	2021	2022
Turnover	859	924	1,098
Tax contributions	51	58.8	44.3
State budget	45	52.5	38.3
Local budget	6	6.3	6
Operating income	968	1,038	1,754
Operating expenditure	865	991	1,495
Employee costs	123	143	152
Profit	119	56	249

# 7.2

## Technical performance

E-Distribuție companies ensure every day that all necessary measures are taken to provide quality distribution services for all customers connected to the network, as well as for new consumers. In this regard, we constantly invest in programmes to expand and modernize distribution networks, as well as to improve voltage levels.

We strive to increase technical performance with the aim of having a positive impact on user experience.

At the same time, we aim to ensure safety and continuity in power supply and always provide a high standard of interaction with E-Distribuție personnel.

### Installations volume

#### E-Distribuție Banat - Components of the electrical distribution grid

	Measurement unit	Values at 31.12.2022	
High voltage power lines (110 kV)	km	2,714	
Medium voltage power lines	km	13,027	
Low voltage power lines	km	16,902	
Low voltage connections	km	12,744	
Primary substations (connection and/or transformation) 110 kV	No./MVA	97	4,173
Primary substations (connection and/or transformation) with voltage steps lower than 110 kV	No./MVA	26	249
Secondary substations	No./MVA	8,733	2,209
Supply points	No./MVA	18	-

#### E-Distribuție Dobrogea - Components of the electrical distribution grid

	Measurement unit	Values at 31.12.2022	
High voltage power lines (110 kV)	km	2,655	
Medium voltage power lines	km	10,844	
Low voltage power lines	km	11,039	
Low voltage connections	km	13,919	
Primary substations (connection and/or transformation) 110 kV	No./MVA	120	4,198
Primary substations (connection and/or transformation) with voltage steps lower than 110 kV	No./MVA	78	347
Secondary substations	No./MVA	6,373	2,016
Supply points	No./MVA	19	6

#### E-Distribuție Muntenia - Components of the electrical distribution grid

	Measurement unit	Values at 31.12.2022	
High voltage power lines (110 kV)	km	1,163	
Medium voltage power lines	km	12,222	
Low voltage power lines	km	23,460	
Low voltage connections	km	12,559	
Primary substations (connection and/or transformation) 110 kV	No./MVA	70	5,096
Primary substations (connection and/or transformation) with voltage steps lower than 110 kV	No./MVA	-	-
Secondary substations	No./MVA	9,405	4,014
Supply points	No./MVA	197	168



### Own technological consumption achieved in 2022 by the E-Distribuție companies:

Company	Measurement Unit	Yearly total			Total
		IT	MT	JT	
E-Distribuție Banat	Mh	489,910	1,665,828	2,196,842	<b>4,352,580</b>
	%	0.79	3.29	12.39	<b>9.10</b>
E-Distribuție Dobrogea	MWh	943,421	1,001,398	1,784,210	<b>3,729,029</b>
	%	1.62	4.03	10.98	<b>7.56</b>
E-Distribuție Muntenia	MWh	234,467	3,069,606	4,133,468	<b>7,437,541</b>
	%	0.54	2.90	11.12	<b>9.02</b>

### Total number of disconnections due to non-payment:

Company	2020	2021	2022
E-Distribuție Banat	2,185	2,223	<b>11,295</b>
E-Distribuție Dobrogea	1,879	2,336	<b>8,684</b>
E-Distribuție Muntenia	5,094	3,609	<b>14,307</b>

### Average reconnection time (days) for the consumption place after issuing the payment notification (all types of users)

Company	Measurement Unit	Total average time per year 2020	Total average time per year 2021	Total average time per year 2022
E-Distribuție Banat	Low voltage	1.31	1.59	2.37
	Medium voltage	1.00	1.86	2.33
E-Distribuție Dobrogea	Low voltage	0.99	1.38	1.26
	Medium voltage	6.45	1.23	0.91
E-Distribuție Muntenia	Low voltage	1.53	2.49	2.17
	Medium voltage	0.63	1.86	1.45

# 7.3

## Targets assumed

As part of our commitment to ensuring efficient and reliable distribution of electricity, E-Distribuție companies focus on increasing service availability by adopting a customer-oriented strategy to identify and prioritize network improvements and expansions, understanding the role that distribution networks play in facilitating the energy transition. We will continue to explore our progress and initiatives in this regard, highlighting the results achieved and future strategies to achieve our proposed objectives.

### Smart metering

Company	Targets for 2022	Reduced budget 2022 according to the Letter to ANRE	Results 2022	Target achievement (%)
E-Distribuție Banat	45,591	29,042	32,141	111%
E-Distribuție Dobrogea	38,136	24,296	26,804	110%
E-Distribuție Muntenia	64,668	41,226	41,524	101%

The smart meter installation programme is carried out according to the plan approved by the National Energy Regulatory Authority (ANRE). In 2022, E-Distribuție companies installed a total of 100,469 smart meters, demonstrating once again, by exceeding the assumed targets, the commitment of the companies to achieve the decarbonization and electrification targets, through network digitalization.

E-Distribuție companies together have the largest number of smart meters installed so far in Romania. Therefore, end consumers can access their consumption data, gain better control over electricity consumption and the possibility of electricity saving. In addition, smart

meters provide information that reduces intervention time, as some manoeuvres can be performed remotely. Prosumers, consumers who produce electricity from renewable sources, can separately measure the energy produced.

Whether we are talking about wind turbines or solar panels, the smart meter will separately measure the energy that a consumer delivers to the network and that which it absorbs from the network. The consumer will know exactly when they are consuming energy from the network and when they are consuming their own produced renewable energy.

### SAIDI index – Continuity in electricity distribution

SAIDI 31.12.2022	Measurement Unit	SAIDI	Cumulative	Achieved vs. Planned (cumulative)
E-Distribuție Banat	<b>Monthly</b>	<b>Achieved</b>	<b>115</b>	<b>-11%</b>
	Cumulative	planned	129	
E-Distribuție Dobrogea	<b>Monthly</b>	<b>Achieved</b>	<b>89</b>	<b>-18%</b>
	Cumulative	planned	109	
E-Distribuție Muntenia	<b>Monthly</b>	<b>Achieved</b>	<b>75</b>	<b>-21%</b>
	Cumulative	planned	94	
Romania	<b>Monthly</b>	<b>Achieved</b>	<b>90</b>	<b>-17%</b>
	Cumulative	planned	109	



## SAIFI index – Continuity in electricity distribution

SAIFI 31.12.2022	Measurement Unit	SAIFI	Cumulative	Achieved vs. Planned (cumulative)
E-Distribuție Banat	<b>Monthly</b>	<b>Achieved</b>	<b>3</b>	<b>-10%</b>
	Cumulative	planned	3.3	
E-Distribuție Dobrogea	<b>Monthly</b>	<b>Achieved</b>	<b>2.8</b>	<b>-15%</b>
	Cumulative	planned	3.4	
E-Distribuție Muntenia	<b>Monthly</b>	<b>Achieved</b>	<b>2.3</b>	<b>-13%</b>
	Cumulative	planned	2.6	
Romania	<b>Monthly</b>	<b>Achieved</b>	<b>2.6</b>	<b>-12%</b>
	Cumulative	planned	3.0	

Due to continuous investments in upgrading our distribution network and equipment, E-Distribuție companies have maintained their position as leaders in the field of electricity distribution in Romania in 2022.

Our results were significant, considering that the SAIFI index for unplanned outages was below the national average.

These results confirm our commitment to providing high-quality service and demonstrate our ongoing efforts to ensure reliable and stable electricity supply.

We continue to invest in our grid modernization and advanced technologies to improve user experience and to meet the ever-changing demands of the industry and our customers.

## Grid modernization



**Luiza Gheorghe**  
Project Manager, Network Business Opportunities Development

Sustainability remains at the core of our network development strategy through innovation and digitalization.

Developing flexible and resilient networks has become our priority, being one of the most important pillars towards the energy transition. We aim to develop projects with minimal environmental impact through every investment, following our sustainability strategy, and keeping in mind the needs of end-users, partners, and communities.

These investment programmes aimed primarily at improving the reliability of installations, enhancing the quality of distribution services and ensuring the energy supply needed to expand the networks and provide access to energy for as many consumers as possible.

We have implemented complex modernization projects, including measures such as increasing installed capacity, introducing automatic control systems in primary substations, and replacing aerial or underground network.

These initiatives have resulted in improved performance and resilience of our networks, ensuring a more stable and reliable supply of electricity to our customers.

Through our ongoing investments in modernization and advanced technologies, we have committed to meeting the ever-changing needs of consumers and contributing to the sustainable development of the energy infrastructure.

The investments made by our companies over the years have yielded significant results in terms of the quality, resilience, and efficiency of our energy distribution system.

We are pleased to report that a high percentage of substations are integrated into the automatic control system, as follows:

Company	Total Number of Primary substations	Primary substations in Automatic control	Percentage of Primary substations in Automatic control
E-Distribuție Banat	106	104	98%
E-Distribuție Dobrogea	121	102	84%
E-Distribuție Muntenia	67	65	97%

In 2022, E-Distribuție companies invested approximately 254 million RON in the digitalization and modernization of electricity equipment and grids, as follows:

Company	Project type	Number of projects	Projects value (RON)
E-Distribuție Banat	Energy capacity increase	12	16,336,241
	Grid expansions	15	1,523,604
	Modernization works	40	37,653,065
	Measures centralizations	5	3,642,770
	Smart meter project	1	12,893,212
E-Distribuție Dobrogea	Energy capacity increase	2	7,550,541
	Grid expansions	10	2,497,741
	Modernization works	45	37,682,790
	Measures centralizations	3	3,279,501
	Smart meter project	1	10,545,285
E-Distribuție Muntenia	Energy capacity increase	9	15,562,855
	Grid expansions	3	2,379,746
	Modernization works	38	85,169,712
	Measures centralizations	3	1,782,057
	Smart meter project	1	15,034,119

Among the investments made in 2022, we want to mention a few of them. We paid increased attention to high-voltage electrical grids and the modernization of transformation primary substations, thus, in 2022, we invested over 106 million RON in the development of such projects.

#### Bucharest:

E-Distribuție Muntenia investments involved building a new underground power line on the Mașini Grele – IMGB route and modernizing the one in the Fundeni – Pipera 2 area, as well as amplifying the Mașini Grele primary substation.

#### Dobrogea:

At the Slobozia Sud primary substation, modernized medium voltage cells were installed, which communicate through fiber optics – a technology used for the first time at a primary substation of E-Distribuție companies.

#### Banat:

The Baru Mare – Hațeg power line, with a length of 31.3 km, was modernized in a difficult to reach geographical area.

In 2022, E-Distribuție companies invested approximately 106 million RON from their own funds in high-voltage projects in the Muntenia region in Bucharest and Ilfov, as well as in the Dobrogea and Banat regions. The investment projects aimed to create and modernize new underground and aerial power lines and substations. These investments directly impact the network's capacity to supply energy to new consumers and enhance digitalization for improved management of unplanned outages, ensuring the safe supply of customers.

E-Distribuție Muntenia has made investments of 60 million RON for modernization works of some high voltage lines and primary substations in Bucharest, and 18 million RON were invested by E-Distribuție Dobrogea, especially for the modernization and amplification of some primary substations in Ialomita and Constanta counties. E-Distribuție Banat has made investments of 28.3 million RON, of which 9.8 million RON for the modernization of a high voltage aerial power line in Hunedoara County.

In Bucharest, E-Distribuție Muntenia invested over 33 million RON in total to create a new underground power

line along the Mașini Grele – IMGB route, increase the capacity of the line in the Fundeni – Pipera 2 area, and amplify the Mașini Grele substation. For the Fundeni – Pipera line, the underground high-voltage power lines, which were put into operation at the end of the 1970s, were replaced with cables with dry insulation that have a reduced environmental impact.

The new route of the line increased its length to 7.86 km, and the line's transport capacity was increased to over 160 MVA compared to the old one, which had a capacity of 120 MVA. The implementation of this 21.5 million RON project brings benefits to the residents of the northern part of the capital city.

The new underground power line put into operation in 2022, connecting the Mașini Grele and IMGB substations and which has a length of 1.83 km, increases operational flexibility, ensuring the necessary energy conditions for relocating the grids for the construction of the A0 motorway in the southern area. Additionally, it enhances the level of electricity supply safety for the residents of Sector 4 and part of the residents of Popești Leordeni.





Another project consisted in equipping Maşini Grele primary substation with two transformers with a total installed capacity of 80 MVA (40 MVA each) based on a new technology that has low energy losses and low environmental impact, in line with current European standards. The new transformers ensure the electricity supply to approximately 28,000 household and industrial customers, including the future Tudor Arghezi subway station.

In Dobrogea, the main works in 2022 targeting the high voltage infrastructure consisted in the modernization of three primary substations in Ialomița and Constanța counties. The total value of these three works carried out by E-Distribuție was 16.2 million RON.

The Slobozia Sud primary substation now has two transformers with a total capacity of 50 MVA (25 MVA each) installed, as well as modern medium voltage cells, equipped with state-of-the-art protections, which communicate through fiber optics.

This technology, used for the first time at an E-Distribuție primary substation, streamlines intervention times thanks to a smart system that identifies grid defects faster and helps with a fast, remote switching. In order to increase the capacity of the distribution network in order to ensure access to the grid for domestic and industrial users in the Năvodari and Medgidia area, respectively, in the primary substations in these localities, which currently supply approximately 23,700 users, respectively about 8,000 users, amplification works were carried out.

In Banat, an important project regarding the high voltage network of E-Distribuție was the modernization of the Baru Mare – Hațeg aerial power line, with a length of 31.3 km.

The project, with a value of approximately 9.8 million RON and which targeted areas difficult to reach geographically, consisted of modernization works of the network elements: about 120 metal poles, as well as the replacement of their insulators and electrical conductors.

## Digitalization in E-Distribuție companies – Developing the Grid Blue Sky project

Innovation and digitalization are fundamental objectives in the development strategy of the E-Distribuție companies, as we recognize their importance in an ever-growing and changing environment. We are constantly focused on maintaining high standards of safety, business continuity, and operational efficiency.

Through innovation and digitalization, we aim to build new ways of managing our distribution grid, making it accessible to an increasing number of people. In Romania, the utilities market is continuously evolving, and end customers expect new experiences and benefits supported by technology. These new expectations directly impact the performance and profitability of the companies, making digitalization and transformation of the internal processes essential for evolution.

At the same time, we are aware about the importance of our contribution to sustainability and decarbonization goals, which also require new lifestyles and consumption patterns that demand increasingly flexible, digital, and

resilient grid meeting new both individual and collective expectations, from „smart” home devices to electric mobility. New technologies play an essential role in ensuring the efficiency and reliability of our systems, within these processes of transformation in social habits and consumption.

Digitalization contributes to the consolidation and increased competitiveness of the organization, enhancing its resilience to unforeseen disruptions and flexibility to foster continuous innovation.

We recognize that digitalization is a crucial aspect of our business growth and transformation, enabling us to effectively respond to challenges and opportunities in our dynamic environment.

As a result, in 2022, we maintained our dedication to new innovative solutions as part of the Grid Blue Sky programme, which aims at transforming distribution networks into resilient, participatory and sustainable ones.

### AURORA

A solution for monitoring complex projects, aimed at measuring and visualizing project status, as well as identifying deviations from the baseline plan.

In the case of the AURORA solution, for which the first phase, Module 1, had already been implemented, we continued with its development by implementing the next module, in order to enhance the functionalities of this solution, which is aimed at the business area responsible for analysing, developing, and designing the grid.

#### The new module will enhance the solution with additional features and integration with other applications:

- Introduction of new categories of complex projects;
- Diversification of specific reports and the creation of a dashboard for comprehensive project monitoring;
- Dynamic monitoring of project phase proportions to identify progress;
- Management of multiple interconnected projects;
- Addition of new Key Performance Indicators (KPIs) and new reports for monitoring project plans and identifying deviations from the plan.

#### Results achieved in the project:

- Number of training participants: **22**;
- Average KPI adoption rate: **100%**.



## AIDA

A solution that allows the digitalization of the process for recording and analysing situations of near miss or work-related incidents.

The AIDA solutions bring benefits through real-time grid operation, ensuring efficiency, safety, and quality from the execution stage to maintenance, operation, and management stages throughout the entire lifespan of electrical grid.

AIDA represents a dashboard for incidents and accidents, a unique platform for managing and tracking safety-related accidents and events. The main objectives consist of centralizing health and safety information, active involvement of all responsible parties in conducting analysis, determining measures and their implementation, as well as managing automated health and safety activity reports (Dashboard). The AIDA mobile application allows reporting „Near Miss” situations and communicating safety events.

The implemented module involves the development of a desktop/mobile application for managing and tracking accidents and events that affect safety. Reporting a „Near Miss” event can be done directly from the mobile application, and automatic notifications can be sent to interested parties when such events are reported.

### The main functionalities of the solution are as follows:

- Simplified user experience;
- Real-time communication of near miss incidents;
- Encouragement of reporting near miss incidents through an intuitive and anonymized application;
- Continuous analysis of safety process performance through the dashboard.

### The main benefits include:

- A single platform for occupational health and safety events;
- Strong traceability that ensures a good follow-up of the stages of the event's analysis;
- Elimination of paper-based forms used for recording near-miss situations in the field;
- Automatic alerting of responsible colleagues about the deadline for implementing measures resulting from the analysis.

### Results achieved in the project:

- Number of training participants: **380**;
- Average KPI adoption rate: **100%**.

# Material smart tracking

## Smart material tracking

By adding the module within the Material Smart Tracking solution, we are strengthening our commitment to provide a system that enables the digitalization of interactions with suppliers who deliver materials, with the logistics operator managing central warehouses, and with

material recipients from level 2 warehouses, in the case of the direct flow that will allow traceability of materials throughout their lifecycle and the necessary delivery documents.

The main objectives are the automation of communication with suppliers, with personnel managing material contracts throughout the entire supply chain, with the logistics operator managing central warehouses, and with responsible personnel at level 2 warehouses. It also aims to trace materials from their entry into the company, efficiently manage the documentation required for delivery, and electronically archive it.

### The main functionalities of the solution are as follows:

- Automatization and digitalization of interactions with material suppliers through the shared use of digital platforms;
- Optimization of the material delivery process;
- Management of material traceability through communication between GBS (Grid Blue Sky) solutions.

The solution brings benefits to both suppliers and logistics operators, as well as to internal and external staff who manage material resources in warehouses.

### The main benefits include:

- Reduce the time required to check the documentation required for delivery, both for goods arriving from within the EU and from outside the EU (including deliveries of materials made by international COMEX suppliers);
- Increase of digitalized interactions with suppliers and recipients of goods;
- Ensure that the goods being delivered meet the pre-delivery conditions: the supplier is qualified for the group of goods to which the delivered goods belong, and the delivered goods meet the requested technical specifications;
- Improved material traceability.

### Results achieved in the project:

- Number of training participants: **34**;
- Average KPI adoption rate: **100%**.

# Customer engagement Monitoring

The Customer Engagement Monitoring solution was continued in 2022 with the adoption of the following three modules. This represents a solution that allows multidimensional analysis, reporting, and data visualization in a dashboard, monitoring the performance of the commercial cycle in relation to the standard objectives

of commercial operations. In addition, it contributes to continuous improvement by providing structured data related to processes as well as the progress of performance indicators, and ongoing processes.

It facilitates the optimization of end-to-end processes by breaking down processes into individual monitoring and analysis phases. using monitoring tools such as dashboards, reports, and perspectives on historical or ongoing data, as well as performance analysis and scenario analysis. This solution used monitoring tools including dashboards, reports, and historical or real time data, as well as performance and scenario analysis.

### The main functionalities and benefits provided by the implementation of the three new modules are as follows:

- The developments of modules 3 and 4 aim to automatize the monitoring process of key performance indicators related to customer loyalty processes;
- Simplifying the monitoring process regarding connection requests from producers/prosumers, as well as connection requests from consumers;
- The developments in module 4 contribute to the automation of the monitoring process regarding requests for commercial information.

### Results achieved in the project:

- Number of training participants: **10**;
- Average KPI adoption rate: **96%**.

# SWIM Smart Maintenance Tool

## Smart maintenance planning

The Smart Maintenance Tool (SWIM) solution aims to contribute to the intelligent planning of preventive maintenance activities for the distribution grid through a platform that enables intelligent planning of maintenance activities for the electricity distribution grid.

This solution allows for the management of preventive maintenance planning activities for high, medium, and low voltage installations.

### The main functionalities of the solution include:

- Development of unique catalogues for fault management;
- Development of catalogues for activity types;
- Development of periodic maintenance activities;
- Development of non-periodic/on-condition maintenance activities;
- Development of predictive maintenance activities, such as automating the system for fault remedy anomalies identified in the automatic control system;
- Economic evaluation of activities;
- Inserting/modifying/cancelling activities and fault;
- Developing data-driven models for fault detection in power transformers and medium and high-voltage substations;
- Configuring the maintenance report and alternative assistance.

### The main benefits of the solution include:

- Improvement of the network maintenance process;
- Periodic maintenance plans management;
- On-condition maintenance planning management;
- Fault management of automatic control system through smart tickets;
- Access to all situations and types of activities;
- Characterization of the type of situation through specific explanatory images;
- Improvement of activity classification.

### The functions provided after the implementation of the first development module include:

- Introduction of new types of situations and activities along with their characterization;
- Introduction of specific images based on the type of situation;
- Risk matrix management based on different types of situations;

- Scenario management with an impact on safety and environment;
- Adoption of different types of situations and activities present in other countries;
- Management of scheduled and requested activity types.

### In addition, the next development module facilitates the management of Maintenance Criteria and enables the following functions:

- Research and validation of faults identified in the network and contextual creation of activities based on specific conditions;
- Creation of scheduled activities within a three-year action plan.

### The third development module complements the main advantages with:

- A unique environment and function for managing all types of electrical systems;
- Prioritization of interventions to resolve critical grid conditions;
- Preparation of the maintenance activity list over a specified time period in line with the Maintenance Plan.

### Additionally, the functions available to users are enhanced with:

- Action Plan for the massive generation of scheduled activities over a 3-year period;
- Validation of faults and generation of activities based on specific conditions;
- View, edit, and input new types of faults;
- View and edit scheduled activities based on specific conditions.

### Results achieved in the project:

- Number of training participants: **36**;
- Average KPI adoption rate: **88%**.



## Asset inventory / E&C tool

The Asset Inventory / E&C solution serves as a data search tool that allows the automation of searching for the best possible configuration of solutions to meet functional requirements. The solution establishes organized standards within libraries, corresponding to a

digital catalogue of feasible grid installations. It includes standardized materials and installations facilitating the search for the most suitable solutions to meet the functional requirements necessary at the future installation location.

This catalogue stores information about physical components, regardless of their condition, and serves as a technical database including both new and existing solutions, establishing rules for validation.

### The main functionalities of the solution are:

- Availability of all standard grid solutions (medium/low voltage transformation substation, connection substation, low-voltage power line, medium-voltage power line, and final customer connection) that can be configured according to certain functional requirements;
- Visualization of the 3D model of all standard grid solutions;
- Searching for grid accessories by E-Distribuție code;
- Information about the tool can be found on the communication and news homepage;
- Improved search system for the standard solution identification;
- Availability of material costs.

### The main benefits include:

- Integrated, global data model adopted for the grid components;
- Availability of 3D modelling of standard solutions to manage both geometric and non-geometric attributes, as well as the complete list of necessary components;
- An optimal configuration tool for standard solutions based on functional requirements;
- Availability of an integrated global catalogue of standard solutions for everyone.

### Results achieved in the project:

- Number of training participants: **65**;
- Average KPI adoption rate: **93%**.

## Commercial Integrity Management

The Commercial Integrity Management solution includes an Analytics platform to monitor and prevent any deviations from the standard commercial operations by reducing financial risks and commercial losses caused by

possible financial errors. This solution identifies process errors, evaluates revenue impact, and proactively prevents deviations.

Addressing these issues, Robotic Process Automation (RPA) is used as the main tool.

The fully integrated platform continuously interprets operational data, providing relevant contextual information to take immediate actions within the system, thereby reducing operating times and enabling the best actions to be taken.

### The main functionalities of the solution are as follows:

- It allows checking the integrity of the commercial cycle to identify errors, detecting potential losses by introducing a set of controls based on an integrated view of the measuring, billing, and receivables processes;
- Integration and daily availability of data involved in the commercial value chain from other IT systems.
- Monitoring of the measuring, billing, and receivables processes to identify at least some of the deviations that impact losses in the commercial cycle through a set of controls;
- Use of Robotic Process Automation (RPA) functionalities in the meter reading process;
- User friendly interface for managing deviations determined by prioritizing benefits.

### The main benefits include:

- Streamlining of commercial activities through the use of controls and the dashboard, both available in the Analytics platform;
- Increase in the amount of electric energy recovered from specific commercial cycle activities (reading, billing, crediting) as a result of using the functionalities provided by the Analytics platform;
- Increased customer satisfaction due to the reduction in the average resolution time for issues that arise during the execution of commercial cycle activities.

### Results achieved in the project:

- Number of training participants: **21**;
- Average KPI adoption rate: **76%**.



## Environment and climate change

- 8.1 Managing energy consumption
- 8.2 Carbon footprint
- 8.3 Waste management
- 8.4 Circular economy
- 8.5 Biodiversity



**Carmen Lucia Pană**  
Project Manager,  
E-Distribuție Sustainability

E-Distribuție demonstrates a strong commitment to promote sustainable development through its innovative projects in the field of electricity distribution grids.

The sustainability plan for distribution companies includes objectives allocated to all processes carried out in distribution; therefore, the achievement of all established indicators was possible only with the involvement of colleagues from all responsible departments. In this way, in 2022, we had remarkable achievements in the fields of circular economy, biodiversity protection, and improving the company's energy performance.

We enthusiastically participate in local and European projects that reduce the negative impact on birds and ensure harmonious coexistence between the energy infrastructure and the environment. By proactively addressing these issues and creatively and efficiently combining knowledge, experience, and passion for the fields we manage, we aim to set an example of sustainable best practices in the energy industry.

Sustainability lies at the core of our operations and is a fundamental aspect of our mission. As an energy distribution company, we recognize the critical role we play in promoting a sustainable future for our planet, and we are committed not only to protecting the environment but also to contributing to climate change mitigation.

E-Distribuție companies serve as a vital link between energy producers and consumers, ensuring the reliable and efficient delivery of electricity.

As we fulfil this responsibility, we understand the significant impact our operations can have on the environment. Therefore, we strive to integrate sustainability principles into every aspect of our business.

E-Distribuție actively promotes the integration of renewable energy sources into the distribution grid and is committed to reducing emissions from its own operations. Energy efficiency is a cornerstone of our sustainability efforts.

Our administrative headquarters and energy assets are the largest energy consumers within our companies, in addition to transportation, heating/cooling, and internal services. We make continuous efforts to adopt cleaner fuel sources for our vehicle fleet, implement energy-efficient practices in our units, and integrate emissions control measures into our operational processes.

We aim to become better and, at the same time, inspire other players in the energy sector and beyond to prioritize emission reduction and proper environmental management.

## Environmental risk management

All three E-Distribuție companies have prepared annual environmental management programmes in 2022, which included actions to achieve the specific objectives of the commitments adopted by us. In addition to specific objectives and actions, the programmes include those responsible for achieving the objectives, performance indicators, their targets, responsible parties for actions, and the completion deadline.

The six common commitments of E-Distribuție companies in 2022 were:

1. Adoption of work methodologies and safe behaviours, conducting inspections to ensure healthy and safe working conditions to prevent occupational incidents and/or illnesses, with the goal of eliminating hazards and reducing risks to achieve the „zero incidents” target, both for our own staff and for the staff working on behalf of E-Distribuție;
2. Environmental protection, pollution prevention, biodiversity preservation, and ecosystem protection through the implementation of specific programmes, the application of the best available technologies, and the use of the circular economy concept;
3. Increased process efficiency through innovative approaches, alignment, simplification, risk and opportunity management in a systemic view concerning our own clients and stakeholders to meet their expectations, adopting applicable best practices, in line with the country's objectives, and the Group's strategy;
4. Sustainable development through the rational use of resources, procurement and supply of energy-efficient products, materials, and services, including proper design to ensure health, safety, quality, environmental protection, and energy performance improvement;
5. Informing, training, involving, consulting employees, communicating relevant information regarding quality, health, safety, environment, and energy to all our employees, third parties, and other stakeholders, considering the organizational context; Promoting continuous collaboration with stakeholders;
6. Implementation of reference standards requirements, certification/recertification, maintenance, and continuous improvement of the integrated management system.

Within E-Distribuție, in order to prevent environmental pollution (water, soil, subsoil, flora, and fauna) because of accidental oil spills, waste storage is carried out in a controlled manner in designated areas on impermeable platforms, using specific containers that will be maintained in good condition to ensure the protection of human and environmental health.

In the event of accidental spills, the traces are promptly removed under conditions of maximum safety using a mobile intervention kit equipped with biodegradable absorbent materials, eco-friendly absorbent barriers, absorbent wipes, etc., to restore the conditions prior to the spills.

To prevent environmental pollution, E-Distribuție conducts periodic maintenance of oil/water separators and vacuum

chambers, and drainage ditches for collecting and draining rainwater are kept in perfect cleanliness. All of these activities are carried out by an authorized operator under a service contract.

The collection of used oil waste is performed by the authorized operator based on the signed contract, adhering to applicable environmental protection laws.

Any transport will be accompanied by a mobile intervention kit containing the necessary materials to respond to incidents.

In 2022, there were zero instances of accidental pollution or environmental incidents leading to the deterioration of water, air, or soil quality in the areas managed by E-Distribuție.

## Certifications

Environmental protection activities are documented through operational procedures that are implemented within our environmental management system.

In 2022, a third-party audit was conducted by RINA SIMTEX, and a certificate was obtained confirming the implementation and maintenance of the environmental

management system in accordance with the conditions of **SR EN ISO 14001:2015**.

There were no non-conformities identified. The audit results consisted in an improvement recommendation, which was addressed and resolved.





## Employees training regarding the environment

In 2022, environmental and energy management training sessions were conducted for both the company's own employees, as well as contractor employees.

The training for the company's own employees aims to create awareness about their roles in fulfilling commitments, including how their work can impact the organization's ability to meet compliance obligations.

Additionally, training for contractor personnel in the field of environmental protection and energy management is designed to provide instruction to individuals who, under the organization's control, perform work that can affect both the environmental performance and energy efficiency of the organization.

Company	Environmental training (No.) Own staff and contractor staff	Energy training (No.) Own staff and contractor staff
E-Distribuție Banat	14	9
E-Distribuție Dobrogea	17	8
E-Distribuție Muntenia	16	10

# 8.1 Managing energy consumption

The total energy used at the organizational level (including administrative offices, energy assets, transportation consumption, heating, and internal services) was 1,788,414 MWh in 2022 (compared to 1,874,827 MWh in 2021), divided among our companies as follows:

- E-Distribuție Banat: 512,018.27 MWh;
- E-Distribuție Dobrogea: 460,957.57 MWh;
- E-Distribuție Muntenia: 815,438.63 MWh.

Within our electricity distribution activity, we use a variety of consumable materials that have an impact on the environment.

These materials include diesel fuel, hydraulic oils, turbine oils, and compressor oils, among others.

We continuously monitor the use of these materials to ensure they are used efficiently and responsibly.

Indicator	E-Distribuție Banat	E-Distribuție Dobrogea	E-Distribuție Muntenia	E-Distribuție Banat	E-Distribuție Dobrogea	E-Distribuție Muntenia	E-Distribuție Banat	E-Distribuție Dobrogea	E-Distribuție Muntenia
	2020			2021			2022		
Total diesel consumption (motor vehicles + auxiliary equipment) (t)	525.59	519.22	507.25	580.14	514.13	545.2	<b>582.9</b>	<b>511.9</b>	<b>544.9</b>
Diesel consumption (auxiliary equipment) (t)	9.86	11.6	507.25	7.97	8.72	16.94	<b>7.4</b>	<b>6.4</b>	<b>32.5</b>
Consumables (dielectric oils and lubricants, other) (t)	11.98	13.79	0.4	7.2	20.3	0.1	<b>3.6</b>	<b>12.4</b>	<b>1.2</b>

We have implemented several actions to reduce energy consumption, increase energy efficiency, and improve our environmental impact, such as:

- Implementation of smart metering systems;
- Replacement of traditional meters;
- Replacement of MV/LV transformers with low-loss transformers;
- Installation of power factor correction systems (CPT) from solar renewable energy sources;
- Upgrades to low and medium voltage power distribution systems (LV, MV underground power lines).

By continuing maintenance and modernization work on primary and secondary, equipment and power transformer replacements, primary substations reorganization and modernization, as well as installing and using smart meters, we have managed to achieve significant energy savings in 2022, approximately 74,757 GJ (2021: 79,795 GJ).

These measures have contributed to the efficiency of our system and the reduction of energy consumption in our processes.

At the level of each company, in 2022 and in previous reporting periods, we have reduced energy consumption as follows:

Company	2020	2021	2022
E-Distribuție Banat	28,484 GJ	27,096 GJ	23,248 GJ
E-Distribuție Dobrogea	21,758 GJ	22,147 GJ	23,090 GJ
E-Distribuție Muntenia	34,012 GJ	30,552 GJ	28,419 GJ
<b>Total</b>	<b>84,254 GJ</b>	<b>79,795 GJ</b>	<b>74,757 GJ</b>

Implementation status of the Energy Performance Improvement Action Plan for 2022 – **E-Distribuție Dobrogea:**

Project category	INVESTMENT [RON]	ENERGY SAVING [MWh]	FINANCIAL SAVING [RON]
Implementation of smart metering systems	10,545,285.1	2,182.2	1,085,772.8
Modernization of MV underground power lines	985,177.2	32.9	16,376.1
Replacement of MV/LV transformers with low-loss transformers	2,231,024.3	531.4	264,410.9
Compensation system for own technological consumption from solar energy sources	845,015.16	64	31,701

Implementation status of the Energy Performance Improvement Action Plan for 2022 – **E-Distribuție Muntenia:**

Project category	INVESTMENT [RON]	ENERGY SAVING [MWh]	FINANCIAL SAVING [RON]
Implementation of smart metering systems	13,993,934.1	3,398	1,626,119.1
Replacement of traditional meters (single-phase, three-phase, AMR)	10,413,511.9	3,981.2	1,905,168.3
Replacement of MV/LV transformers with low-loss transformers	2,042,943.9	314.4	150,464.2
Compensation system for own technological consumption from solar energy sources	874,475.2	92.4	44,237.7

Implementation status of the Energy Performance Improvement Action Plan for 2022 – **E-Distribuție Banat:**

Project category	INVESTMENT [RON]	ENERGY SAVING [MWh]	FINANCIAL SAVING [RON]
Implementation of smart metering systems	12,893,211.7	2,623.6	1,233,552.4
Modernization of LV underground power lines	350,086.9	2.4	1,133.6
Replacement of traditional meters (single-phase, three-phase, AMR)	443,989.8	79.7	3,7479.9
Compensation system for own technological consumption from solar energy sources	773,273.1	58.6	27,567.1

# 8.2 Carbon footprint

One of the most significant issues affecting the entire planet is environmental pollution, which is directly influenced by greenhouse gas emissions, known as the carbon footprint.

We increasingly feel the impact of our actions every year. Rising sea levels, extreme weather events, and record temperatures form the basis for what could become a global humanitarian crisis.

To continue enjoying the benefits of a clean and healthy environment, it is essential for each individual to act consciously to reduce their carbon footprint. Additionally, companies must also participate in the fight against pollution, and an effective way to do this is by offsetting the carbon footprint they generate.

The objective of achieving a carbon-neutral footprint is aimed at establishing a comprehensive strategy and roadmap, in accordance with the Paris Agreement, to limit the global average temperature rise to 1.5°C.

This plan requires setting emission reduction goals from all sources, and progress towards a Net-Zero economy opens up new opportunities in markets.

Anticipating this direction, Enel plays an active role in the fight against climate change, leading the global energy transition towards zero emissions. In 2022, the Enel Group updated its decarbonization plan. The process was validated by the Science-Based Targets initiative, following criteria and recommendations for short-term objectives and in accordance with the SBTi Corporate Net Zero standard. This review included updating existing medium-term (2030) and long-term (2040) objectives and establishing new climate targets aligned with the 1.5 °C goal as defined by SBTi, based on IPCC scenarios and other international benchmarks.

In order to achieve the goal of net-zero decarbonization, E-Distribuție companies are aware of the need for a significant acceleration of renewable energy and energy efficiency, involving a comprehensive review of investment plans and the economic model, along with considerations for circularity.

Our sustainability strategy sets ambitious objectives for reducing environmental impact, and carbon footprint neutralization is one of the essential pillars for the sustainable development of our distribution companies.

## Scope 1 – Direct Emissions

A significant commitment for us is the transformation of our entire fleet of vehicles by 2030, replacing fossil fuel vehicles with electric vehicles, thereby contributing to the development of a low-carbon society. The process of replacing the vehicle fleet has already begun within the E-Distribuție companies, and we intend to continue this programme to reduce our carbon footprint in the coming years.

In 2022, the carbon footprint assessment was conducted for the entire vehicle fleet managed by Enel companies in Romania, resulting in an aggregate of 5,980 tCO<sub>2eq</sub>. As the majority of the vehicle fleet is owned by the distribution companies, the emissions value attributed is 5,066.05 tCO<sub>2eq</sub>, split as follows:

Company	Measurement Unit (CO <sub>2</sub> tons)
E-Distribuție Banat	1,926.36
E-Distribuție Dobrogea	1,666.36
E-Distribuție Muntenia	1,473.33
<b>Total</b>	<b>5,066.05</b>



In Europe, buildings represent the largest energy consumer, accounting for 40% of total energy consumption and contributing to 36% of greenhouse gas emissions.

That is why our sustainability strategy includes a crucial component focused on electrifying the buildings owned by E-Distribuție companies. We aim to implement energy efficiency and digitalization solutions to bring these

buildings into compliance with energy performance standards and the requirements of the European Green Deal, ultimately decarbonizing our real estate portfolio.

In 2022, carbon footprint assessment includes electricity consumption as well as the heating and cooling system consumption of the buildings owned by E-Distribuție, resulting in 3,676 tCO<sub>2eq</sub>.

Source	Description	Measurement Unit	E-Distribuție Banat	E-Distribuție Dobrogea	E-Distribuție Muntenia
SF <sub>6</sub>	Losses in the atmosphere - SF <sub>6</sub> (HV Equipment)	kg	2	0	14,5
	SF <sub>6</sub> Emissions	tCO <sub>2eq</sub>	47	0	341
Auxiliary equipment	CO <sub>2</sub> Emissions - Auxiliary equipment	t	23,227	20,224	102,538
	Total N <sub>2</sub> O emissions (other combustions)	tCO <sub>2eq</sub>	0.050	0.044	0.222
Other combustions	Total CH <sub>4</sub> emissions (other combustions)	tCO <sub>2eq</sub>	0.027	0.023	0.117

## Scope 2 – Indirect emissions

Source	Measurement Unit	Total emissions Enel distribution companies
Electricity consumption – grid assets	tCO <sub>2eq</sub>	8,789
Grid losses (own technological consumption)	tCO <sub>2eq</sub>	303,863

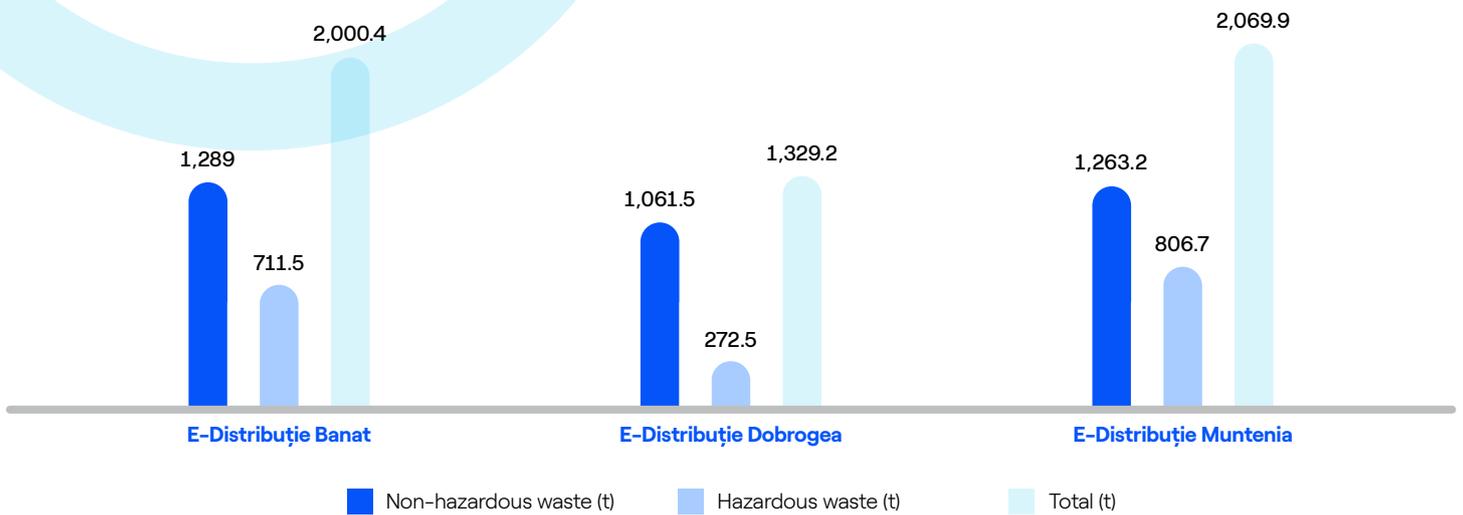
## Scope 3 – Other indirect emissions

Source	Measurement Unit	Total emissions Enel distribution companies
Transportation of waste and raw materials	tCO <sub>2eq</sub>	18

## 8.3 Waste management

We are committed to the responsible management of waste generated by our electricity distribution activities, in accordance with environmental protection laws and our certified integrated waste management system. All categories of waste generated are detailed in the

**Waste Management Plan**, based on which we have developed a Waste Management Programme. This programme includes a set of measures aimed at preventing and reducing the quantity of waste generated, thereby contributing to environmental protection.



## Waste 2022

### Non-hazardous waste

Type of waste / t	E-Distribuție Muntenia		E-Distribuție Banat		E-Distribuție Dobrogea	
	2021	2022	2021	2022	2021	2022
Copper	0.08	0.04	0	0.27	0.11	0.32
Aluminum	4.68	4.01	3.18	20.32	11.44	16.39
Iron, steel	5701	77.93	42.62	36.86	39.56	17.33
Metal mixture	8.85	38.52	93.67	73.04	21.53	68.58
Cables	22.88	34.43	35.78	25.33	24.28	30.39
WEEE	138.51	137.22	103.11	0	106.42	66.86
Wood	73.24	26.83	32.06	34.16	66.32	16.76
Concrete poles	170.35	913	186.74	997	359.38	75742
Mixtures of concrete, bricks, tiles, and ceramic materials, glass	1,734.73	25.16	585.05	101.64	62.64	86.4
Plastic materials	0.51	6.03	0.53	0	0.51	1.0

## Hazardous waste

Type of waste / t	E-Distribuție Muntenia		E-Distribuție Banat		E-Distribuție Dobrogea	
	2021	2022	2021	2022	2021	2022
Disposal of equipment with hazardous components	1,089.45	705.33	404.84	689.44	191.72	209.58
Lead-acid batteries	19.53	10.36	16.44	6.22	18.39	12.83
Used oil	36.42	28.14	55.48	14.69	21.8	42.27
Oily water and sludge	0	62.85	2.5	1.1	0.63	3
<b>Total</b>	<b>1,145.5</b>	<b>806.8</b>	<b>479.4</b>	<b>711.5</b>	<b>232.9</b>	<b>270.5</b>

## Recycled or recovered hazardous waste (tons)

Company	2021	2022
E-Distribuție Banat	477.7	711.4
E-Distribuție Dobrogea	231.9	264.7
E-Distribuție Muntenia	1,145.4	743.8

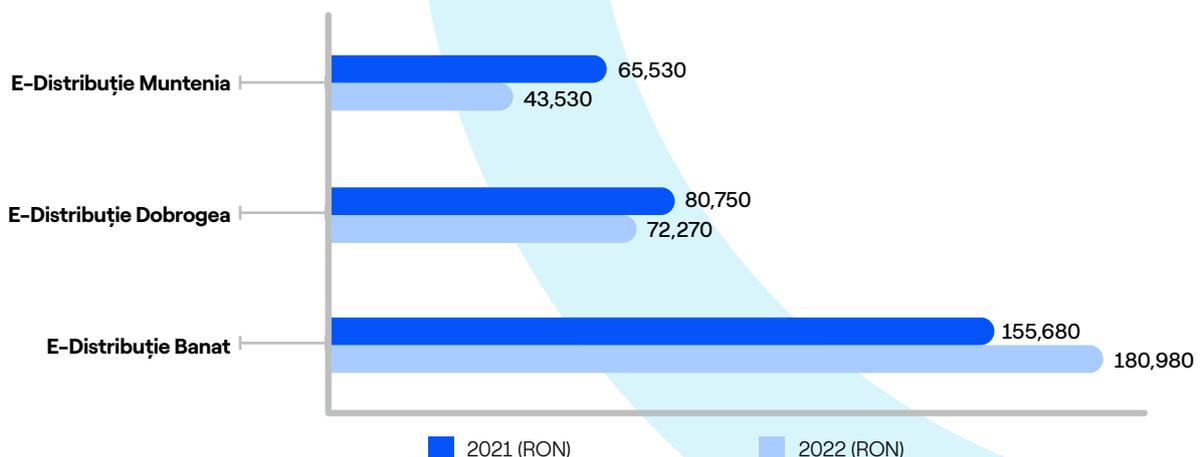
## Expenditures for environmental protection

Hazardous waste, such as the insulating oil used in transformers, undergoes periodic chemical analysis to determine the PCB (polychlorinated biphenyls) content, the concentration of which is regulated by law.

Analyses conducted on hazardous waste generated by our companies have shown that they comply with the maximum allowable values of PCB content as per legal requirements. In 2022, 90% of hazardous waste was recovered (2021: over 90% was recycled or valorised).

Used oils are sent to authorized companies for regeneration and waste treatment, allowing them to be transformed into energy through waste-to-energy valorisation processes, in cases where regeneration is not possible. Batteries are also sent to authorized companies, which can recover secondary raw materials.

**85.1 t of used oil were recovered through recycling by the authorized operator in 2022**





## Waste management in figures

Company	Non-hazardous waste expenditure (ths. RON)		Hazardous waste expenditure (ths. RON)		COVID-19 waste management expenditure (ths. RON)		Revenues from the sale of waste (ths. RON)	
	2021	2022	2021	2022	2021	2022	2021	2022
E-Distribuție Banat	68.84	61.69	56.29	51.17	55.85	42.82	1,311	1,282
E-Distribuție Dobrogea	37.39	41.98	26.62	36.24	8.26	2.53	554	376
E-Distribuție Muntenia	38.67	13.05	2.04	51.37	2.82	1.11	2,167	1,655

For the management of waste originating from lighting sources, small-sized WEEE (Waste Electrical and Electronic Equipment), and alkaline batteries, our companies collaborate with the Recolamp Association and the Ecotic Association.

This protocol facilitates the collection of these categories of waste. To ensure the efficient implementation of the protocol, we have installed containers and Green Corner stands, visible at the headquarters of our distribution companies, for the collection of these wastes. Waste from electric meters, included in the WEEE category, is shredded before being shipped for recycling. We support the development of a business model that integrates the principles of the circular economy, making efforts to limit the quantity of waste generated and to increase the amount of waste valorised.

All waste generated by our companies, regardless of their type, is either valorised or disposed of via authorized economic operators who carry out collection, transportation, treatment, and valorisation/disposal activities.

The authorized operators hold yearly reviewed environmental permits issued by Environmental Protection Agencies. Contract assignments are made through tenders in which bidding companies are selected based on transparent and non-discriminatory criteria.

The entire waste management process is closely monitored both internally, through reporting to the International Division of the Enel Group, and externally, through mandatory periodic reports to Environmental Protection Agencies or the Ministry of Economy.

# 8.4 Circular economy

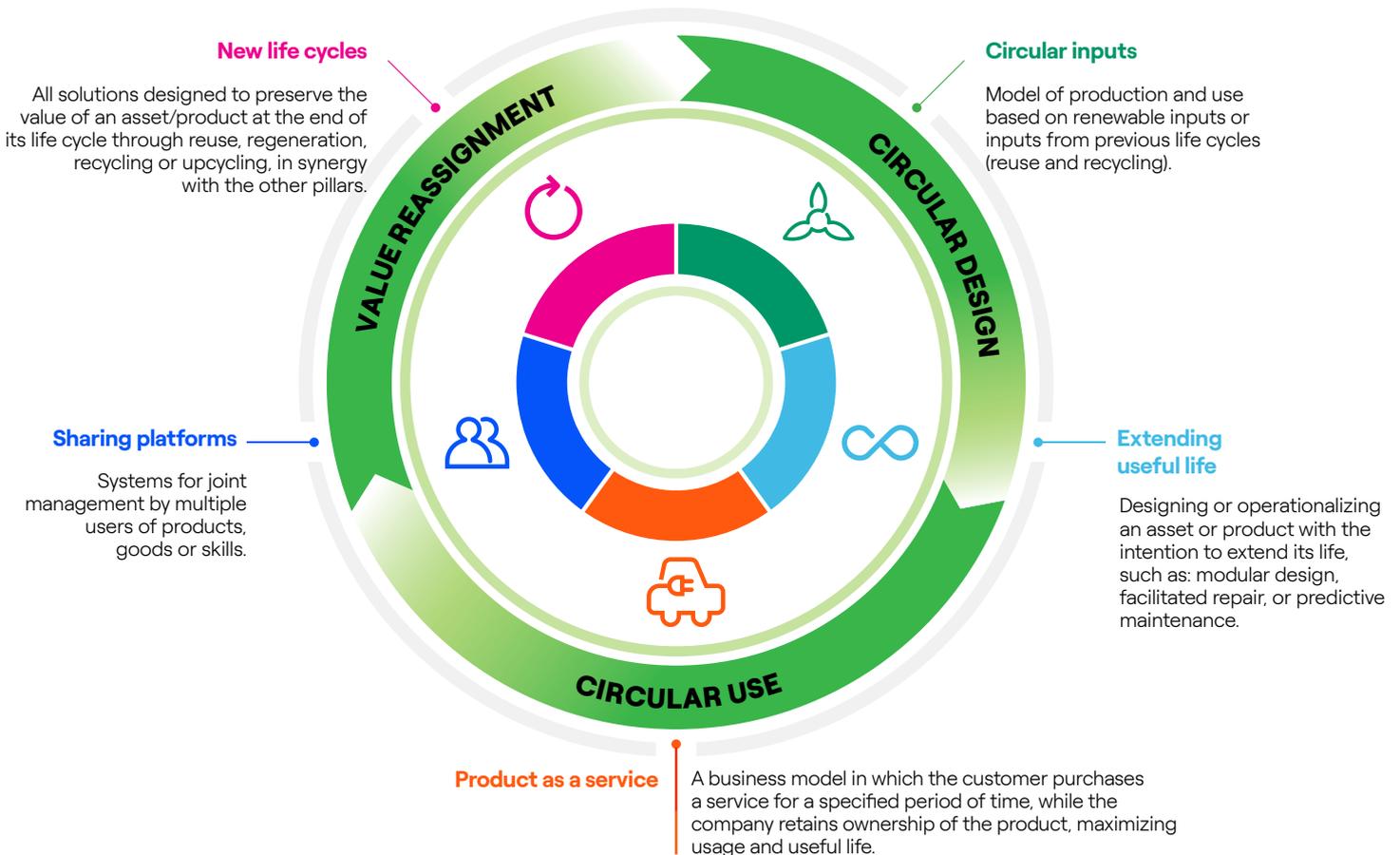
**The European Green Deal and the Circular Economy Action Plan** set new and more ambitious targets for Europe in the transition to the Circular Economy model. The circular economy is a paradigm that is established at all levels and in all geographical areas as a real solution to create a synergy between innovation, digitalization, competitiveness and sustainable development, in order to respond to today's major environmental and social challenges.

Adopting a circular approach means decoupling businesses from resource consumption by reducing the use of finite natural resources, avoiding waste, and maintaining the value of goods and materials through design, repair, and recycling. This allows for a much higher value to be given to human work and brings benefits to the environment by reducing carbon emissions along the entire value chain.

Through the implementation of the circular economy, we aim to transform the way we manage resources and goods, promote their efficient use, reduce dependence on natural resources, and minimize environmental impact. The Enel Group continues the transition to a sustainable

business, focusing on decarbonization through the development of renewable sources and adopting the concept of circular economy as a strategic engine. Since the availability of raw materials is finite, a business based on circular economy aims to prolong the life cycle of products, adding value at economic performance level, as well as at social and environmental level. The E-Distribuzione companies support and integrate the principles of the circular economy into their strategies for sustainable and innovative development.

The strategy towards a circular economy involves a reassessment of the entire value chain of the business, starting from the design and procurement phases. Digitalization plays a crucial role in promoting circularity through the circular management of IT assets (such as extending the lifespan and reusing devices) and through digital solutions that support circular business models (such as digital material information management). One of the key programmes currently underway in the Directorate is the smart material traceability programme, which began in 2020 and is expected to be completed in 2023 and which is aligned with the requirements of the circular economy.





### Grid mining

In 2022, we continued materials recovery from retired assets. E-Distribuție implements the „grid mining” strategy of Enel Group, aimed at maximizing the contribution to decarbonization across the entire value chain.

Through this strategy, grid assets are considered a „mine”, which precious metals and other materials and devices from outdated distribution infrastructures can be extracted from and reintroduced into new production cycles through valorisation and recycling.

The E-Distribuție companies are directly involved in waste management to minimize their environmental impact, aiming for the reuse and regeneration of materials at the end of their lifecycle.

This approach is part of the sustainability strategy, while also contributing to the transition towards a circular economy. In this regard, efforts are being made to improve the tracking system of decommissioned assets for more economically and circularly efficient end-of-life management.

In 2022, authorized operators received 5,200 tons (2021: 3,854 tons) of waste equipment resulting from the modernization and maintenance of the electrical network, including transformers/other equipment (1,577 tons), metal and non-metal components (444 tons), industrial batteries and accumulators (29 tons), meters (186 tons), used oil (85 tons), as well as insulators (211 tons).

Waste from concrete poles (2,667 tons) was sent to authorized operators for crushing and recovery, with the material being reused in the construction industry.

Approximately 98% (2021: 95%) of these recycled volumes re-entered the economy in the form of ferrous metals, non-ferrous metals, plastic, wood, or glass, generating revenues of over EUR 560,000 (2021: EUR 600,000).

### Efficiency and resilience of primary substations towards sustainable electrification

Energy efficiency is a cornerstone of our sustainability efforts. In 2022, we invested approximately 500,000 euros in photovoltaic systems and storage solutions installed in three primary substations to enhance energy efficiency. These projects provide integrated solutions for generating and storing renewable energy through 100 kWh batteries, increasing the resilience of the distribution grid. These three primary substations supply electricity to over 23,000 consumers in 28 localities.

Each photovoltaic system has an installed capacity of 85.9 kW and covers over 50% of the consumption needs of the three transformation primary substations in Banat, Dobrogea, and Muntenia. A total of 570 highly efficient photovoltaic panels were installed at the Otopeni (Ilfov county), Palas Sud (Constanța county), and Oțelu Roșu (Caraș-Severin County) substations. The ground-mounted photovoltaic panels have been operational since the beginning of 2022, contributing to the reduction of CO<sub>2</sub> emissions.

### Extending the useful life of equipment and components in installations

The database was created to keep track of all equipment and components that are no longer in use but still functional, from installations across the 3 regions of E-Distribuție. If there is a need for specific equipment in an installation within any distribution company, this database can be accessed to check if the required equipment or materials are available for reuse and relocation. This leads to cost optimization by reducing expenses for new equipment and extends the lifespan of items already in use. So far, 175 components from all three distribution companies (such as transformers, resistors, separators, switches, discharge devices, etc.) have been uploaded to the database, with a total weight of approximately 370 tons.



## Biodiversity

We are promoters of a sustainable business model whose goal, beyond financial performance, is to bring value to the community to which we belong. In doing so, we commit to achieving the Goals of the 2030 Agenda for Sustainable Development, including protecting and respecting biodiversity in our activities, in line with Sustainable Development Goal 15 „Life on Land”.

Our involvement is active and constant, encompassing several environmental initiatives such as efficient waste management and recycling, as well as the protection of birds listed on the International Union for Conservation of Nature (IUCN) Red List. These birds include the White Stork, the Danube Falcon, the Dalmatian Pelican, and the Great White Egret. Additionally, we contribute to the conservation of natural habitats within the Danube Delta Biosphere Reserve, one of the UNESCO protected areas located in Romania.

One of our biodiversity protection programmes is dedicated to conserving the White Stork, which often uses electricity grid poles as support for its nests, thus electrocution is a significant threat to this species. The White Stork is a protected species, and its estimated population in Europe ranges from 180,000 to 220,000 pairs, while in Romania, their number has been estimated at 4,000 to 5,000 pairs.

The first step to support this protected species is to identify the exact number of pairs that have nests and their offspring. In this regard, in partnership with the Romanian Ornithological Society (SOR), we have developed in 2017 a mobile application that collects data on the nesting of the White Stork in Romania, through the involvement of both E-Distribuție field specialists and the general public.

The annual stork population census is a unique “citizen science” project that is being carried out at national level with the help of all those who want to contribute to the species’ protection.

The project aims to identify areas with high potential for danger through electric shock, so that our distribution companies can take measures to protect the birds, but also the electrical grids, by installing nest supports or power lines insulators.

In addition to the active participation in the stork census, our employees also make a state-of-the-art analysis of the low voltage poles in several areas in the counties of

Caraș-Severin, Arad, Timiș, Hunedoara, Tulcea, Constanța, Ialomița, Călărași, Ilfov and Giurgiu.

The total number of downloads of the application for the year 2022 was 2,550. Since the beginning of the programme, innovative elements have been introduced annually, such as:

- The White Stork storytelling contest in 2021;
- Installation of video cameras that will live-stream from selected White Stork nests from various regions of the country;
- Periodic communication of „events” from the nests with images and scientific details regarding the assessment of trophic resources and the development of the offspring;
- Identification of a student/master’s degree candidate who will analyse nest recordings and prepare their work based on them.

Within the LIFE Danube Free Sky project, which envisages the transnational conservation of birds along the Danube River, E-Distribuție Dobrogea, with the direct help of the Authority belonging to the Delta Biosphere Reserve Danube (ARBDD), implements various solutions at the level of aerial power lines, to protect wild bird species.

In 2022, E-Distribuție Dobrogea, in collaboration with ARBDD analysed and agreed upon the most dangerous medium and high-voltage power lines on which prevention works against collision and electrocution will be carried out. Within the programme, insulating sheaths will be installed on 100 medium-voltage power line poles, and approximately 3,000 bird diverters will be mounted on approximately 35 km of medium and high-voltage aerial power lines.

In partnership with ARBDD, other ongoing programmes include:

- Installation of 70 artificial nests for the Danube Saker Falcon on high-voltage power line poles;
- Installation of 85 artificial nests for the Dalmatian Pelican on medium-voltage power line poles (activities under the Danube Free Sky programme).



In collaboration with the Romanian Ornithological Society (SOR), two EU-funded programmes have been initiated for the protection of the Pelican and the Danube Saker Falcon:

- **LIFE18 NAT/NL000716 Pelican Way of Life** aims to prevent collisions and involves the installation of diverters on 4 km of medium-voltage power lines;
- **LIFE20 NAT/BG/001162 Securing the recovery of the Endangered Saker Falcon in Bulgaria & Southern Romania** aims to prevent electrocutions and involves the installation of insulating sheaths on 300 medium-voltage power line poles.

In 2022, a collaboration protocol was signed between the Association for Falconry and Bird of Prey Protection (PEREGRINUS) and E-Distribuție Banat, which involves protecting birds from electrocution on medium-voltage power lines in Hunedoara County. The protocol also includes identifying and installing nesting boxes for rare bird species on high-voltage power poles.

Monitoring the lives of birds in nests, with the help of an online video camera installed on a high-voltage power pole – an activity previously conducted by E-Distribuție Banat in collaboration with the Wild Watch Association – will continue with the installation of a new power supply system for the cameras.

Other similar programmes conducted in previous years by E-Distribuție Banat in partnership with the non-governmental organization Milvus aimed to protect the Dalmatian Pelican and involved isolating 800 medium-voltage power line poles, to protect the Danube Saker Falcon by installing 34 artificial nests on high-voltage power line poles, thus providing nesting sites. Additionally, the programmes included the ringing, feeding, and resting locations of the Danube Saker Falcon chicks, through a GPS device.

Furthermore, E-Distribuție Dobrogea, in partnership with the Romanian Ornithological Society (SOR), conducted ring marking actions for White Stork chicks (Ciconia

ciconia), while in collaboration with ARBDD within the DANUBE parksCONNECTED programme, efforts were made to inventory EDD's aerial power lines within the Biosphere Reserve of the Danube Delta, including pilot activities to mark the main power lines crossing the Danube River.

In recent years, similar solutions have been implemented to protect the environment and wild bird species from electrocution and collisions with power lines. Some of the adopted measures include:

- Replacement of classical non-insulated conductors with twisted pair insulated conductors;
- Mounting of insulating sheaths on medium voltage lines;
- Installation of special brackets (nests) on low and high voltage lines for the protection of birds;
- Adoption of canopies for bird-friendly medium voltage poles;
- Replacement of aerial power lines with underground power lines.





Over the years, by the end of 2022, 899 metal supports for stork nests were installed, over 6,178 poles were insulated with electro-insulating sheaths in the Banat, Dobrogea, and Muntenia regions. In 2022, over 12,000 EUR were invested in such initiatives.

Together with the Association of Landscapers in Romania, E-Distribuție has started a campaign to increase green space quality inside the localities by efficiently managing the trees on the aerial power lines corridor.

We are increasing awareness of the importance of vegetation management, both from the perspective of the environment and air quality, as well as from the perspective of our distribution companies' activities, realizing that proper vegetation management reduces the risks of faults and lowers the incidence of power supply interruptions to consumers.

The programme targets communities in the Dobrogea, Banat, and Muntenia regions served by our companies. In 2022, the campaign took place in the municipalities of Reșița (September 21–23 2022) and Constanța (October 19–21 2022) through urban arboriculture courses.

Among the participants, there were representatives of local public authorities, vegetation management companies, students, and community members. The courses had a significant success and the participants received series of information and materials related to the topics discussed during the workshop.

Association of Landscapers in Romania supported an introductory course in arboriculture developed within the European Urban Greening Platform (EPLUG) programme. In November 2022, a national event dedicated to urban greening was organized, with approximately 230 participants.

The campaign initiated in partnership with Association of Landscapers in Romania continued with a series of meetings and debates, carried out with the support of Romanian and foreign specialists.

The project also includes practical actions through demonstrative interventions for the inventory and investigation of trees in urban areas, laying the foundations for a national reference approach to increase the quality of green spaces.





## Engaging **local communities**

- 9.1** Access to energy in vulnerable communities
- 9.2** Education
- 9.3** Circular and Solidary Economy
- 9.4** Patrimony
- 9.5** Developing the local economy

# 9.1

## Access to energy in vulnerable communities

### Access to energy – Integrated support in Ilfov County, Dârvări village in Partnership with Politeia

In 2022, we established a new partnership with **Politeia Association** to address challenges arising in the context of energy poverty. We initiated a pilot programme in a community in Ilfov County, the village of Dârvări, namely Piersicilor Street area, within the village of Dârvări. This region is well-known for its vulnerable communities, facing issues related to the electricity grid access and a pronounced level of energy poverty. The community who is comprised of approximately 50 families, living in informal settlements, has been the focal point of our intervention.

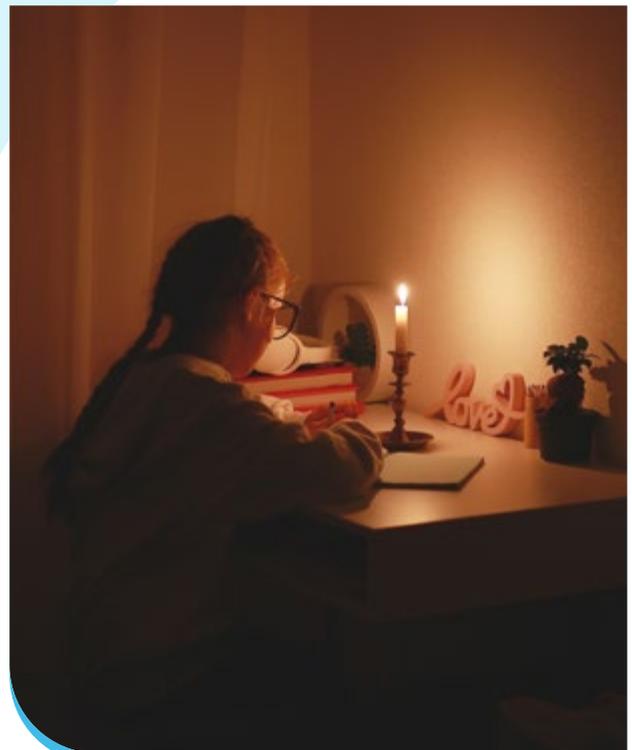
One of our primary objectives is to identify a set of actions that will lead to a deeper understanding of the factors contributing to energy poverty among these approximately 50 vulnerable families in the community. In collaboration with our partners, we have planned an intervention strategy tailored to the communities' specific needs.

Our ongoing commitment is to resolve specific issues within the community, raise awareness, facilitate connections to the electricity grid and reduce grid losses.

The following primary objectives are:

- Facilitating access to electricity for families within the community supporting them to carry out internal installation works;
- Conducting an in-depth assessment for each of the 50 families within the community to identify potential solutions;
- Offering support in navigating bureaucratic procedures and facilitating access to the relevant authorities;

- Identifying challenges that may arise in the context of energy poverty with the aim of involving multiple relevant stakeholders, to collectively contribute to a more comprehensive understanding of this phenomenon.
- Creating an intervention guide based on the experience gained through the partnership; this guide will describe the main situations encountered and suitable intervention approaches for each context. The aim is to share best practices and lessons learned with other NGOs interested in implementing this type of intervention in other communities.



# 9.2 Education

## The “Future Electrician” programme

We maintain our commitment in the future generations of professionals by extending the „Future Electrician” Dual Class programme. In collaboration with our partners, **The New Horizons Foundation** and **SIGMA**, we have ensured that high school students receive guidance from both energy experts and specialists in working with teenagers.

This approach involves conducting workshops for the development of soft skills, which are continually tailored to the specific needs of the students.

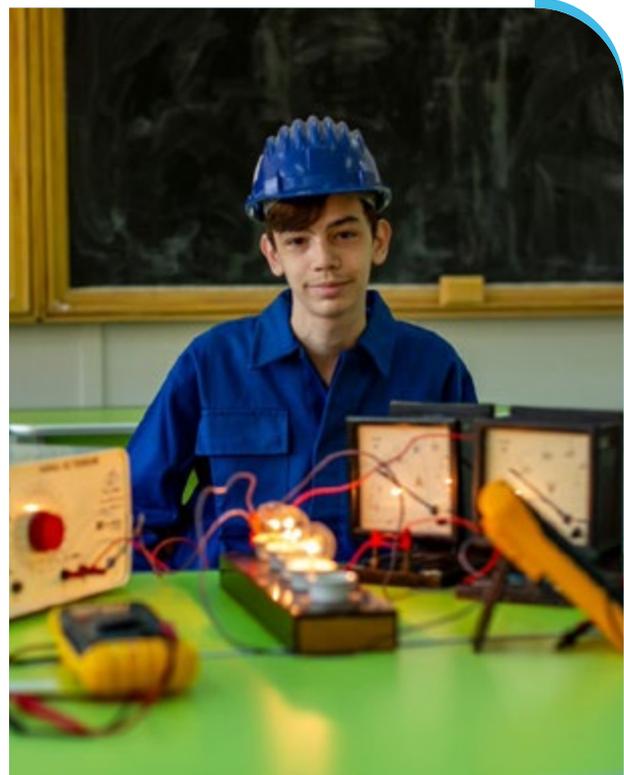
We have continued to offer students the same benefits as in previous years, including scholarships, development workshops, meals, encouraging the access to education for students in vulnerable communities.

In 2022, we have continued our collaborations initiated in 2021 with the three Dual Classes opened in Constanta, Bucharest, and Ialomita. This underscores our commitment to educate and develop new generations of electricians, transferring them the knowledge acquired by our professionals over decades of experience.

The „Future Electrician” programme in 2022, in figures:

- 3 dual classes;
- 60 enrolled students;
- Over 20 tutors involved;
- Over 500 hours of practical experience in our companies;
- Over 60 personal development workshops dedicated to students.

We are pleased to say that we are preparing new generations of electricians and that we can contribute to the education of young people specializing in the field of electricity, thereby fostering a sustainable future. The years spent in the „Future Electrician” dual class have showed them that school is an ideal starting point in their career. Thanks to dedicated teachers and mentors, who had the resources to ideally combine theory with practical experience, we are able to notice remarkable outcomes: young people who are well prepared to become the best version of themselves.



## The “Predau Viitor” (“I Teach Future”) programme

In 2022, we continued our collaboration with **Techsoup Association**, investing in high school teachers. The partnership was focused to develop their knowledge of pedagogical technical content (TPACK) as well as to develop their ability to identify and use online teaching tools, creating relevant pedagogical contexts.

The programme was complemented by a series of online community meetings which facilitated direct interactions between teachers and experts in the energy sector.

These experts shared their experiences for the improvement of the teaching process, fostering a context for sharing valuable learning experiences among teachers, beyond their professional background.

Beyond increasing technical pedagogical content, we focused on developing new competencies among teachers. These were identified through workshops including strengthening technical expertise provided by energy sector specialists.



**As experts in the energy sector, we conducted community meetings where we addressed topics, including:**

- Providing general insights into the energy sector to offer an overview to the participants;
- Discussing the main European and national strategies that influence the energy sector;

- Introducing the concept of energy transition and its main directions;
- exploring concepts like energy efficiency and circular economy;
- highlighting the main trends in the energy sector;
- emphasizing the teachers’ role in preparing future professionals in the energy sector.

We were delighted to witness the teachers’ enthusiasm who shared their thoughts and at the end of the year:

### Gina Raluca Kerkmann CTE Constanța

An interesting course, well-organized with professionals from the energy sector as guests. A real challenge for teachers to acquire new knowledge in the field, a genuine support in streamlining the teaching process. Thank you!

### Bianca Stela CTE Deva

It is very important to convey to students that the energy sector is continuously evolving and to discover and guide those who have the skills and desire to enter the energy market in the future.

### Andrada Danilescu CTE Bucharest

My objectives:

- Continuous efforts to provide mentorship for students and connecting them with former students working in the energy sector.
- Promotion of participation in Polifest in order to deepen students’ horizons regarding their future careers.

# 9.3

## Circular and Solidary Economy

### Digitalization of the Educational System

E-Distribuție contributed to the efforts of **Ateliere Fără Frontiere Association** to digitalize the educational system in Romania.

In 2022 alone, through the educlick computer donation platform, Ateliere Fără Frontiere donated over 4,000 IT devices that reached more than 50,000 students and teachers in 250 educational institutions in vulnerable areas of the country.

Furthermore, each computer was refurbished by disadvantaged individuals employed in a socio-professional (re)integration process working in the association's educlick workshop.

Thus, the devices collected from E-Distribuție found a new purpose in schools, with minimal carbon footprint.

This programme also played a role in improving individuals' life quality in the process of social reintegration.

**Following the collaboration with Ateliere Fără Frontiere, the environmental impact of our companies amounted to 63,475 tons of CO<sub>2</sub> emissions avoided through the recycling and reuse of 1,306 kg of WEEE.**

Company	WEEE quantity (kg)	CO <sub>2</sub> emissions avoided through reutilization (kg)	CO <sub>2</sub> emissions avoided through recycling (kg)
E-Distribuție Banat	475	22,862	27
E-Distribuție Dobrogea	467	22,825	27
E-Distribuție Muntenia	364	17,713	21





## 9.4 Patrimony

### Supporting Archaeological Research in Dobrogea

**E-Distribuție Dobrogea** facilitated the research of an archaeological site dating back to around 3,200 BC by investing 1.7 million RON in upgrading the medium-voltage power line that supplies both residential consumers and businesses in the localities of Agighiol, Colina, Iazurile, and Valea Nucarilor in Tulcea County.

The modernization work involved the installation of a 20 kV underground power line spanning 4.2 km, the creation of loops, the installation of remote-controlled poles and switches. This reduces the frequency and duration of power outages in the area, provides the capacity to connect new consumers from the aforementioned areas, and enhances operational safety.

As part of the planned route for developing the loop system, together with the local authorities in Valea Nucarilor, we have conducted archaeological research on a site known locally known as „Movila Taiata”.

Several graves dating to various stages of the Bronze Age were discovered in this tumulus. E-Distribuție provided machinery and qualified personnel to assist archaeologists in their research at the site, while ensuring full compliance with the applicable regulations for the operations in such areas.

The archaeological research covered an area of approximately 2,000 square meters, and the discovered artifacts were stored at the Museum of History and Archaeology in Tulcea. The relics will be analysed at the „Francisc I. Rainer” Institute of Anthropology in Bucharest. The information acquired, together with on-site documentation, will provide valuable insights into the Bronze Age populations in the Lower Danube region.

### Mihai Știrbulescu

Director of  
E-Distribuție Dobrogea

The distribution of electricity is not only a public service but also a driver of community development in the areas where we operate.

We are now delighted to bring a significant contribution to the cultural and historical life of the region, while improving our services.

### Sorin Ailincăi

Manager at “Gavrilă Simion”  
Eco-Museum Research Institute  
in Tulcea

Within the researched area, eight inhumation burials have been documented, which can be dated to the early and middle Bronze Age. The use of ochre and textile materials in the burial ritual was observed. The custom of tumulus burials with ochre seems to have originated as far back as the Neolithic period and was adopted by populations across a vast area, from the Urals to the Middle Danube. This funerary standard is known especially as «Jamnaja» burials.

# 9.5

## Developing the local economy

### Economic Development Programme in Hunedoara

To address the challenges related to the decline of traditional industrial activities in the Hunedoara Region, it is necessary to increase the capacity of the local economy to adapt and create new opportunities for the workforce. It is essential to ensure investments for a region to become more sustainable and competitive.

Our partners from **Pur și Simplu Verde** have worked on developing Delivery Unit for Hunedoara County. The objective is to locally implement identified priorities, solving issues encountered in the implementation process, and, more precisely, finding the best solutions for delivering coherent public policies.

These Delivery Units (DU) are small, focused structures of local and external experts in priority areas for local development objectives. The identified priorities of

the Hunedoara County for the coming years concern topics including energy transition, region restructuring, investment and implementation of public policies to be developed in a new economic and social context.

Starting from the identified priorities, Pur și Simplu Verde and local stakeholders aim to develop the local economy, contributing to the production and use of renewable energy, increase energy efficiency. As a result, there is envisioned an economy which will support research, development of new business, digitalization and investment in human capital.

The objectives will be pursued by the experts in the Delivery Unit throughout the period of 2022-2027. This period has been established to align with the European financial calendar, including the implementation period of the National Recovery and Resilience Plan, which concludes at the end of 2026.

## Sponsorships

E-Distribuție Banat		
Beneficiary	Value (RON)	Contract subject
<b>Pur și Simplu Verde Association</b>	50,000	Financial support for the implementation of the „Hunedoara’s Energy Transition Delivery Unit” programme
<b>Romanian Ornithological Society</b>	27,700	Financial support to the „Evaluation of effectiveness and improvement of the conservation status of the White Stork (Ciconia ciconia) and the reduction of accidents caused by its nesting on the electricity poles” programme, that took place from April to December 2022.
<b>Association of Landscapers in Romania</b>	29,700	Financial support for organizing a national event dedicated to urban arboriculture, organizing courses for the management of trees in urban areas, purchasing / renewing the subscription for the modules of a “green register” type online application, and various other activities related to the development of arboriculture in the context of energy transition.
<b>Pur și Simplu Verde Association</b>	24,662	Financial support for the implementation of the „Renewable Energy Debates in Hunedoara Schools PREP WORK” programme, which took place from October to December 2022.
<b>Techsoup Romania</b>	147,618	Financial support for the development and expansion of the „Teaching the Future for Technical Energy Colleges” programme.

### E-Distribuție Dobrogea

Beneficiary	Value (RON)	Contract subject
<b>Romanian Ornithological Society</b>	24,750	Financial support for the „Evaluation of effectiveness and improvement of the conservation status of the White Stork ( <i>Ciconia ciconia</i> ) and the reduction of accidents caused by its nesting on the electricity poles” programme, that took place from April to December 2022.
<b>Association of Landscapers in Romania</b>	29,700	Financial support for organizing a national event dedicated to urban arboriculture, organizing courses for the management of trees in urban areas, purchasing / renewing the subscription for the modules of a “green register” type online application, and various other activities related to the development of arboriculture in the context of energy transition.
<b>Sigma Association - Constanta Dual Class</b>	152,600	Financial support for the implementation of the activities necessary for the dual class at the Constanța Energy High School during the 2022-2023 school year.
<b>New Horizons Foundation - Ialomita Dual Class</b>	115,500	Financial support for the implementation of the activities necessary for the dual class at the Fierbinți-Târg Technological High School during the 2022-2023 school year.

### E-Distribuție Muntenia

Beneficiary	Value (RON)	Contract subject
<b>Romanian Ornithological Society</b>	14,850	Financial support for the „Evaluation of effectiveness and improvement of the conservation status of the White Stork ( <i>Ciconia ciconia</i> ) and the reduction of accidents caused by its nesting on the electricity poles” programme, that took place from April to December 2022.
<b>Association of Landscapers in Romania</b>	29,700	Financial support for organizing a national event dedicated to urban arboriculture, organizing courses for the management of trees in urban areas, purchasing / renewing the subscription for the modules of a “green register” type online application, and various other activities related to the development of arboriculture in the context of energy transition.
<b>SIGMA Association - Bucharest Dual Class</b>	126,000	Financial support for the implementation of the activities necessary for the dual class at the Technical Energetic College in Bucharest during the 2022-2023 school year.



Our position and commitment  
regarding the **European Taxonomy**

In the light of the recent European legislation, the year 2023 represents an important milestone for the implementation of the EU Taxonomy, one of the cornerstones of the European Green Deal. The Taxonomy mechanism is a public policy initiative aimed at redirecting capital flows towards sustainable investments, managing financial risks generated by climate change, and promoting a transparent framework for financial and economic activities. The EU Taxonomy allows financial and non-financial enterprises to share a common definition of economic activities that can be considered environmentally sustainable.

The EU Taxonomy Regulation 2020/852 serves as a significant driver for promoting sustainable investments and accelerating the decarbonization of the European economy, while also providing security and transparency for investors and supporting companies in planning their transition to Net-Zero.

Under the Taxonomy Regulation, the Commission was required to present the actual list of environmentally sustainable activities by defining the technical screening criteria for each environmental objective through delegated acts and implementing acts:

- Delegated Regulation (EU) 2021/2139 on establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation,

further referred to as the Delegated Act on climate;

- Delegated Regulation (EU) UE 2021/2178 supplementing Regulation (EU) 2020/852 on specifying the content and presentation of information to be disclosed, further referred to as the Delegated Act on information disclosure;
- Delegated Regulation (EU) 2022/1214 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors or Complementary Delegated Act on climate.

The EU Taxonomy Regulation is still under development and several important delegated acts are still being finalized at the time of publication of this Sustainability Report. For the E-Distribuție companies, the new regulations provide an opportunity to be even more explicit about a business agenda that is already strongly anchored in sustainable development principles and aligned with the objectives of the European Green Deal related to climate neutrality, pollution elimination, circular economy, and high energy efficiency.

Therefore, we are prepared to join the collective effort to achieve the environmental objectives set by the Taxonomy Regulation and, consequently, to fulfil the reporting obligations covered in this document (Article 8 of Regulation (EU) 2020/852).

## Our process of implementing the EU Taxonomy

Through the involvement of relevant functions, the E-Distribuție companies have carried out a 5-step process to analyse the applicability of the EU Taxonomy Regulation across the entire value chain of the specific economic activity of Distribution System Operators, in accordance with relevant regulations in force.



**1. Eligibility verification** involved consulting the Delegated Acts and implementing the EU Taxonomy Regulation to determine whether the economic activity of distribution companies is included in the list of activities recognized by the EU Taxonomy as having a substantial contribution to climate and environmental objectives set at the EU level.

The activity of the E-Distribuție companies is included under point **4.9 - Electricity transmission and distribution** in the Delegated Act on climate, and therefore, it is eligible under the EU Taxonomy.

**2. The analysis of the alignment of the economic activity of distribution companies with the technical assessment criteria** defined by the Delegated Act on climate determines whether the activity significantly contributes to the Climate Mitigation objective.

The criteria defined in the Delegated Act on climate are aligned with EU-level requirements to achieve the ambitions set out in the European Green Deal and relate to the thresholds or performance levels that economic activities should meet to qualify as activities that substantially contribute to one of the climate objectives.

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Regarding the climate mitigation objective, the E-Distribuție companies meet the first criterion of the Delegated Act on climate regarding interconnection with the European energy system through connection to Transelectrica's Electricity Transmission Grid (RET).

This interconnection ensures integration into the European grid through interconnection points at borders. In a broader context, Romania is committed to the common European effort to implement the Energy Union, where infrastructure modernization with adequate interconnections and reliable networks is essential to create an integrated energy market. As such, the distribution grid plays a strategically important role in achieving EU ambitions.

Furthermore, E-Distribuție companies are fully aware of the role that grids play in achieving the EU's climate objectives for 2030 and 2050, where the integration of new renewable energy capacity into the national energy system is crucial.

By integrating the „Grid Futurability” group's initiative into their national business plans, E-Distribuție aims to continue an ambitious investment plan to strengthen and digitalize the grids. Similarly, the companies align their business strategy and investments with Enel Group's Net Zero ambition to reduce emissions by 55% by 2030 and 90% by 2040.

**3. Verification of compliance with and adherence to the „do no significant harm” principle to the other five climate and environmental objectives formulated by the EU: (I) Climate change adaptation, (II) Sustainable use and protection of water and marine resources, (III) Transition to a circular economy, (IV) Pollution prevention and control, (V) Protection and restoration of biodiversity and ecosystems.**

The technical screening criteria specify the minimum requirements that economic activity must meet to qualify as environmentally sustainable and are based on existing EU legislation, best practices, standards, and internationally recognized methodologies.

The aspects analysed in this stage include:

**I. Climate change adaptation** involves a business activity screening to identify physical climate risks that can affect the performance of economic activity and evaluate adaptation solutions that can reduce the identified climate risk.

In 2020, the Enel Group initiated a comprehensive study involving all lines of business to identify acute and chronic climate phenomena relevant to economic activities. The adopted framework for analysis includes physical climate scenarios, which involve creating future projections for selected climate variables such as temperature, precipitation, solar radiation, etc., along with the evolution of climate-related hazards and transition scenarios that describe the evolution and consequences for the energy system.

The Enel Group selected a series of climate projections formulated by the Intergovernmental Panel on Climate Change (IPCC) regarding the

evolution of greenhouse gas emissions concentrations throughout the 21st century (Representative Concentration Pathways - RCP). The scenarios chosen by the Enel Group range from more optimistic to more pessimistic estimates (RCP 2.6, RCP 4.5, and RCP 8.5), and they are analysed over three time horizons: short-term (1-3 years), medium-term (up to 2030), and long-term (2030-2050). These scenarios are still a work in progress and are expected to be finalized this year.

Based on the analysis so far, three types of climate risks have been identified at the local level as material to E-Distribuție's activities: temperature-related risks, wind-related risks, and water-related risks. These three categories of risks are monitored as part of the emergency management process managed through STGeo Global using the Weather Alerting meteorological alert system. The system maps weather alerts (such as rain, storms, heatwaves, snow, and sleet) for each territorial unit where operations are conducted, using a Hazard Impact model composed of three elements: hazard, vulnerability, and exposure. The system calculates the severity level of the risk and issues a corresponding alert.

Additionally, within the distribution companies, there are various procedures for preventing and managing emergency situations and enhancing resilience during crises (e.g., the innovative resilience strategy „4R” for electricity distribution grids, Emergency Management for events occurring in electricity distribution grids, Measures to prevent risks and prepare for vegetation fire incidents affecting electrical installations).

**II. Sustainable use and protection of water and marine resources** is not considered applicable in the section related to „do no significant harm” for the economic activity 4.9 Electricity transmission and distribution. Therefore, this objective was not included in the analysis.

**III. Transition to a circular economy.**

In accordance with the criteria defined in the Delegated Act on climate, a waste management plan has been identified, ensuring reuse or recycling at the end of the life cycle, in line with the waste hierarchy, including through contractual agreements with waste management partners.

**IV. Pollution prevention and control.**

In accordance with the criteria defined in the Delegated Act on climate, concerning construction site activities, the activities adhere to the principles of the Environmental, Health, and Safety Guidelines developed by the International Finance Corporation through the conditions accompanying all construction projects that require compliance with national, European, and international regulations in the authorization process.

<sup>5</sup> European Commission (2015), Communication COM (2015) 80 final, A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy.

The activities of the distribution companies comply with the applicable rules and regulations for limiting the impact of electromagnetic radiation on human health, including, for activities carried out in the European Union, the Council Recommendation on limiting public exposure to electromagnetic fields (0 Hz – 300 GHz) (182) through the Operational Instruction P-HSER11-01 on „Monitoring, measurement, analysis, and environmental performance assessment”, which establishes the existence of an Annual Environmental Monitoring Plan that includes measurements of electromagnetic field radiation in accordance with environmental standard 14100. The activities do not use polychlorinated biphenyls (PCB).

EU Regulation 2019/1021 of the European Parliament on persistent organic pollutants states that Member States shall identify and take out of use equipment (e.g., transformers, capacitors, or other containers containing liquid stocks) containing more than 0.005% PCB and volumes greater than 0.05 dm<sup>3</sup> as soon as possible, but no later than December 31, 2025. The maximum threshold considered is 50 ppm.

Since 2000, Romania has introduced a ban on the sale of products containing PCBs. E-Distribuție regularly conducts analyses of hazardous waste generated by our companies, and the results have consistently shown strict compliance with legal limits regarding PCB content.

Furthermore, as early as 2011, the distribution companies eliminated the last PCB-containing capacitors.

**V. Protection and Restoration of Biodiversity and Ecosystems.** The requirements for this criterion refer to verifying the completion of environmental impact assessments or screening in accordance with Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment. If an environmental impact assessment has been carried out, the implementation of necessary mitigation and compensation measures for environmental protection is verified.

Depending on the case, for sites/operations located in biodiversity-sensitive areas or near such areas (including the Natura 2000 network of protected areas, sites that are part of the UNESCO World Heritage, major biodiversity areas, and other protected areas), appropriate assessments are conducted, as applicable, and necessary mitigation measures are implemented based on the conclusions.

Based on the current national regulations, an environmental impact assessment is not required for distribution activities, given that we manage low/medium/high voltage electricity grids up to 110KV. However, the distribution companies collaborate with non-governmental organizations with expertise in biodiversity and relevant authorities (ARBDD – Authority belonging to the Delta Biosphere Reserve Danube) to

conduct biodiversity impact assessments in priority areas of the distribution grid identified based on the level of risk. The primary focus is on assessing the impact of aerial power lines on birds, and following the analysis, necessary measures are taken to reduce the impact.

- The analysis of meeting the minimum social safeguards criteria involves verifying alignment with the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises and with the United Nations (UN) Guiding Principles on Business and Human Rights, including the principles and rights established in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and those set forth in the International Declaration of Human Rights.

**For this analysis, several policies and procedures existing within the E-Distribuție companies were taken into account:**

- At the group level, the human rights policy was adopted in 2013 and renewed in 2021, and it was naturally adopted at the level of the Distribution companies in Romania. This policy is anchored in the UN's Guiding Principles on Business and Human Rights framework, specifically in the „Protect, Respect, and Remedy” framework defined by the United Nations, and in accordance with the OECD Guidelines for Multinational Enterprises.
- Another important aspect is the Ethical Code, Zero Tolerance Plan for Corruption, Anti-Bribery Policy, and Data Protection Policy, which ensure ethical principles, good business practices, fair competition, and a framework for preventing corruption and conflicts of interest. (More information can be found in the Ethics and Good Business Practices section).
- Through the Enel Global Compliance Programme, alongside the „Supplier Qualification System,” a supply chain management system is ensured that guarantees transparency in procurement, equitable partnerships, and full compliance with relevant standards. This includes evaluating suppliers on technical, economic, financial, legal, environmental, safety, human rights, and integrity aspects to ensure an adequate level of quality and reliability.

(More information can be found in the Relationship with Suppliers section).

- The final step involved calculating the three key performance indicators in accordance with the reporting requirements in the Delegated Act regarding the publication of information on reporting rules: turnover, capital expenditure (CapEx), and operating expenses (OpEx), in accordance with the calculation methodology (see pages 101-103).

The financial indicators were associated with the economic activity of the distribution companies in accordance with the analysis and classification carried out after completing steps 1-4, by collecting data from the accounting system of the distribution companies.



**The 3 possible classifications following the analysis according to the Taxonomy are:**

**Eligible aligned**

- The activity is included in the list of activities recognized by the EU Taxonomy as having a substantial contribution to the climate and environmental objectives set at the European Union level;
- The activity has a substantial contribution to one of the first two climate objectives;
- The activity does not cause „significant harm“ to the other five environmental objectives;
- The activity complies with the minimum social safeguards.

**Eligible non-aligned**

- The activity is included in the list of activities recognized by the EU Taxonomy as having a substantial contribution to the climate and environmental objectives set at the European Union level;
- **The activity does not meet one or more of the criteria related to:**
  - the technical analysis to determine a substantial contribution to one of the first two environmental objectives;
  - the criteria of the „do no significant harm“ principle to the other five environmental objectives;
  - the minimum social safeguards.

**Non-eligible**

- The activity is not included in the list of activities recognized by the EU Taxonomy as having a substantial contribution to the climate and environmental objectives set at the European Union level.

As a result of the analysis, the entire activity of the distribution companies has been classified as eligible-aligned with the EU Taxonomy, under point 4.9 Electricity Transmission and Distribution, with a substantial contribution to the climate mitigation objective.

Since there is only one reported economic activity, the proportion of each indicator from its absolute value is equal to the proportion it contributes to the analysed climate objective. Financial data were obtained from the accounting system of the distribution companies in accordance with International Financial Reporting Standards (IFRS), and the key performance indicators were calculated in accordance with the methodology in the regulation on providing information (EU Regulation 2021/2178).

Where the eligible economic activity reported is found with different values other than 0 in both the eligible-aligned and eligible non-aligned sections, it means that a portion of that activity is aligned, and a portion is non-aligned with the Taxonomy, according to the declared values.

To calculate this proportion, the methodology related to the Taxonomy was used. Regarding the total absolute (Line A1+A2) turnover and capital expenditure, this corresponds to the total turnover and capital expenditure related to the activities of the E-Distribuție companies for the year 2022, as recorded in the accounting systems.

An exception is the total absolute (Line A1+A2) operating expenses, the value of which refers strictly to the types of costs required by the Taxonomy’s calculation methodology.

For the purpose of this exercise, due to data availability considerations, the values corresponding to each key performance indicator were aggregated for all three distribution companies.

The proportion expressed for the three key performance indicators represents the proportion of the reported activity from the absolute total expressed for each indicator. The indicators for the year 2021 were recalculated based on the new regulations, resulting in significantly different values from those calculated last year.

# Turnover

Economic activities	Code (NACE)	Absolute turnover (in RON)	Proportion of turnover (in %)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Taxonomy aligned proportion of turnover 2022 (in %)	Taxonomy aligned proportion of turnover 2021 (in %)	Category (enabling activity) (E/-)	Category (transitional activity) (T/-)	
				Climate change mitigation (in %)	Adaptation to climate change (in %)	Water and marine resources (in %)	Circular economy (in %)	Pollution (in %)	Biodiversity and ecosystems (in %)	Climate change mitigation (Yes/No)	Adaptation to climate change (Yes/No)	Water and marine resources (Yes/No)	Circular economy (Yes/No)	Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)					Minimum safeguards (Yes/No)
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Transmission and distribution of electricity	3513	2,357,760,219.49	97	97	0	n.a	n.a	n.a	n.a	n.a	Yes	n.a	Yes	Yes	Yes	Yes	97	94	E/-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		2,357,760,219.49	97																	
<b>A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Transmission and distribution of electricity	3513	0	3																	
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	3																	
<b>TOTAL (A.1. + A.2.)</b>		2,357,760,219.49	100																	
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																				
Turnover of Taxonomy non-eligible activities (B)		0	0																	
<b>TOTAL (A + B)</b>		2,357,760,219.49	100																	

### Absolute Turnover (A.1.):

refers to the total turnover aligned with the taxonomy, calculated according to the eligibility criteria.

### Absolute Turnover (A.2.):

refers to the total turnover eligible and non-aligned with the Taxonomy, calculated according to the eligibility criteria.

### Absolute Turnover (A.1.+A.2.):

refers to the total turnover aligned and non-aligned, representing the total turnover for the distribution activity according to the accounting records for the year 2022.

### Proportion of Turnover:

represents the proportion of the reported economic activity from the total turnover for the distribution activity according to the accounting records for the year 2022.

### Climate Change Mitigation:

the proportion of turnover that contributes to climate change mitigation.

### Objectives Not Applicable:

no substantial contribution criteria have been disclosed for these objectives as of the date of this report.

### DNSH – Climate Change Mitigation:

not applicable to the analysis, as the objective was exclusively assessed for substantial contribution.

### DNSH Criteria:

specifies whether the DNSH (Do No Significant Harm) criteria for each of the other 5 environmental and climate objectives are met for the reported economic activity (Yes/No), and if there are no specified criteria to be checked (n.a. - not applicable).

### Minimum Safeguards:

specifies whether the minimum safeguards are met for the reported economic activity.

### Category:

specifies whether an activity that has a significant contribution to mitigating climate change is facilitative or transitional.

# CapEx

	Code (NACE)	Absolute CapEx (in RON)	Proportion of CapEx (in %)	Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")					Minimum safeguards	Taxonomy aligned proportion of CapEx 2022 (in %)	Taxonomy aligned proportion of CapEx 2021 (in %)	Category (enabling activity) (E/-)	Category (transitional activity) (T/-)		
				Climate change mitigation (in %)	Adaptation to climate change (in %)	Water and marine resources (in %)	Circular economy (in %)	Pollution (in %)	Biodiversity and ecosystems (in %)	Climate change mitigation (Yes/No)	Adaptation to climate change (Yes/No)	Water and marine resources (Yes/No)	Circular economy (Yes/No)						Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)
<b>Economic activities</b>																				
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Transmission and distribution of electricity	3513	631,338,975.79	100	100	0	n.a	n.a	n.a	n.a	n.a	Yes	n.a	Yes	Yes	Yes	Yes	100	100	E/-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		631,338,975.79	100																	
<b>A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Transmission and distribution of electricity	3513	0	0																	
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0																	
<b>TOTAL (A.1. + A.2.)</b>		<b>631,338,975.79</b>	<b>100</b>																	
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																				
CapEx of Taxonomy non-eligible activities (B)		0	0																	
<b>TOTAL (A + B)</b>		<b>631,338,975.79</b>	<b>100</b>																	

### Absolute CapEx (A.1.):

refers to the total CapEx aligned with the taxonomy, calculated according to the eligibility criteria.

### Absolute CapEx (A.2.):

refers to the total CapEx eligible and non-aligned with the Taxonomy, calculated according to the eligibility criteria.

### Absolute CapEx (A.1.+A.2.):

refers to the total CapEx aligned and non-aligned, representing the total CapEx for the distribution activity according to the accounting records for the year 2022.

### Proportion of CapEx:

represents the proportion of the reported economic activity from the total CapEx for the distribution activity according to the accounting records for the year 2022.

### Climate Change Mitigation:

the proportion of CapEx that contributes to climate change mitigation.

### Objectives Not Applicable:

no substantial contribution criteria have been disclosed for these objectives as of the date of this report.

### DNSH – Climate Change Mitigation:

not applicable to the analysis, as the objective was exclusively assessed for substantial contribution.

### DNSH Criteria:

specifies whether the DNSH (Do No Significant Harm) criteria for each of the other 5 environmental and climate objectives are met for the reported economic activity (Yes/No), and if there are no specified criteria to be checked (n.a. - not applicable).

### Minimum Safeguards:

specifies whether the minimum safeguards are met for the reported economic activity.

### Category:

specifies whether an activity that has a significant contribution to mitigating climate change is facilitative or transitional.

# OpEx

Economic activities	Code (NACE)	Absolute OpEx (in RON)	Proportion of OpEx (in %)	Substantial contribution criteria					DNSH criteria ("Does Not Significantly Harm")					Minimum safeguards	Taxonomy aligned proportion of OpEx 2022 (in %)	Taxonomy aligned proportion of OpEx 2021 (in %)	Category (enabling activity) (E/-)	Category (transitional activity) (T/-)		
				Climate change mitigation (in %)	Adaptation to climate change (in %)	Water and marine resources (in %)	Circular economy (in %)	Pollution (in %)	Biodiversity and ecosystems (in %)	Climate change mitigation (Yes/No)	Adaptation to climate change (Yes/No)	Water and marine resources (Yes/No)	Circular economy (Yes/No)						Pollution (Yes/No)	Biodiversity and ecosystems (Yes/No)
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Transmission and distribution of electricity	3513	113,446,062.27	99.59	100	0	n.a	n.a	n.a	n.a	n.a	Yes	n.a	Yes	Yes	Yes	Yes	99.59	99.63	E/-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		113,446,062.27	99.59																	
<b>A.2. Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Transmission and distribution of electricity	3513	463,896.35	0.41																	
OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		463,896.35	0.41																	
<b>TOTAL (A.1. + A.2.)</b>		<b>113,909,958.62</b>	<b>100</b>																	
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																				
OpEx of Taxonomy non-eligible activities (B)		0	0																	
<b>TOTAL (A + B)</b>		<b>113,909,958.62</b>	<b>100</b>																	

### Absolute OpEx (A.1.):

refers to the total OpEx aligned with the taxonomy, calculated according to the eligibility criteria.

### Absolute OpEx (A.2.):

refers to the total OpEx eligible and non-aligned with the Taxonomy, calculated according to the eligibility criteria.

### Absolute OpEx (A.1.+A.2.):

refers to the total OpEx aligned and non-aligned, representing the total OpEx for the distribution activity according to the accounting records for the year 2022.

### Proportion of OpEx:

represents the proportion of the reported economic activity from the total OpEx for the distribution activity according to the accounting records for the year 2022.

### Climate Change Mitigation:

the proportion of OpEx that contributes to climate change mitigation.

### Objectives Not Applicable:

no substantial contribution criteria have been disclosed for these objectives as of the date of this report.

### DNSH – Climate Change Mitigation:

not applicable to the analysis, as the objective was exclusively assessed for substantial contribution.

### DNSH Criteria:

specifies whether the DNSH (Do No Significant Harm) criteria for each of the other 5 environmental and climate objectives are met for the reported economic activity (Yes/No), and if there are no specified criteria to be checked (n.a. - not applicable).

### Minimum Safeguards:

specifies whether the minimum safeguards are met for the reported economic activity.

### Category:

specifies whether an activity that has a significant contribution to mitigating climate change is facilitative or transitional.



## Annexes

**11.1** Annex 1 – Abbreviations

**11.2** Annex 2 – GRI content index

# 11.1 Annex 1

## Abbreviations

Abbreviation	Definition
<b>AEUC</b>	Federation of Associations of Energy Utilities Companies
<b>AFEER</b>	Romanian Energy Suppliers Association
<b>AmCham</b>	American Chamber of Commerce
<b>AMR</b>	Automatic Meter Reading
<b>ANRE</b>	National Energy Regulatory Authority
<b>ARBDD</b>	Authority belonging to the Delta Biosphere Reserve Danube
<b>CapEx</b>	Capital expenditure
<b>CCIPR</b>	Italian Chamber of Commerce for Romania
<b>CSDF</b>	Civil Society Development Foundation
<b>CIS</b>	Foreign Investors Council
<b>CH<sub>4</sub></b>	Methane
<b>CNR-CME</b>	The Romanian National Committee of the World Energy Council
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CRE</b>	Romanian Energy Center
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>CTE</b>	Energy Technical College
<b>EA MLA</b>	European Co-operation for Accreditation Multilateral Agreement
<b>EDB</b>	E-Distribuție Banat
<b>EDD</b>	E-Distribuție Dobrogea
<b>EDM</b>	E-Distribuție Muntenia
<b>EGCP</b>	Enel Global Compliance Program
<b>EPLUG</b>	European Platform Urban Greening
<b>IUCN</b>	The International Union for Conservation of Nature
<b>FONSS</b>	The Federation of Nongovernmental Organizations for Social Services
<b>ESG</b>	Environment, Social and Governance
<b>ESRS</b>	European Sustainability Reporting Standards
<b>EU</b>	European Union
<b>EUR</b>	The official currency of the euro area countries
<b>GDPR</b>	General Data Protection Regulation
<b>GHz</b>	Gigahertz
<b>GJ</b>	Gigajoule
<b>GRI</b>	Global Reporting Initiative
<b>H&amp;S</b>	Health and Safety
<b>HSEQ</b>	Health, Safety, Environment, And Quality
<b>HV</b>	High Voltage
<b>IMGB</b>	Bucharest Heavy Machinery Company
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IRE</b>	Romanian National Institute for Energy Development Studies
<b>ISO</b>	International Organization for Standardization
<b>kg</b>	Kilogram

Abbreviation	Definition
<b>km</b>	Kilometre
<b>KPI</b>	Key Performance Indicator
<b>kV</b>	Kilovolt
<b>kW</b>	Kilowatt
<b>LEA</b>	Aerial power lines
<b>LES</b>	Underground power lines
<b>LV</b>	Low Voltage
<b>Mil.</b>	Million
<b>Mono</b>	Monophase
<b>MV</b>	Medium voltage
<b>MVA</b>	Mega Volt-Ampere
<b>MWh</b>	Megawatt-hour
<b>N<sub>2</sub>O</b>	Nitrogen oxide
<b>NFRD</b>	Non-Financial Reporting Directive
<b>NGO</b>	Non-governmental organization
<b>OECD</b>	The Organization for Economic Co-operation and Development
<b>ODL</b>	Work order
<b>OHS</b>	Occupational Health & Safety
<b>OpEx</b>	Operational expenditure
<b>OTW</b>	Own technological consumption
<b>POD</b>	Point of Delivery
<b>RCP</b>	Representative Concentration Pathways
<b>RPIA</b>	Romanian Photovoltaic Industry Association
<b>RON</b>	The national currency of Romania
<b>PCB</b>	Polychlorinated Biphenyl
<b>PD</b>	Distribution Point
<b>RED</b>	Electricity Distribution Grid
<b>RPA</b>	Robotic Process Automation
<b>SAIDI</b>	System Average Interruption Duration Index
<b>SAIFI</b>	System Average Interruption Frequency Index
<b>SBTi</b>	Science Based Targets initiative
<b>SDG</b>	Sustainable Development Goal
<b>SF<sub>6</sub></b>	Sulphur hexafluoride
<b>SMI</b>	Integrated Management System
<b>SOR</b>	Romanian Ornithological Society
<b>t</b>	tone
<b>tCO<sub>2eq</sub></b>	Tons of CO2 equivalent
<b>ths.</b>	Thousands
<b>Tri</b>	Three-phase
<b>TWh</b>	Terawatt-hour
<b>U.O.M.</b>	Unit of measure
<b>UN</b>	United Nations
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>WEEE</b>	Waste Electrical and Electronic Equipment

# 11.2 Annex 2

## GRI content index

GRI Standards - General Disclosures 2021	Page	Claims
<b>Organizational profile</b>		
2-1 Organizational details	4, 12	
2-2 Entities included in the organization’s sustainability reporting	4	
2-3 Reporting period, frequency and contact point	4	
2-4 Restatements of information	4	
2-5 External assurance	4	
2-6 Activities, value chain and other business relationships	12, 28	
2-7 Employees	36	
2-8 Workers who are not employees	37	
2-9 Governance structure and composition	17	
2-10 Nomination and selection of the highest governance body	17	
2-11 Chair of the highest governance body	17	
2-12 Role of the highest governance body in overseeing the management of impacts	17	
2-13 Delegation of responsibility for managing impacts	17	
2-14 Role of the highest governance body in sustainability reporting	17	
2-15 Conflicts of interest	19	
2-16 Communication of critical concerns	19	
2-17 Collective knowledge of the highest governance body	17	
2-18 Evaluation of the performance of the highest governance body	17	
2-19 Remuneration policies	17	
2-20 Process to determine remuneration	17	
2-22 Statement on sustainable development strategy	2	
2-23 Policy commitments	12, 26	
2-24 Embedding policy commitments	26	
2-25 Processes to remediate negative impacts	26	
2-26 Mechanisms for seeking advice and raising concerns	26	
2-27 Compliance with laws and regulations	22	
2-28 Membership associations	16	
2-29 Approach to stakeholder engagement	6	
2-30 Collective bargaining agreements	36	

**Material Topics**

3-1 Process to determine material topics

6

3-2 List of material topics

7

**Economic and Governance Topics**

GRI 201-1 Direct economic value generated and distributed

58

GRI 205-1 Operations assessed for risks related to corruption

19

GRI 205-2 Communication and training about anti-corruption policies and procedures

19

GRI 205-3 Confirmed incidents of corruption and actions taken

20

GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

19

**Environmental Topics**

GRI 302-1 Energy consumption within the organization

76

GRI 302-4 Reduction of energy consumption

76

GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

85

GRI 304-2 Significant impacts of activities, products and services on Biodiversity

85

GRI 305-1 Direct (Scope 1) GHG emissions

78

GRI 305-2 Energy indirect (Scope 2) GHG emissions

79

GRI 305-3 Other indirect (Scope 3) GHG emissions

79

GRI 306-1 Waste generation and significant waste-related impacts

80

GRI 306-4 Waste diverted from disposal

81

GRI 308-1 New suppliers that were screened using environmental criteria

28

GRI 308-2 Negative environmental impacts in the supply chain and actions taken

28

**Social Topics**

GRI 401-1 New employee hires and employee turnover

37

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

39

GRI 403-1 Occupational health and safety management system focus on Occupational Safety

46

GRI 403-2 Hazard identification, risk assessment, and incident investigation

46

GRI 403-3 Occupational health services

46

GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

46

GRI 403-5 Worker training on occupational health and safety

46

GRI 403-6 Promotion of worker health

46

## Social Topics (continued)

GRI Standard	Page	Claims
<b>GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>	46	
<b>GRI 403-9 Work-related injuries</b>	46	
<b>GRI 404-1 Average hours of training per year per employee</b>	40	
<b>GRI 404-2 Programs for upgrading employee skills and transition assistance programs</b>	40	
<b>GRI 404-3 Percentage of employees receiving regular performance and career development reviews</b>	41	
<b>GRI 405-1 Diversity of governance bodies and employees</b>	42	
<b>GRI 406-1 Incidents of discrimination and corrective actions taken</b>	42	
<b>GRI 407-1 Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</b>	28	
<b>GRI 408-1 Operations and suppliers at significant risk for incidents of child labor</b>	28	
<b>GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</b>	28	
<b>GRI 413-1 Operations with local community engagement, impact assessments, and development programs</b>	89	
<b>GRI 414-1 New suppliers that were screened using social criteria</b>	28	
<b>GRI 414-2 Negative social impacts in the supply chain and actions taken</b>	28	
<b>GRI 415-1 Political contributions</b>	N/A	Enel does not have direct relationships with political parties and does not provide any form of funding, as explicitly stated in point 2.2 of the Zero Tolerance for Corruption Plan and point 3.26 of the Group's Code of Ethics. In some countries, there may be certain exceptions in accordance with local legislation and subject to analysis by the competent authorities.

## Sector-specific Topics

EU Standard	Page	Claims
<b>EU 6 Management approach to ensure short and long-term electricity availability and reliability</b>	59	
<b>EU 7 Demand-side management programs including residential, commercial, institutional and industrial programs</b>	59	
<b>EU 8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development</b>	59	
<b>EU 10 Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime</b>	60	
<b>EU 12 Transmission and distribution losses as a percentage of total energy</b>	59	
<b>EU 27 Number of residential disconnections for non-payment</b>	60	
<b>EU 28 Power outage frequency</b>	62	
<b>EU 29 Average power outage duration</b>	61	

#### **E-Distribuție Banat**

##### **Timișoara**

3-5 Pestalozzi Street

Arad, Caraș-Severin, Hunedoara, and Timiș Counties:

**County code + 929**

#### **E-Distribuție Dobrogea**

##### **Constanța**

89A Nicolae Iorga Street

Călărași, Constanța, Ialomița, and Tulcea Counties:

**County code + 929**

#### **E-Distribuție Muntenia**

##### **Bucharest**

30 Mircea Vodă Blvd.

Bucharest area and Ilfov and Giurgiu Counties:

**021.9291**