

e-distribuție

2020

Sustainability report

→ E-Distribuție Banat

→ E-Distribuție Dobrogea

→ E-Distribuție Muntenia

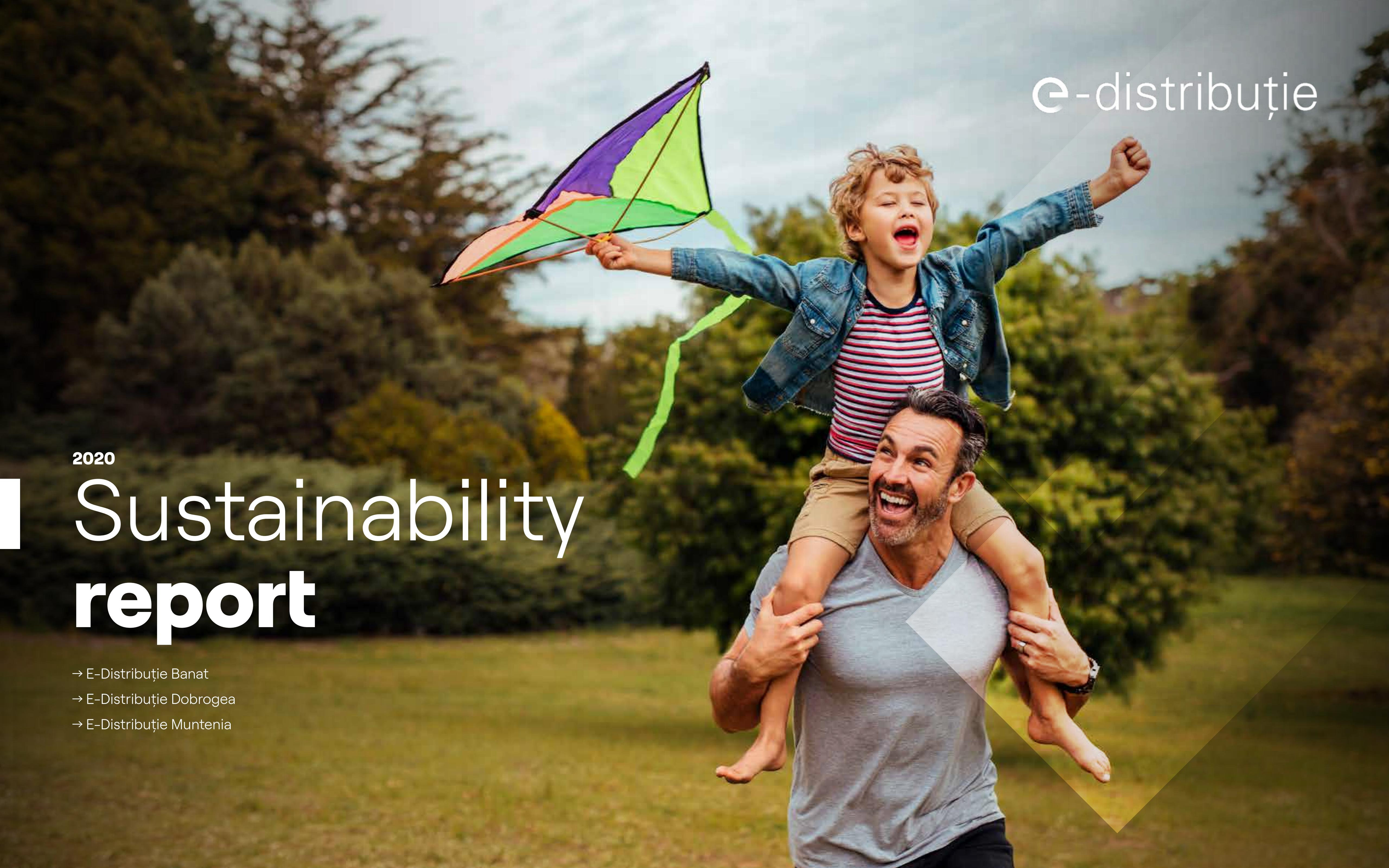


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Dear partners and stakeholders

We are delighted to present the second Sustainability Report of the E-Distribuție Companies in Romania.

2020 proved to be a difficult year for all of us, being dominated by the global health crisis and acting as an accelerator for key trends of the energy transition: decarbonization, electrification and digitalization.

This report shares with all the stakeholders the challenges we faced together in 2020, but also the implementation of the „Open Power” strategy and how we placed sustainability at the core of our actions to the benefit of the customers, partners, shareholders and, also, the environment.

Society has been dealing with swift changes in terms of technological development and our efforts to promptly adapt have been extremely important.

This has enabled us to continue providing quality services without putting a major strain on our customers considering the difficult context of the health crisis.

We did the same for our employees, who had all the necessary conditions to be able to work from home from the beginning of the pandemic and for our colleagues in the distribution operations to continue working in the safe conditions, without interruptions, throughout this whole uncertain period of time.

We have made efforts to ensure the safety of our employees during the health crisis. A local team – Task Force Romania – has monitored the situation since the beginning of the pandemic and, based on this information, we have taken additional measures to protect all our colleagues. In the sector of the activity where this was possible, we favoured teleworking and our operational colleagues, whose activity cannot be carried out remotely, benefitted from protective equipment and systems that allowed the adoption of social distancing measures and ensured the respect of barrier gestures.

Investing in the digitalization of networks has remained a priority for us. We continue to be a leader among the distribution companies in Romania regarding the installment of smart meters. Our distribution companies will proceed with the investment programs, reassuring our partners and customers, that we are together in the energy transition journey towards a more sustainable future.

Every day at work we target an ambitious objective: Zero Accidents. We maintain the same high standards regarding ethical values which are non-negotiable in our companies. This is equally reflected in the way we work with our partners. We strongly believe that environmental security and the fight against climate change should be a priority across the entire business sector. We are constantly making sure that we do not affect the environment in the areas where we deliver electric power.

The energy transition in Romania will enable local economic growth in a sustainable manner along the entire value chain, this being one of the main pillars of our strategy for the next years. We are one of the actors of the energy transition in the world and we consider innovation and sustainability to be inexorably linked. We are open to new technologies, new partnerships, new ways to use energy engaging all stakeholders to create together a more sustainable future.

The sustainable distribution of energy plays a fundamental role in tackling current and future challenges. Transforming the energy grids in smart networks, which combines traditional equipment with advanced digital solutions, make the grids more resilient, inclusive and sustainable. This is what we refer to as Grid Futurability - our way to encompass technological innovation system efficiency tools, data-based services, and platform business models.

We will continue to invest in grids, in terms of transportation and distribution, as they enable the energy transition.

Interactions are becoming more and more frequent, customers' and clients' expectations are evolving due to rising awareness and concerns towards the environment, business, and society. Therefore, we have an important responsibility to take them into account to serve society equitably and sustainably.

Working together with our partners is the only way we can become sustainable, bring value to communities, and tackle the current and future challenges, always bearing in mind that the future is now.

Monica Hodor
General Director
E-Distribuție Muntenia, Banat, Dobrogea



Carlo Pignoloni
President Board of Directors



01

Overview

1.1 Foreword

- 2020 Achievements
- About Enel and E-Distribuție
- Ethics and Corporate Governance
- Risk Management

2020 Achievements

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-11, 102-15, 102-16, 102-18, 102-19, 102-24, 102-26, 102-29, 102-30

The year 2020, dominated by the global health emergency, acted as an accelerator for key trends related to the energy transition: decarbonisation, electrification and digitalisation. As early as 2019, we have identified decarbonisation and electrification targets as two key elements for the transition to a sustainable economy and a protected environment, targets that can only be achieved through the digitisation of distribution networks. This year we have therefore accelerated the digitisation processes with smart meters and increased investments in grid modernisation in Romania.

The Enel Group, which also includes the E-Distribuție companies, is a leader in the energy market, with a presence in over 40 countries and five continents. Our strategy is focused on sustainability and in 2020 we have shown that we are leading the sector in the energy transition by exploiting synergies between different parts of the business chain and leveraging innovation.

At Group level, Enel has set ambitious targets for the innovation and digitisation of electricity distribution networks:

	2020-2022 Targets	2020 Results	2021-2023 Targets
Enel Group	~47 milion smart meters for final consumers	44.3 milion smart meters for final consumers	49 milion smart meters for final consumers

At national level, E-Distribuție companies have exceeded the targets set by ANRE for the installation of smart meters, and in Q1 2021 the threshold of 1 million meters installed was exceeded:

	2020 Targets	2020 Results	Achievement of targets (%)
E-Distribuție Muntenia	80.425	101.998	127%
E-Distribuție Banat	49.311	59.689	121%
E-Distribuție Dobrogea	40.944	59.400	145%

About Enel and E-Distribuție


GRI 201-1


Enel Romania employs around 3,100 people and provides services to 3 million customers across the country.


Enel in Romania - important moments for the distribution companies:

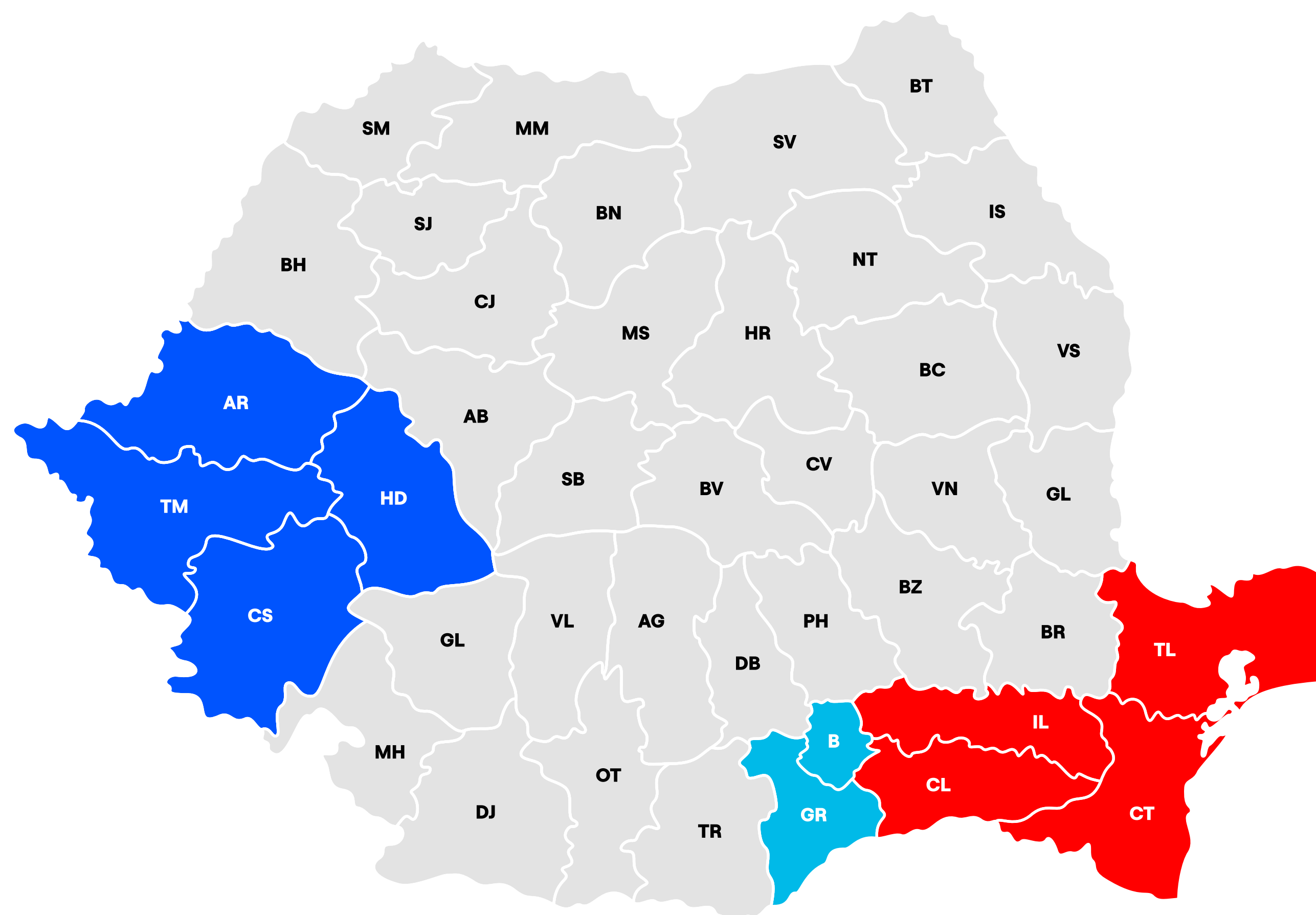
- **→ 2004 - 2005**
Enel completes the acquisition of a majority stake (51%) in Electrica Banat and Electrica Dobrogea. The first privatisation process completed by the Romanian State in the electricity distribution sector.
- **→ 2007 and 2008**
Enel becomes majority shareholder of Electrica Banat, Electrica Dobrogea and Electrica Muntenia Sud.
- **→ 2007 - 2009**
Separation of distribution and supply activities - Enel Distribuție Banat, Enel Distribuție Dobrogea and Enel Distribuție Muntenia are established.
- **→ December 2016**
The three companies became E-Distribuție Banat, E-Distribuție Dobrogea and E-Distribuție Muntenia.

Distribution

 **E-Distribuție Banat**
Manages the network in the counties of Banat - Timiș, Arad, Hunedoara and Caraș-Severin.

 **E-Distribuție Muntenia**
Manages the network in the South Muntenia area - Bucharest, Ilfov and Giurgiu counties.

 **E-Distribuție Dobrogea**
Operates the network in the counties of Dobrogea - Constanța, Călărași, Tulcea and Ialomița.





E-Distribuție Banat, E-Distribuție Dobrogea and E-Distribuție Muntenia are therefore companies of the Enel Group in Romania operating in the field of electricity distribution. The Enel Group operates globally in more than 40 countries and is the world's leading distribution company with the most advanced level of digitalisation of its networks. Enel operates globally a network of more than 2.2 million kilometres and distributes energy to more than 69.5 million end-users. In 2020, a year dominated by the global health crisis, 485.6 TWh were distributed at group level, 4.5% less than in 2019.

Enel has been present on the Romanian energy market since 2005, with operations in the fields of electricity distribution and supply, renewable energy generation and innovative digital solutions. The three companies support the Open Power philosophy based on trust, responsibility, proactivity and innovation, the foundations of an open and dynamic working environment that fosters both an entrepreneurial approach and calculated risk-taking. Our priority is to create smart, flexible grids that will become the keystone of a successful energy transition.

Overview of E-Distribuție companies

The E-Distribuție companies' network includes high and medium voltage (HV/MV) transformer stations, medium and low voltage (MV/LV) transformer substations, power points, overhead and underground power lines for high, medium and low voltage, as well as induction and electronic meters and measurement and protection blocks.

The networks include over 390 transformer stations and over 23,900 MVA, distributing approximately 15 TWh through more than 130,000 kilometres of high, medium and low voltage power lines.

The three companies are present in three key areas of the country: Muntenia South (including Bucharest), Banat and Dobrogea, accounting for one third of Romania's electricity distribution market.

OD	Legal form	Shareholding	Geographical area	Headquarters
E-Distribuție Banat S.A.	Joint-stock company	ENEL SpA (51%) ENERGY HOLDING MANAGEMENT COMPANY (24.9%) S.C. FONDUL PROPRIETATEA S.A (24.1%)	Județele Arad, Caraș-Severin, Hunedoara and Timiș	Timișoara, Str. Pestalozzi, Nr. 3-5
E-Distribuție Dobrogea S.A.	Joint-stock company	ENEL SpA (51%) ENERGY HOLDING MANAGEMENT COMPANY (24.9%) S.C. FONDUL PROPRIETATEA S.A (24.1%)	Județele Călărași, Constanța, Ialomița and Tulcea	Constanța, Str. Nicolae Iorga, Nr. 89A
E-Distribuție Muntenia S.A.	Joint-stock company	ENEL SpA (78%) ENERGY HOLDING MANAGEMENT COMPANY (24.9%) S.C. FONDUL PROPRIETATEA S.A (24%)	Bucharest, Giurgiu and Ilfov	Bucharest, Blvd. Mircea Vodă, Nr. 30

The three companies in 2020 figures

01. E-Distribuție Muntenia →

02. E-Distribuție Banat →

03. E-Distribuție Dobrogea →

Components of the electricity distribution network E-Distribuție Muntenia	Unit of measurement	Values at 31.12.2020
High voltage power lines (110 kV)	km	1,160.43
Medium voltage power lines	km	11,909.38
Low-voltage power lines	km	23,242.06
Low voltage connections	km	12,195.81
Electric connection stations (110 kV voltage steps)	no./MVA	70 / 5,016
Transformation posts	no./MVA	9.138 / 4,024

The three companies in 2020 figures

01.
E-Distribuție
Muntenia →

02.
E-Distribuție
Banat →

03.
E-Distribuție
Dobrogea →

Components of the electricity distribution network E-Distribuție Banat	Unit of measurement	Values at 31.12.2020
High voltage power lines (110 kV)	km	2,713.10
Medium voltage power lines	km	12,923.98
Low-voltage power lines	km	16,770.78
Low voltage connections	km	12,282.88
Electric connection stations (connection/ transformation) 110 kV voltage steps	no./MVA	96 / 4,196.33
Electric connection stations (voltage steps < 110 kV)	no./MVA	26 / 254,22
Transformation posts	no./MVA	8.502 / 2,175.11

The three companies in 2020 figures

01.
E-Distribuție
Muntenia →

02.
E-Distribuție
Banat →

03.
E-Distribuție
Dobrogea →

Components of the electricity distribution network E-Distribuție Dobrogea	Unit of measurement	Values at 31.12.2020
High voltage power lines (110 kV)	km	2,655
Medium voltage power lines	km	10,797
Low-voltage power lines	km	10,995
Low voltage connections	km	13,677
Electric connection stations (110 kV voltage steps)	no./MVA	120/4,220
Electric connection stations (voltage steps < 110 kV)	no./MVA	86/379
Transformation posts	no./MVA	6.318/2,020

The financial performance of our companies in 2020

01. [E-Distribuție Muntenia →](#)

02. [E-Distribuție Banat →](#)

03. [E-Distribuție Dobrogea →](#)

E-Distribuție Muntenia [mil. RON]	2018	2019	2020
Turnover	800	815	859
Tax contributions	75	70	51
• State budget	70	65	45
• Local budget	5	5	6
Operating income	910	994	968
Operating expenses	1.047	933	865
• Costs with employees	92	112	123
Profit	(115)	97	119

The financial performance of our companies in 2020

01.
E-Distribuție
Muntenia →

02.
E-Distribuție
Banat →

03.
E-Distribuție
Dobrogea →

E-Distribuție Banat [mil. RON]	2018	2019	2020
Turnover	495	504	517
Tax contributions	67	44	37
• State budget	64	41	33
• Local budget	3	3	4
Operating income	534	551	557
Operating expenses	747	402	518
• Costs with employees	72	84	92
Profit	212	168	39

The financial performance of our companies in 2020

01.
E-Distribuție
Muntenia →

02.
E-Distribuție
Banat →

03.
E-Distribuție
Dobrogea →

E-Distribuție Dobrogea [mil. RON]	2018	2019	2020
Turnover	445	451	488
Tax contributions	41	30	40
• State budget	39	28	37
• Local budget	2	2	3
Operating income	484	506	530
Operating expenses	627	425	466
• Costs with employees	63	71	78
Profit	(143)	88	54



E-Distribuție provides energy distribution services to approximately 3 million business and residential end-users in the country and employs more than 2,500 people.

Distribution operator	Residential customers	Business customers	Total customers
E-Distribuție Banat	853,029	74,177	927,206
E-Distribuție Dobrogea	614,941	51,824	666,765
E-Distribuție Muntenia	1,300,148	75,679	1,375,827



Ethics and Corporate Governance

GRI 205-1, 205-2, 205-3, 206-1

Our group-wide mission is structured along several axes of openness, in line with the Open Power philosophy:

- [Opening access to electricity](#)
- [Opening up the energy sector to new technologies](#)
- [Opening up our work to new types of energy](#)
- [Openness to new partnerships](#)

Our mission can only be achieved by respecting the principles and values that guide our work, encouraging the transition to a sustainable business model, taking responsibility for the decisions we make and the direction of our work and keeping our promises. The flexibility of our business model allows us to change directions and find new solutions to obstacles.

We promote excellence and an inclusive and safe way of working, fostering diversity and improving workplace skills, creating new opportunities for our employees to grow. Our work is therefore oriented towards our customers and our employees whose contributions are valuable in our business organisation.

Ethics and Corporate Governance

Our mission is to create value in the international energy market, in the spirit of competitiveness and for the benefit of our customers, stakeholder investment and the expectations of all who work with us.

We operate for the benefit of the community, respecting the environment, the health and safety of people, and are committed to ensuring a better world for future generations.

With this vision in mind, Enel Group and therefore E-Distribuție companies, part of the Group, adhere to the Open Power policy to mobilise sustainable progress, a policy based on four fundamental values:

01. Trust

We believe our success comes from the trust we build every day with the communities and people we work with.

02. Responsibility

We take responsibility in improving life on our planet, offering solutions to the challenges of climate change, the growing need for clean energy, making electricity accessible to all.

03. Proactivity

We are constantly searching for creative people from a broad range of backgrounds, who can think out of the box, who like asking questions and see challenges as opportunities.

04. Innovation

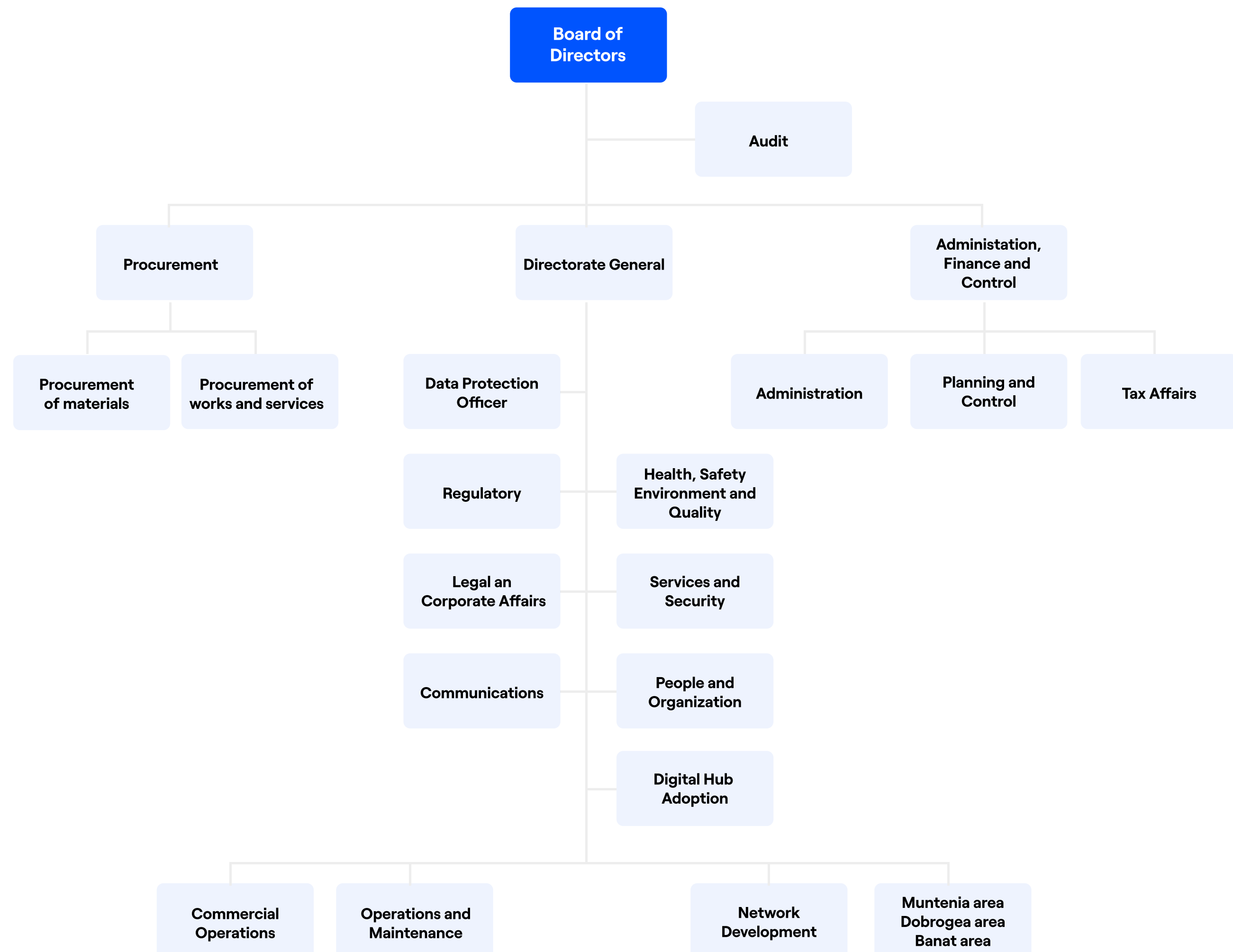
We put innovation at the centre of our business to make sure the best and most creative ideas do not remain on the drawing board, but rather help improve people's lives.

Ethics and Corporate Governance

Companies' management is provided by the Board of Directors and the General Meeting of Shareholders; their powers and operating mechanism are set out in the provisions of the Articles of Incorporation and the Companies Law 31/1990.

The Company's Board of Directors determines the main direction, the activity and ways of development of the companies, approves the Company's business plan and any changes thereto, including proposals for the development of the companies' overall strategy, review, modernisation and economic and financial restructuring.

The Board of Directors may delegate the management to one or more directors, appointing one of them as General Manager, in accordance with the legal provisions in force. The Boards of Directors have delegated the management to Monica Hodor as CEO of the three companies and appointed Maurizio Rastelli as CFO. Simona Trofin is the Procurement Director of the companies. The Board of Directors supervises the work of the managers.





The activity of E-Distribuție Banat, E-Distribuție Dobrogea and E-Distribuție Muntenia is framed by internal policies for the prevention of corruption and conflicts of interest. We understand that corruption is an obstacle to economic, political and social development and a major distortion of the rules, fairness and transparency of markets.

Therefore, we have assumed, at the level of Enel Romania, the compliance with a Code of Ethics that expresses our commitments and responsibilities regarding the management of our Company's business and activities. It is made up of general principles, which govern relations with partners and define our core values such as impartiality, honesty, fair competition, transparency, or the value of human resources, and of conduct criteria, a prescriptive set of rules of conduct that ensure the implementation of our core values. In addition, the Code of Ethics includes a chapter on procedures for implementing the criteria of conduct, forming an internal control system designed to ensure compliance with and continuous improvement of the Code of Ethics.

The implementation of an internal control system, through the Internal Audit Department, is one of the most important elements of strategic management as it aims to identify, assess, correctly manage in line with international best practices and mitigate corporate governance risks that may arise in distribution companies. In addition, the internal control system allows for continuous improvement of the Code of Ethics through close monitoring of societal developments from a corporate governance perspective.

In October 2016, the Board of Directors of E-Distribuție adopted the Enel Global Compliance Program on Corporate Criminal Liability, a governance tool designed to strengthen the Group's ethical and professional commitment to preventing crimes committed outside Italy that could lead to corporate criminal liability and reputational risks. The program applies to non-Italian companies part of the Enel Group, and the rules of the program are integrated not only by the Code of Ethics, but also by the Zero Tolerance Against Corruption Plan (adopted by the entire Enel Group) and by the provisions established by local compliance programs to align corporate criminal liability practices with current national rules and international best practices.

**Code of Business Ethics -
We work for the benefit of the
community, respecting the
environment, health and safety
of people, committing ourselves
to ensuring a better world for
future generations.**

Our employees, our customers and other stakeholders can report any violations or suspected violations to a dedicated email address – CodEticRomania@enel.com – or on a specific Group-wide secure platform (“Ethics Point”) accessible at the following address: <https://secure.ethicspoint.eu/domain/media/ro/gui/102504/index.html>.

The Internal Audit Department receives and analyses these referrals, carries out the necessary checks and ensures uniform treatment across the Group in accordance with Company policies and local regulations. The “Whistleblower Policy” governs the process for handling notifications, ensuring anonymity for those who report ethical violations and protecting against any form of retaliation. In addition, the “Whistleblower Policy” also provides adequate protection against unfounded reports made in bad faith with the purpose of harming people and/or companies.

Convinced that corruption is an obstacle to economic, political and social development and a major distortion of the rules, fairness and transparency of the markets, E-Distribuție companies have therefore adopted an anti-bribery policy complemented by the “Zero Tolerance of Corruption” Plan, the Code of Ethics and the Global Compliance Program, thus succeeding in developing a true anti-bribery management system.

This anti-bribery management system has been certified as compliant with the ISO 37001:2016 international standard on anti-bribery management systems, E-Distribuție Muntenia, E-Distribuție Dobrogea and E-Distribuție Banat being among the first distribution companies in Romania to obtain this certification, updated in November 2020 and valid for another two years.

No cases of corruption or conflict of interest were reported in E-Distribuție companies in 2020.

In 2019, E-Distribuție Muntenia has made a firm commitment to increase transparency and efficiency of the connection process and to strengthen the companies’ capacities to ensure fair and non-discriminatory treatment for all participants in the connection process. It has maintained its commitment in 2020, organising two staff training sessions on professional ethics to prevent preferential treatment of consumers in June and December.

„Open Power is about more than being a generator and distributor of electricity. Our new brand fully embodies the innovative, sustainable, multidimensional and open character of the Enel Group”

Francesco Starace,

CEO and General Manager Enel

Risk management

At Group level, Enel is committed to the implementation of the 2030 Agenda for Sustainable Development by placing Sustainable Development Goal 13 “Action to Combat Climate Change” at the heart of its efforts to achieve the Agenda. As leaders in the energy transition and in line with Sustainable Development Goals 9 “Industry, Innovation and Infrastructure” and 11 “Sustainable Cities and Communities”, we aim to support the development of new services for end-users, focusing on the development of processes and infrastructures that facilitate the transition to a sustainable economy and industry, as well as the development of platforms capitalising on technological and digital evolution.

In this context, risks may arise from distribution activity throughout the value chain. The risks are related both to the performance of our facilities in the context of our ambitious development strategy and to governance, and not least the risks are related to climate change. Therefore, the internal control and risk management system is an integral part of the overall corporate governance structure that strengthens our ability to identify risks and opportunities in the evolving context of the energy sector.

Risk management

The Risk Management system consists of a set of rules, procedures and organisational structures that help us to identify, assess, manage, monitor and control the main Environmental, Social and Governance (ESG) risks.

SDG	ESG risk type
<p>Industry, Innovation and Infrastructure (SDG 9) and Sustainable Cities and Communities (SDG 11) and Climate Change (SDG 13)</p>	<p>Governance risks: As we are in the midst of a complete digital transformation of the entire value chain, therefore accidental service interruptions may occur.</p>
<p>Access to energy (SDG 7)</p>	<p>Risks linked to local communities' engagement: The company's presence in several important regions of the country requires the evaluation of very different scenarios and complex knowledge of each area and the needs of all stakeholders. All of these can expose the company to reputational and operational risks.</p>
<p>Quality education (SDG 4) and Decent work and economic growth (SDG 8)</p>	<p>Risks linked to human capital: Radical transformations of the energy sector call for the presence of new professional profiles and skills, while affirming diversity and promotion of talent.</p>
<p>Climate Change (SDG 13), Responsible Production and Consumption (SDG 12) and Protecting the Earth's Ecosystem (SDG 15)</p>	<p>Climatic risk: Physical risks arising from climate change, such as extreme weather conditions in winter, often cause damage to assets and infrastructure.</p> <p>Environmental risk: More restrictive regulations concerning environmental protection require companies to implement specific actions to minimize their environmental impact.</p>



02

Solidarity

2.1 Our response to the COVID-19 crisis

→ Transformations for the safety of our employees and customers

→ Solidarity in times of crisis

2.2 Increasing value in the community

→ Engaging the local communities

→ Contribution to society

2.1 Our response to the COVID-19 crisis

2020 was dominated by the global health crisis and our work had to adapt to the new context. We have experimented with new ways of working that have allowed us to provide our services to our clients and the communities we serve while managing to operate in a safe and healthy manner without diminishing the quality of our services.

We have achieved all this by focusing on “Open Power” values such as accountability and trust, innovation and proactivity, accompanied by accelerating the use of digital technologies. But all this would not have been possible without the exemplary mobilisation of our employees and managers. The dedication of each one of them has proven to be the essential ingredient of our companies’ success.

To stay connected with our customers in the context of the restriction of physical presence in our branches, we have developed alternative means of communication with customers that have proven their effectiveness and allowed us to continue our services during the period when the authorities have applied measures for social distancing. We have therefore remained in constant contact with our

customers through our digital channels and have extended them by offering our online consultancy service, a digital solution for customers who need guidance and instructions on the legal and regulatory framework for grid connection, as well as other services. Through this service, our clients were able to request an online hearing by phone during working hours, Monday to Friday between 9am and 1pm.

Since the early days of 2020, the whole Group has been mobilised to respond as quickly and efficiently as possible to the health crisis. The Group has activated a dedicated e-mail address to keep staff constantly informed of developments in the pandemic and to forward recommendations to the World Health Organization. Thus, our employees were immediately informed about the suspension or limitation of international business travel and were constantly informed about the rules of conduct to be adopted in case they suspected that they were infected or had contact, even indirectly, with people showing symptoms of infection.

level and together with the company’s management they have been monitoring the situation, informing all employees in real time about the measures adopted by our companies. Any issues related to the impact of the health crisis on the running of our companies could and can be reported to a dedicated e-mail address.

The solid structure that our companies have built over the past few years has enabled us to respond effectively to the COVID-19 crisis and take swift action to protect our employees, customers, and partners.

[A local team - Task Force Romania - has been set up at local](#)



Transformations for the safety of our employees and customers

GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-7

In response to the emergency declared by the Romanian authorities and to ensure the health of our employees and their families, we have set up “smart working” for all activities that can be carried out remotely. This new way of working has been extended throughout the state of alert to date.

Moreover, additional measures have been taken for the safety of our operational colleagues whose work cannot be carried out remotely.

Transformations for the safety of our employees and customers

- We have physically separated the dispatchers, provided individual, properly equipped spaces where they could operate during the pandemic in shifts, and also settle the fuel for the dispatchers of all three distribution companies;
- We have equipped dispatch centres and operator teams with disinfectant solutions for personal use, solutions for cleaning their own workstations and/or service cars, production masks and disposable gloves;
- We have provided our field operational staff with disposable coveralls in case of access to personal premises (rooms/house/hospital) where there are people infected with COVID-19;
- We provided cleaning of the work areas several times a day with dedicated and trained staff;
- At the level of the operational teams, we have intensified precautionary measures, minimising contact with supplier staff. The electricians' schedule has been amended so that no more than two or three people work in teams, interacting as little as possible;
- We have provided additional training to our employees so that we can all remain rigorous in applying and respecting the safety procedures required by the current context (wearing gloves and protective masks, performing quick change in open spaces, at distances greater than 2 meters, disinfecting the machines and the work areas at the beginning of the shift, using disposable protective equipment, protective visors, etc.).



To make it easier for our employees to adapt to the new rules adopted in the context of the health crisis, we have provided them with a series of video tutorials on the correct use of protective masks and gloves, donning and doffing overalls in areas declared quarantined by the authorities, as well as on how to change shifts in operational centres to ensure the strictest compliance with social distancing measures.

In addition, our teleworking employees have benefited from trainings designed to help them manage their work from home more easily, adapt to the new reality and face new challenges. They attended training sessions such as “Parenting while smart working”, “Leading from home” and “How to find your emotional balance?”.

Understanding the importance of emotional balance for our employees and the risk of losing it in these complicated times, when the new way of working brings new challenges and daily interactions are often online, we started in March 2021 a program to help our employees with online coaching or emotional support sessions. This program will continue in the coming years.

Employees who choose to enrol in the program will be advised by a specialist with whom they will go through the online program free of charge, guaranteeing absolute discretion and confidentiality. Our employees will be able to opt for either individual coaching sessions or counselling sessions of their choice, without having their relationship with the specialists in the program mediated by any member of our

Company.

Because we put the physical safety of our employees first and because we want to win the fight against the coronavirus, we have been heavily involved in assisting and supporting colleagues to participate in the vaccination campaign by providing an information service on the national vaccination program to answer questions and concerns of our employees about the new vaccines or how the program works. A specialist doctor was able to answer all questions about the national vaccination campaign during a webinar.



As early as January 2021, after the first vaccines were introduced, our companies have been actively involved in the vaccination campaign by opening six vaccination centres:

- A centre in Calarasi
- A centre in Constanta
- Three centres in Bucharest
- A centre in Timisoara

We have therefore invested RON 189,705 in vaccination centres and contributed to the immunisation of more than 17,000 people.

Solidarity in times of crisis

The health crisis has severely affected our communities and we considered it our responsibility to help overcome this crisis. We have therefore been involved in connecting several COVID-19 field hospitals to electricity:

- In March 2020, E-Distribuție Dobrogea allocated RON 150,000 to supply electricity to the Military Field Hospital in Constanța for patients infected with the new coronavirus.
- In April 2020, E-Distribuție Muntenia contributed to the electricity supply of the Military Field Hospital near Bucharest, and in June 2020, E-Distribuție Banat allocated almost RON 120,000 to the electricity supply of the Military Field Hospital in Timisoara for patients infected with the new coronavirus.

We have contributed to strengthening the response capacity of our communities through donations to the Emergency Fund managed by the Association for Community Relations (ARC), as well as donations to support the National Institute of Infectious Diseases "Prof. Dr. Matei Balș" through the Association "Society of Infectious Diseases and HIV/AIDS".

Donations to the Emergency Fund managed by the
Community Relations Association:

Company	Donation (RON)	EUR equivalent
E-Distribuție Muntenia	145,314	30,000
E-Distribuție Banat	96,876	20,000
E-Distribuție Dobrogea	48,438	10,000
Total	290,628	60,000

Donations to support the Institute of Infectious Diseases
"Prof. Dr. Matei Balș":

Company	Donation (RON)	EUR equivalent
E-Distribuție Muntenia	145,314	30,000
E-Distribuție Banat	96,876	20,000
E-Distribuție Dobrogea	48,438	10,000
Total	290,628	60,000

Not only the health system was severely impacted by the Covid-19 crisis that dominated 2020, but also the Romanian education system in the context of suspension of schools during the crisis and the poor digital development of the Romanian education system.

Whereas education is a priority for us, we made a group-wide commitment to support education in all its forms and delivering on our commitments to the 2030 Agenda for Sustainable Development, i.e. to contribute to the achievement of the Sustainable Development Goals, including Goal 4 "Quality Education".

The health crisis has therefore brought to our attention the need to train teachers to increase their Technical Pedagogical Content Knowledge (TPACK) and to develop their ability to identify and use online teaching tools along with our ability to build relevant pedagogical contexts around and with them.

Thus, in 2020, our companies in partnership with the Techsoup Association financially supported the development and expansion of the "Teach the Future" program for the teachers of the Energy Technical College in Bucharest and the "Dragomir Humuzescu" Energy Technological High School in Deva.





2.2 Increasing value in the community

GRI 413-1

Engaging the local communities

We have therefore continued to invest in a new generation of professionals by extending the Future Electrician Dual Class program, adapting the training program to the online school. Together with our partners New Horizons Foundation and the Alternative University, we made sure that the students of the two high schools were taught remotely by mentors and energy experts. We have continued to offer students the same benefits such as scholarships, development workshops, meals, accommodation and transport.


The dual system is part of the state vocational education. The courses are set up at the request of an employer and the employer, in collaboration with a high school, is involved in training students for three years.

“Future Electrician” Program:

- Two dual classes
- 46 students enrolled
- More than 20 E-Distribuție tutors involved
- More than 390 hours of internship in our companies
- More than 70 personal development workshops for students

2.2 Increasing value in the community

This year we are pleased to welcome the first dual class to graduate the Technical College of Energy Bucharest, a class that represents for us the first step forward in the training of young people who choose to specialize in the field of electricity, thus contributing to a sustainable future.



“

Ce a însemnat să urmezi clasa duală?

„Pentru mine, clasa duală a însemnat o experiență nouă, pe care nu cred că aș fi putut să o găsesc într-o altfel de clasă. Cel mai mult mi-a plăcut că am învățat foarte multe despre electrică. Mi-au plăcut mult și orele de practică, orele de dezvoltare personală și zilele petrecute în tot felul de locuri. A fost o experiență pe care nu aș schimba-o pentru nimic.”

Alexandru Covacu,
absolvent al Colegiului Tehnic Energetic București

e-distribuție



“

Ce a însemnat să urmezi clasa duală?

„Pentru mine, clasa duală a fost una dintre cele mai frumoase întâmplări din viața mea. Mă gândesc că am fost foarte norocos să prind ultimul loc în această clasă. Am acumulat foarte multe informații și am legat prietenii cu cei din clasă, cu cei care au venit să ne deschidă ochii pentru viitor, precum și cu cei care au fost cu noi pe teren în practică. Mulțumesc pentru șansa de a fi alături de voi.”

Andrei Ganea,
absolvent al Colegiului Tehnic Energetic București

e-distribuție

2.2 Increasing value in the community

We have prepared a series of paid internships within the Company for the young people who graduated the dual classes this year. Some of them will then become our colleagues.

We continue our efforts and are already preparing the next school year with the intention of expanding our collaborations with several high schools across the country, furthering our mission to train new generations of electricians, transferring the knowledge acquired by our professionals over decades of experience.

Moreover, in 2020 we continued to support the program "Human Catalyst - Better Education and Activism for Disadvantaged Communities", in partnership with the Human Catalyst Association, contributing to the development of several local campaigns aimed at drawing attention to the situation of education in Romania and the need for the involvement of the whole community to improve the educational environment, to the elaboration of public

policy proposals in the field of education as well as to public decisions regarding the access of students to digital equipment.

As a result of the program, the IRSE "Socio-Educational Risk Index" study was published in 2020 showing the ranking of disadvantaged schools in the period 2015-2019. The study relies on an analysis of information collected and processed from the official databases over four school years (2015-2019) and covers more than 400 schools. Furthermore, the IRSE online map, an interactive map of disadvantaged schools in Romania, has been published within the framework of the program, with the help of which users can identify the situation of schools in the country by accessing the county where the school they want to know more about is located on the map.

Integrated support in Ferentari district (Bucharest)

In 2020, we continued our partnership with the Policy Center for Roma and Minorities Foundation started in 2015, by supporting an integrated approach to community development in the Ferentari neighbourhood, with a particular focus on facilitating access to electricity and reducing grid losses.

Our actions in Ferentari help us better understand the reality of vulnerable consumers in disadvantaged communities, what the barriers to accessing electricity are, and more importantly how solutions can be adopted to overcome them. A key element in achieving these results is the community energy mediator who has been closely accompanying the beneficiaries in solving problems and facilitating access to energy, acting as a bridge between our company and the final beneficiaries.

To reflect all this experience, the Policy Centre for Roma and Minorities Foundation will produce an intervention guide based on the experience gained, which will describe the main types of situations encountered and the main lines of intervention for each type of situation. The aim of this guide will be to support the expansion of this type of project in other communities.

2020 Actions in Ferentari:

- The work of the electricity access mediator who assists people in the community with information and advice on electricity connection, index transmission and repairs to electrical installations (100 beneficiaries);
- The Alternative Education Club which contributes to lowering the school drop-out rate through its activities dedicated to the pupils of the neighbourhood to improve their performance at school and their personal development (100 children involved);
- Community actions to support residents, such as social services, professional integration and improvement of housing conditions (700 beneficiaries).

Contribution to society

Indirectly, taxes and fees paid by E-Distribuție to local and central authorities contribute to state budgets and are used both at national and local level for infrastructure development projects, education or healthcare projects, thus improving the quality of life for people all over the country.

These contributions reflect the positive impact of E-Distribuție companies on the Romanian economy and local development.

RON 128 million is the total contribution to State and local budgets made by E-Distribuție in 2020. The amount is thus an indirect contribution to the community and could have the following impact:

- ✓ the financial effort for the operation of 10 Vaccination Centres for more than 7 years
- or
- ✓ endowing hospitals with more than 420 fully equipped ICU beds
- or
- ✓ the equivalent of over 42,600 undergraduate academic performance scholarships
- or
- ✓ 1.048 50kW DC fast charging stations, which will help to promote the purchase of electric vehicles and thus reduce greenhouse gas emissions

03

Sustainable development

- Sustainable Development Strategy
- Contribution to sustainable development goals
- Energy transition as a sustainable development objective



Iustina Neagu

Head of Sustainability
Enel Romania

“The year 2020 has been marked by economic, social and environmental challenges that have required significant adaptations to the way we deal with uncertainty.

Focusing on sustainability has helped us respond quickly and flexibly to these challenges while maintaining a well-defined strategic direction in the context of the energy transition.

Sustainability at Enel is understood not as a series of individual projects, but as a foundation of paramount importance in business and financial strategy and we strongly believe that understanding the impact that the company has on the ecosystem helps us build opportunities for both the organization and the communities we serve.”

Sustainable Development Strategy

The Enel Group's sustainable development strategy is centred around the 2030 Agenda for Sustainable Development proposed by the United Nations and endorsed by the entire European Union.

The 2030 Agenda was adopted by world leaders in 2015, is the new global framework for sustainable development and sets out **17 Sustainable Development Goals**:



Sustainable Development Strategy

Enel has placed the Sustainable Development Goals at the heart of its development strategy, with the ambition to anticipate global trends to ensure its strategic market leadership in the energy sector.

In addition, it aims to identify new stakeholders in the sustainable development ecosystem confirming its leading role in promoting and accelerating the energy transition with an inclusive and equitable approach creating long-term value for all stakeholders.

The Enel Group's development strategy is based on business model transformation and growth accelerators such as innovation, cyber security, digital media, circular economy and sustainable financing and is articulated on three levels:

- Attention paid to performance of key ESG indicators;
- Placing people at the heart of the strategy;
- Energy transition.

Thus, to transform its business model into a sustainable one, the Group aims to develop a sustainable supply chain, to transform its activities so that they are as environmentally friendly as possible, and to continue to focus on ensuring

the safety and health of its employees and good corporate governance.

The Group's development strategy is centred on people, both direct employees and other partners and the communities of which Enel is a part.

Energy transition is the key objective of the strategy, which will enable climate action targets to be met, to be achieved by transforming electricity generation capacity, accelerating electrification, developing platforms and digitising business.

The E-Distribuție companies are in line with these global trends of the Group by articulating their development strategy on the same three levels:

- Performance of ESG indicators with a strong focus on monitoring activities and sustainable supply chain transformation
- People orientation especially in terms of employee health and safety, diversity and inclusion
- The distribution business as the spearhead of the energy transition



Contribution to sustainable development goals

GRI 103-2

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 extending networks and increasing access to energy for vulnerable consumers



Innovating and digitising networks by building resilient networks using new technologies, especially augmented reality and artificial intelligence, installing smart meters and developing sustainable solutions



Reductions in network losses thus contributing to decarbonisation and efficiency targets



Ensuring health and safety through innovation and digitisation, developing new safety projects using augmented reality and artificial intelligence



Protecting biodiversity and the environment by building a circular business model through the consolidation of existing projects, thus contributing to the Zero Waste target, which has been agreed at Group level



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



Contribution to sustainable development goals

In 2020, we continued the partnership started in 2018 with the Foundation for Civil Society Development (FDSC) in the context of the Civic Innovation Fund (CIF). Since 2018, the Fund has had as its main objective to support innovative civic initiatives and actions of non-governmental organisations in Romania. This year, we have supported we supported a funding scheme on two important directions: initiatives on increasing access to energy and support for the continuation of core programs of organisations present in vulnerable environments. These priorities were set in the context of the health crisis which has hampered civil society's ability to support programs and projects for vulnerable people.

We consider our partnerships with the NGO sector to be particularly important in understanding the needs and interventions required in the communities we serve and see them as a driver of the effectiveness of our actions in the community and one of the recipes for success in meeting our commitments to the Sustainable Development Goals.

In 2020, there were 6,125 beneficiaries of the projects of the 7 non-governmental organisations financed by the Civic Innovation Fund.

The seven non-governmental organisations whose projects received financial support:

- [Federation of Non-Governmental Organisations for Social Services - FONSS](#)
- [FDP - Protagonists in Education Association](#)
- [Make Better Association](#)
- [Resource Centre for Public Participation - CeRe](#)
- [Foundation Centre for Mediation and Community Safety](#)
- [Divers Association](#)
- [Association for Solidarity, Culture, Education and Development - ASCED](#)

As a result of this partnership, we have continued to support organisations that have expressed an interest in developing projects that address energy poverty, mobilising resources to build their capacity, encouraging the exchange of best practice and identifying potential new partnerships.

Energy transition as a sustainable development goal

GRI 103-1, 103-2

Meeting the commitments under the 2030 Agenda will prove impossible without an ambitious plan to achieve the energy transition, ensuring not only affordable energy access for all, but also access to clean energy.

In the context of the European Green Deal, which set the ambitious goal of achieving climate neutrality by 2050, and in the context of the new European decarbonisation targets for 2030, the energy transition becomes one of the pillars for the fight against climate change. As the achievement of these ambitious goals depends on the ability of the energy sector to grow and diversify (clean) energy sources and its adaptability to integrate new types of energy producers into the traditional energy ecosystem, the distribution business has an obligation to assume the role of a driver of all these changes.

The new smart grids of the climate-neutral future will need to be resilient versus these structural changes, flexible enough to accommodate the ecosystem changes that will occur across the electricity value chain, and finally, democratic and

inclusive, thus adapted to the needs and possibilities of all types of consumers.

We therefore aim to develop these smart grids for a climate-neutral future, confirming that we are leaders in climate action and that we operate on a sustainable, future-oriented business model.

04

Our work in the context of the energy transition

4.1 Stakeholder Engagement

- Stakeholder engagement process
- Outcome of the consultations

4.2 Transforming the distribution system for a successful energy transition

- Flexible and resilient networks
- Innovation and digital transformation
- Ecosystems and platforms

4.3 An environmentally freindly distribution system

- Reducing power consumption
- Circular economy
- Protecting biodiversity

Stakeholder engagement process

GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-49

Stakeholder engagement process

Our companies' engagement with our stakeholders also involves constant consultation with them on our development directions and priorities through multiple channels. We engage stakeholders annually in a process that helps us understand their priorities for our work, focusing on the risks identified in achieving our sustainability goals. To ensure that the consultation process, and therefore its outcome, accurately reflects the views of stakeholders, it is organised in several stages:

- Annual update of the list of all main categories of stakeholders
- Assess these categories against the following criteria: dependence (importance of relationships to a stakeholder), influence (importance of relationships to Companies) and potential for conflict (risk in relationships with a stakeholder)
- Interaction with stakeholders by activating multiple communication media

Our focus is equally on all categories of stakeholders, communicating through specific channels with each category. In the table below, we present the main categories of stakeholders, relevant communication channels and frequency of interactions.

Stakeholder category / Communication medium	Mechanisms for communicating complaints	Website (daily)	Social media (daily)	Press releases	Direct contacts (weekly)	Education (yearly)
Suppliers and contractors	✓	✓	✓	✓	✓	
Local community & civil society	✓	✓	✓	✓	✓	✓
Employees	✓	✓			✓	✓
Customers	✓	✓	✓	✓	✓	
Public authorities	✓	✓	✓	✓	✓	
Media	✓	✓	✓	✓	✓	

Stakeholder engagement process

Feedback from stakeholders is collected through direct interviews, focus groups, practical surveys and annual studies for the preparation of the materiality matrix. Our stakeholder communication and collaboration initiatives are part of our day-to-day work, and everyone is constantly engaged with strategic stakeholders, depending on the specifics of the business.

As early as 2018, we started measuring the satisfaction of our employees by conducting internal work climate surveys. We focus on work-life balance, diversity and inclusion, motivation, and safety at work. According to the latest survey, more than 50% of our employees feel that their job provides a good work-life balance, but when asked what could be improved, they said an improvement of work time flexibility, a better health support system (both physical and psychological) and a better team workload management could enhance this balance.

Our local communities were involved in the consultation process through a dedicated survey that measured their satisfaction with our activities and allowed us to define their perspective on the priorities for our work. Survey participants

have expectations of our companies' Group involvement in supporting local development, increasing operational efficiency, improving customer engagement practices and consider the digital transformation of our business a priority.

E-Distribuție companies have constant interaction with local public authorities in the ten counties where we are present. In 2020, we continued to strengthen our relationships with public authorities, communicating with them either by telephone or by "field visits", managed to move beyond rigid institutional communication barriers towards human communication and cooperation relationships, thus increasing our ability to react in concert with public authorities for the effective management of crises often caused by storms in our distribution areas.

Moreover, our companies also cultivate relationships with national authorities, especially in the context of achieving the Sustainable Development Goals set out in the 2030 Agenda for Sustainable Development. We have, therefore, started the dialogue and the steps to join the Sustainable Romania Coalition - SRC, a national multi-stakeholder platform made

up of representatives from the private sector, civil society, diplomatic, academic, public sector and media. The aim of the platform is to facilitate the consultation process with the Department of Sustainable Development (under the Prime Minister, with the coordinating role of the 2030 Agenda) in the context of the implementation of the National Sustainable Development Strategy.

Outcome of the consultations

The outcome of the stakeholder consultations is integrated into the materiality analysis process that we must consider not only in our reporting efforts, as required by applicable law, but also in formulating our companies' plans and strategies.

The materiality matrix, resulting from the stakeholder consultation, represents the starting point for the Sustainability Report, whose results help us identify, assess and meet stakeholder expectations and align them with our Companies' priorities.

The materiality matrix preparation process is divided into six main steps as follows:

Process	Results
Identification of issues potentially important to stakeholders and the Company	A list of potentially important topics to assess the economic, environmental and community impacts of companies, organised in a three-step hierarchy from general to specific
Identifying the categories of stakeholders with whom companies interact	Stakeholder list organised in a three-step hierarchical structure from general to specific
Prioritise stakeholders based on their importance to the Company in terms of dependence, influence, and potential for conflict	Stakeholder's map
Analysis of the results of stakeholder involvement initiatives, evaluation of the priority of potential material topics for stakeholders	Placement of themes along the horizontal axis (x) of the Materiality Matrix
Analysis of the Companies' strategic position on potentially important issues	Placement of themes along the vertical (y) axis of the Materiality Matrix
Analysis and validation of the results	Developing the action plan to bridge the gap between the Companies' priorities and stakeholders' expectations



Materiality matrix

Data is collected, aggregated, and processed through a dedicated Enel Group IT system. This system is improved annually to ensure greater transparency and accountability.

Enel Group's Global Sustainability Department coordinates the process and provides methodological support for the annual update of the Materiality Matrix, which is carried out by the Local Sustainability Department, with the participation

of Company managers and specialists, who interact daily with a specific category of stakeholders.

The results received at country level are consolidated by the Enel Group to prepare a Group Materiality Matrix, respectively a matrix specific to activities at country level.

By prioritising major topics, 10 were identified as material

topics for all consulted stakeholders, representing business and governance, social and environmental issues.

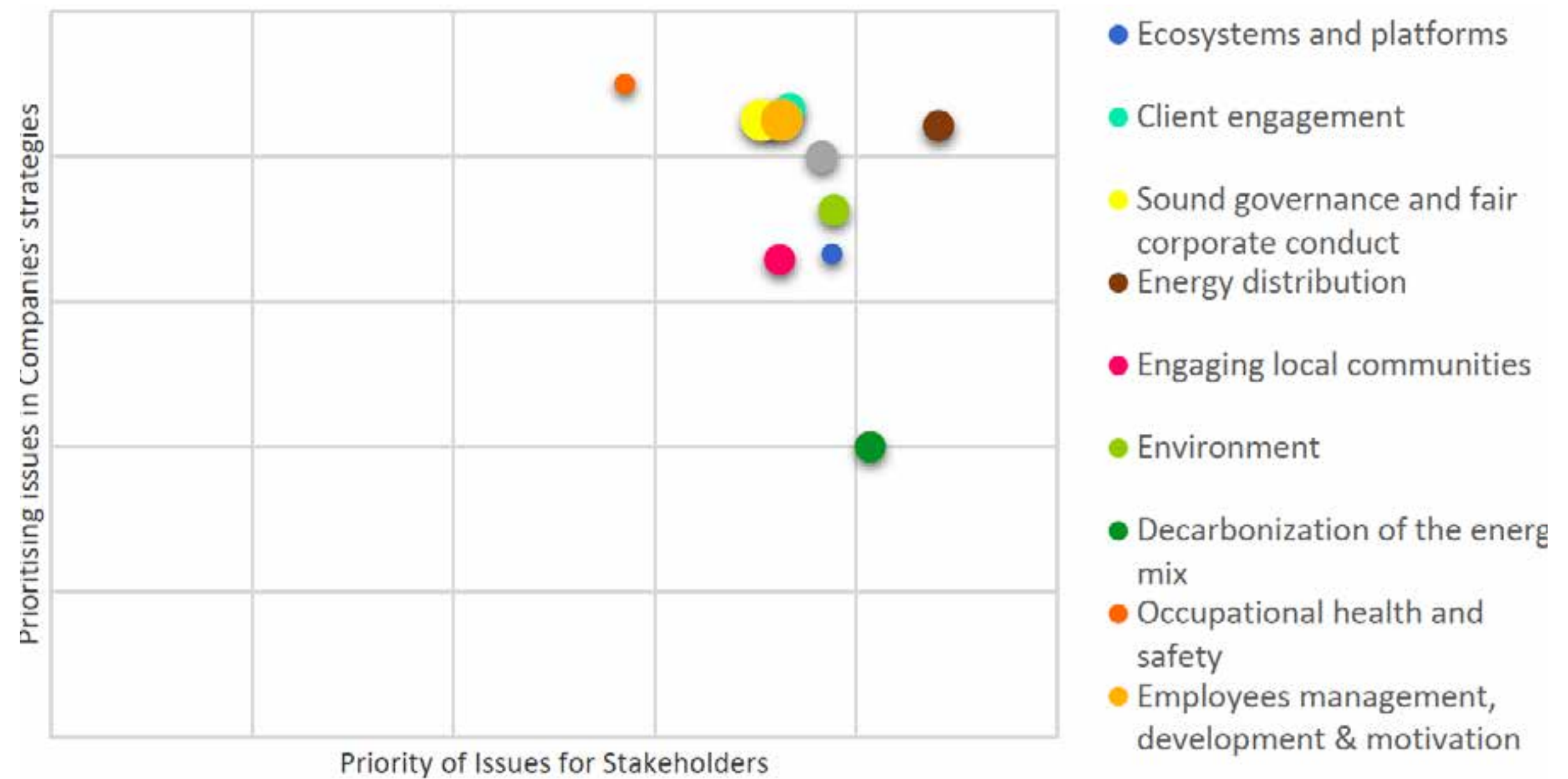
Materiality matrix

The horizontal axis of the matrix reflects priorities of stakeholders, properly weighted based on their materiality. The right-hand side of the matrix show the topics on which stakeholders request the strengthening of existing management practices and systems.

The vertical axis shows the topics on which the Company plans to focus its efforts, taking into consideration planned investments, liabilities, potential risks, and opportunities as well as aspects included in the Company's Strategic Plan.

The upper part of the matrix shows the issues with a high level of commitment for the coming years assumed at the level of the Company's strategy.

Materiality Matrix – Materiality Analysis



Materiality matrix

In the context of the European Green Deal and the 2030 Agenda for Sustainable Development agreed at Group level, and taking into account stakeholder priorities and expected efforts to transform the distribution business through the development of ecosystems and platforms, through the digitisation of operations, the Sustainability Report is prepared considering the importance of the distribution business in achieving the energy transition, thus allowing us not only to report on progress in 2020, but also to present the roadmap for the future transformation of our business.

Business and governance issues	Social aspects	Environmental aspects
Energy distribution	Engaging the local communities	Environmental management
Involving customers and local communities	Employees management, development & motivation	Decarbonising the energy mix
New technologies and solutions	Occupational Health and Safety	Climate change
Sound governance and fair corporate conduct	Sustainable supply chain	Circular economy
Innovation and digital transformation	Diversity at work	Energy transition
Economic and financial value creation	Improving access to energy	-



4.2 Transforming the distribution system for a successful energy transition



Simona-Eugenia Petre
**Manager Network
Development Romania**

“Sustainability is today at the heart of our development strategy alongside innovation and digitalization. The digitalization of networks has become our priority, being one of the most important pillars towards the energy transition.

Each investment is based on projects with low environmental impact, which are analyzed and selected according to pillars of sustainability and puts the needs of our clients, our communities and our partners first.

I would like to mention some important projects to be developed by the Directorate within the upcoming period:

- Investments in electricity distribution networks aimed at improving the quality of service, efficient management of network assets and finally, improved connection to the electricity distribution network regardless of voltage level or purpose of consumption;
- Investments financed through European funding instruments – Modernization Fund, Recovery and Resilience Plan, Sustainable Development Operational Program – targeting the strengthening of the distribution infrastructure, modernizing our low and medium voltage network as well as the further integration of RES in the distribution network during 2024-2030;
- Intelligent Traceability of Materials is a global project in progress, which started in 2020 and shall be completed in 2023 meeting the requirements of the circular economy principles.

All this shows that digitalization is not only aimed at streamlining distribution activities, but is the main factor for increasing service quality, transforming the traditional electricity distribution operator from service provider to service facilitator, focusing on the end consumer.”



Flexible and resilient networks

We want to transform the networks we manage in Romania into smart grids, through a digitisation effort that we support by constantly investing in modernisation projects. In this way, the network becomes resilient allowing us to locate faults more easily and quickly so that we can intervene effectively to remedy them. We are therefore constantly investing in the electricity distribution network that we operate in Bucharest and in the 10 counties of the country.

The distribution business is the spearhead of the energy transition, a key element for achieving climate neutrality by 2050 and for reaching the 2030 decarbonisation targets set at EU level. We are therefore accelerating the digitisation process with smart meters and increasing investments in grid modernisation in Romania with the dual aim of meeting the

needs and satisfaction of our customers and adapting the grids we manage to the systemic changes already underway in the energy sector.

More consumers will therefore benefit from the advantages of smart meters such as remote meter reading, understanding their consumption profile which will facilitate their active participation in achieving decarbonisation targets and thus protecting the environment through responsible energy use.

Networks Modernisation

In 2020, E-Distribuție companies invested about RON 362 million (equivalent to over EUR 72 million) in digitising and modernising their electricity equipment and networks.

The value of the modernisation programs carried out by our companies in 2020 is added to the cumulative investments of more than RON 2 billion made between 2015 and 2019.

Investment programs undertaken by our companies have

led to improvements in the quality, resilience and efficiency of the distribution system. They increase the reliability of installations, improve the quality of the distribution service and secure energy needs by enabling the expansion of networks and ensuring that as many consumers as possible have access to energy. We have implemented complex projects to modernise, boost installed power and introduce transformer stations into the telecontrol system, as well as replace overhead and underground power lines.

Investments in Bucharest

As a result of the investments started in 2020 in Bucharest, 12 transformer stations have been upgraded for the benefit of 280,000 residential and industrial customers. These include the extension of the connection to the 110/20 kV Mașini Grele substation, a project that ensures increased supply flexibility for new residential areas in Sector 4 and in the communes of Berceni, Jilava and Popești-Leordeni.

In addition, the extension and amplification work of the Laromet Transformer Substation ensures its stability and



Flexible and resilient networks

operation in supplying 5,900 domestic and industrial customers in District 1 of the Capital, as well as guaranteeing the possibility of connection for new consumers. At the same time, the modification of the operating scheme of the transformer station has increased the level of safety in the electricity supply of the M4 metro line Gara Basarab - Parc Bazilescu. The investment included the modernisation of both the electrical part of the station and the construction itself, the value of the investment exceeding RON 7 million.

Due to voltage fluctuations in the high voltage network, two existing transformers at the 110/10 kV IREMOAS substation had to be replaced with new ones. By making this investment worth more than RON 2.8 million, we have significantly reduced the risk of customer installations failure, thus increasing the service performance standard for 3,800 domestic and industrial customers in the western area of Bucharest.

Also in Bucharest, we modernised and strengthened the Bucharest North station, the most important transformer station. With an installed power of 240 MVA, it supplies the centre of the Capital city, and the investment for modernisation and consolidation exceeded RON 10 million. Modernisation works were also carried out at the Obor and Filaret stations,

investments which amounted to approximately RON 11 million, benefiting over 180,000 electricity consumers in Bucharest.

In addition to projects related to transformer stations, projects were also implemented to modernise overhead and underground high-voltage power lines in Bucharest, Ilfov and Giurgiu counties. These include the replacement of overhead power lines Militari-Grozăvești, Militari-Răzoare, Grozăvești-Răzoare. The investment helps to reduce the risk of overloads and ensures that new customers in the area can be connected. In addition, the project reduces the risk of environmental pollution by replacing old technology.

The total value of the investment amounts to more than RON 22,650,000 and consists of replacing 12 km of underground high voltage power lines, using new cables with increased transmission capacity.

Investments in Ilfov County

In **Ilfov County**, E-Distribuție Muntenia has invested in 110 kV and 6 kV equipment and introduced remote control systems for transformer stations. In Pantelimon, the company carried out works for the modernisation of energy installations as



well as construction-assembly works. The technical solution applied in the locality improves the quality of distribution service for 9,500 domestic and non-household customers

Investments in Giurgiu County

In **Giurgiu County**, E-Distribuție Muntenia has upgraded and introduced the remote-control system at the 110/6 kV Puieni substation. The project provides a source of electricity for the irrigation facilities in Puieni, an investment with a major impact on the sustainable development of the nearby agricultural area. The RON 2.3 million investment involved extensive modernisation and technological adaptation work.

Regarding the medium and low voltage networks in Bucharest, Ilfov and Giurgiu, the company has invested more than RON 105 million in modernisation projects to reduce the incidence and duration of faults and ensure connection capacity for new consumers. The work consists of replacing old equipment in transformer substations and power points, old underground and overhead cable networks and upgrading electricity metering installations by removing them at the property boundary.

Investments in Constanta County

In **Constanța County**, E-Distribuție Dobrogea has invested RON 3 million in the modernisation of the Eforie Nord transformer station, to boost the power of the transformers. A 40 MVA and a 16 MVA transformer were installed.

In the localities of Seimenii Mici, Osmancea (Mireni commune),

Mireasa and Cuza Voda, the distribution company has invested about RON 3.4 million in projects to improve the quality of the electricity supply to consumers by replacing the classic uninsulated conductors with new generation insulated ones and by installing new overhead transformer stations. The work was aimed at reducing power failures and thus increasing the quality of service to consumers. In Mihail Kogalniceanu, the project to centralise the metering groups has been completed so that smart meters can be installed next year..

Investments in Calarasi County

In **Calarasi County**, the company has focused on upgrading medium voltage lines and moving low voltage lines underground. Thus, in the city of Calarasi, on Grivița Street, the aerial network was completely dismantled, and underground power lines were built on both sidewalks. The investment amounts to more than RON 3 million. In addition, in Borcea, in the same county, we have started in 2019 the modernisation of the infrastructure that will allow the installation of smart meters, an investment amounting to RON 3.1 million and benefiting 2,540 customers.

Investments in Ialomita County

In **Ialomita**, E-Distribuție Dobrogea has continued the modernisation program of the Slobozia Nord transformer station started in 2019, with the work nearing completion. The total value of the project amounts to approximately RON 8.6 million. Work has also begun on the installation

of smart meters in the county, an investment amounting to RON 1.6 million. In addition, in the locality of Sălcioara, E-Distribuție Dobrogea has completed, in October 2020, the modernisation of an existing transformer substation and the construction of 3 more transformer substations to improve the quality of electricity supply to consumers.

Investments in Tulcea County

In **Tulcea County**, E-Distribuție Dobrogea has upgraded a medium voltage line and several transformer substations in the county. Work also continued on the installation of smart meters, an investment of RON 1.8 million.

Investments in Timis County

In **Timis County**, on the medium voltage segment, an extensive project has been started and is to be completed in Buziaș to increase the capacity and safety of the electricity supply to approximately 7,000 customers and, implicitly, reduce the number of incidents and outage times. The total value of the investment amounts to more than RON 7 million and aims to replace the overhead medium voltage power line with a 10 km underground line, which is now in its final stage.

In addition, 18 transformer substations have been upgraded by installing cells, new transformers with capacities ranging from 160 kVA to 400 kVA and by installing remote control equipment. The traditional uninsulated low voltage conductors have been replaced by insulated conductors for both customer supply and street lighting circuits. Also

on the medium voltage segment, the project to upgrade the overhead VI Fratelia power line in Giroc was completed, benefiting 5,800 homes.

As for the low voltage lines, work on the network serving Ghiroda has been completed, the investment amounted to RON 4.6 million and benefits over 6,000 inhabitants.

Investments in Hunedoara County

In **Hunedoara County**, the most important projects in 2020 were the modernisation of the medium voltage networks in Deva and Orăștie, investments with a total value of 15 million lei. In Orăștie, 90% of the cables have been replaced and new equipment has been installed, allowing operations to be carried out from the dispatcher via the remote-control system. E-Distribuție Banat also rebuilt the medium voltage lines damaged by the floods last June.

Also in Hunedoara, E-Distribuție Banat completed in 2020 the works on the low voltage power lines in Băița, Cînelul de Sus, Crăciunești and Săliște, benefiting hundreds of consumers. The investment amounted to RON 1.1 million. Also, in Petroșani, the company had scheduled works to modernise the low voltage lines on Nedeei, Gheorghe Șincai, Vasile Lupu, Matei Basarab, George Enescu, Oltului streets.

Investments in Arad County

In **Arad County**, the investments made by E-Distribuție Banat in the modernisation of medium voltage networks were 35%

higher in 2020 than in 2019, reaching RON 16 million. Among the beneficiary localities are Curtici and Ususău. In Chișineu-Criș and the Gai district of Arad, several transformer stations have been modernised, and in Hălmagiu, the low voltage lines. The Company has also continued to invest in digitisation by installing equipment on medium voltage lines that allows customers to be reconnected to electricity in a maximum of 3 minutes.

Investments in Caras-Severin County

In **Caras-Severin County**, work was carried out on medium-voltage lines in Reșița and Bucova, as well as for the replacement of used separators on many such lines in the county. Low-voltage lines in Oravita and Topleț were upgraded, an investment amounting to RON 1.8 million. In Reșița, the remote-control system has been activated for 35 posts, allowing remote control of the connection devices.

Such grid modernisation investments will remain a priority for us, as they contribute to the development of resilient and secure grids, pillars in the fight against energy poverty and in the effort to achieve the energy transition, and essential for the energy sector to adapt to the context of climate emergency.



Monica Hodor
**General Manager of
E-Distribuție companies**

“Traditional distribution networks, those that carried electricity to consumers, will be transformed into active and participative networks, placing the customer at the heart of the energy system, and improving the quality of the electricity distribution service.

The grid modernisation and digitalisation programs that E-Distribuție companies are implementing make this transformation a reality.

The Company’s strategic plan for the next three years recognises the leading role of grids in the energy transition and focuses on efforts to improve the reliability, resilience, and efficiency of the distribution networks. All these for the benefit of our customers.”

Innovation and digital transformation

The distribution companies have won two awards for the categories Best Digital Transformation Program of the Year and Customer-Centric Energy Company of the Year at The Diplomat Bucharest and Energy CEO Forum & Awards Gala 2020.

Our clients already use online services dedicated to network connection - by initiating the process from the account created on the site, by real-time tracking and by online audiences with our consultants. There is a lot of other information that customers can access online, such as a real-time outage map or smart meter installation plan, tutorials, frequently asked questions, and other pages dedicated to different types of customers and their specific needs.

Recognizing our digital direction is important, especially because it can inspire transformation in other areas of the energy sector. The energy transition needs the mobilization of all actors.





Innovation and digital transformation

EU8

Open Innovability

As innovation is central to our vision, mission and strategy, building on the concept of Open Power to address the challenges and changes taking place in the energy sector, a new concept has been created - Open Innovability.

The Open Innovability concept combines innovation and sustainability as fundamental and interdependent. Sustainability cannot be achieved without continuous innovation and innovation is meaningless if it is not directed towards sustainability. Innovation is not only understood in terms of technology, but also in terms of creating an innovation ecosystem (network of experts, ideas, resources) and a culture of innovation within the Company. We therefore encourage a systemic approach to transforming our business, encouraging innovation at both organisational and operational levels.

In this regard, the Company implements programs and activities that aim to develop an innovation-oriented organisational culture by providing training in collaborative methods and organising facilitated processes to improve or develop new products, services or organisational processes,

contributing to the People Centricity pillar undertaken by the Company to be more oriented towards both customers and employees. In addition, our employees have access to Agile or Design Thinking methodologies that help them take a dynamic approach to the projects they are involved in.

Transforming our operations

The intensive modernisation work on the distribution infrastructure is also aimed at increasing the digital transformation capacity of our business, a transformation that focuses on two levels: the installation of remote-control systems and the integration of smart meters, two conditions of smart distribution networks.

The remote-control system is a state-of-the-art technology allowing the remote control of the switch-off and manoeuvre devices on the power grid. By implementing this technology, we considerably reduce the duration of power outages and the time it takes to fix faults, eliminating the need for on-site intervention teams.

Innovation and digital transformation

The smart metering system available in the refurbishment networks includes, in addition to the metering function, data concentrators, connected to the transformer substations, which allow the collection of information from the meters. Data collected in this way enables detailed network analysis and provides a strategic advantage when deployed in areas or network segments that are performing below accepted quality.

In addition, smart meters help protect consumers against overvoltage. A meter that actively communicates to the central system can provide valuable information on the location, type and extent of possible network incidents, reducing intervention time and inconvenience to customers as some interventions can be performed remotely.

Smart meters make it easier for customers to track their energy consumption and make decisions that can lead to energy optimisation.

In terms of smart meter installation, our companies are leaders in the top Romanian Distribution Operators, exceeding ANRE targets.

	2020 Targets	2020 Results	Total number of customers with SM
E-Distribuție Muntenia	80,425	101,998	435,632
E-Distribuție Banat	49,311	59,689	261,318
E-Distribuție Dobrogea	40,944	59,400	235,161
Total	170,680	221,087	932,111

*According to ANRE Decision no. 778 of 08 May 2019 on the approval of the implementation schedule of smart metering systems at national level for the period 2019-2028

Innovation and digital transformation

Drones, a frontier for innovation

We want to access the latest technologies to transform our distribution networks for the future. Therefore, we introduced the use of drones to reduce inspection time on overhead power lines. This optimised the work and allowed us to obtain suggestive remote images of power distribution installation components, thus facilitating the execution of work without field travel, reducing waiting time for troubleshooting, and increasing employee safety.

The use of augmented reality glasses also allows real-time visualisation of operations performed by contractors/electricians, helping to prevent human error and avoid workplace accidents.



Innovation and digital transformation

Transforming our networks, a commitment for the future

Our investment plans for 2021 are even more ambitious than those for 2020, with investments of more than RON 880 million (equivalent to EUR 182 million) planned for the modernisation, digitalisation, and expansion of the electricity grid in Bucharest and the 10 counties where we operate.

In 2021, we will continue the process of installing remote control systems and smart metering systems, in parallel with the modernisation of low, medium, and high voltage lines and transformer stations.



Ecosystems and platforms

In the context of new climate challenges, a holistic and integrated approach to distribution is essential.

We therefore aim to go beyond the view that networks are usually designed to meet local needs, which requires their development in a spirit of autonomy and independence, treating these infrastructures as independent entities according to local specificities.

Thus, we aim to integrate our networks into a “platform” system suggestively called Grid Blue Sky with two objectives:

- **Create an ecosystem that delivers business processes and solutions through the platform to improve the economic and service performance provided to customers**
- **Developing a new network model designed to improve the context in which we live, both in the short and long term**

While innovation, digitisation and automation contribute to the flexibility and resilience of distribution networks, the platform model will help to improve the quality of service in urban and rural contexts, which is beneficial for both the end consumer and the distribution system.

The new platform offers a revolutionary way of understanding networks, combining distribution infrastructure with technology and data power. Grid Blue Sky is a project that makes the Enel Group, through its Distribution companies, a pioneer in the field of innovation and digitisation and will become the core of our business.

The platform will also have an integrated customer portfolio and business process management component ensuring, through artificial intelligence, the simplification of the management and assignment of requests and the standardisation of activities. Business process management will be data-driven, fast and automated, generating valuable information for process optimisation to protect revenue, reduce business losses, exploit synergies and interdependencies of internal information, and incorporate data from external sources.

The aim of the platform is to ensure the full integration of sustainable development principles throughout the electricity value chain. An analysis of the Blue Sky Grid project carried out in 2020 sought to determine which Sustainable Development Goals (SDGs) the project can best contribute to. The results of the analysis showed that the platform will

have a major impact in reducing greenhouse gas emissions (partly resulting from a major effort to digitise processes) and structuring new data sets that will serve as new assumptions in the development of new technical solutions.



4.3 An environmentally friendly distribution system

Reducing power consumption

GRI 302-1, 302-4

Global population growth and technological progress have led to a steady increase in global energy consumption year on year. The challenge for our companies is therefore to provide access to electricity to as many users as possible while reducing energy consumption.

The main energy consumers in our companies are the administrative headquarters and energy assets (substations and transformer stations, surface power lines, etc.).

We are working on improving energy efficiency in our companies in the light of the new climate targets set by the

Paris Agreement and the European Green Deal. Our decisions have a direct impact on internal investors, management, and employees, as well as external stakeholders: local authorities and local communities, so we are committed to maintaining the quality of our services while improving energy consumption in the distribution business.

Total electricity consumption across the organisation was over 26,000 MWh in 2020, split between our companies as follows:

E-Distribuție Banat
10,377 MWh

E-Distribuție Muntenia
9,177 MWh

E-Distribuție Dobrogea
6,808 MWh

Reducing power consumption

To run our electricity distribution business optimally, we use a range of consumables that also have an impact on the environment.

We thus closely monitor the use of these materials, such as diesel consumption or other necessary consumables required by lubrication equipment, such as hydraulic oils, turbine oils, compressors, tools, etc., ensuring their efficient use.

Another consumable required for the activity is dielectric mineral oil generally used as an insulator in electrical equipment, e.g. transformers, switches, capacitors, etc.

Other types of materials consumed include anti-vegetative and anti-freeze agents as well as carbon dioxide.

	Diesel consumption (t)	Consumables (dielectric oils and lubricants, other) (t)	Diesel consumption (t)	Consumables (dielectric oils and lubricants, other) (t)
	2020		2019	
E-Distribuție Banat	9.86	11.98	12.60	7.53
E-Distribuție Dobrogea	11.6	13.96	75.85	18.63
E-Distribuție Muntenia	20.65	0.4	19.85	1.6

Reducing power consumption

We have implemented several actions to reduce energy consumption, increase energy efficiency and improve environmental impact.

We have thus been able to achieve significant energy savings of around 84,254 GJ in 2020, thanks to maintenance and modernisation of stations and substations, as well as replacement of power equipment and transformers, restructuring and modernisation of transformer stations and installation and use of smart meters.

At the level of each company, in 2019 and 2020, we reduced energy consumption as follows:

	E-Distribuție Banat	E-Distribuție Dobrogea	E-Distribuție Muntenia	Total
2019	51,709 GJ	32,293 GJ	76,119 GJ	164,121 GJ
2020	28,484 GJ	21,758 GJ	34,012 GJ	84,254 GJ



Circular economy

GRI 306-2, 307-1

The European Green Deal and the Circular Economy Action Plan set new and more ambitious targets for Europe in terms of transitioning to Circular Economy models.

Circular economy is a new paradigm and is being established, at all levels and in all geographical areas, as a real solution for bringing together innovation, competitiveness, and environmental sustainability to meet today's major environmental and social challenges.

The Enel Group has started its transition towards a sustainable business model, with a decisive acceleration of the decarbonisation process through the development of renewable sources and has adopted the concept of circular economy as a strategic driver. In a business based on circularity models, the use of raw materials is ideally zero or extremely low. It is a process that can be achieved through approaches and business models that contribute to environmentally sustainable innovation, whose impact is enhanced by new technologies and digitisation.

Enel distribution companies positively support and integrate the principles of the circular economy for sustainable and innovative development.

Applying the principles of the circular economy implies a cultural shift to re-evaluate the ways we use raw materials and energy: from design to production, from use to processing of so-called "waste" to generate new life cycles.

Circular economy

The strategy towards a circular economy is characterised by re-evaluating the business along the entire value chain, starting from the design and procurement phases. The vision of the circular economy is based on the 5 pillars, which define the areas and methods of implementation:

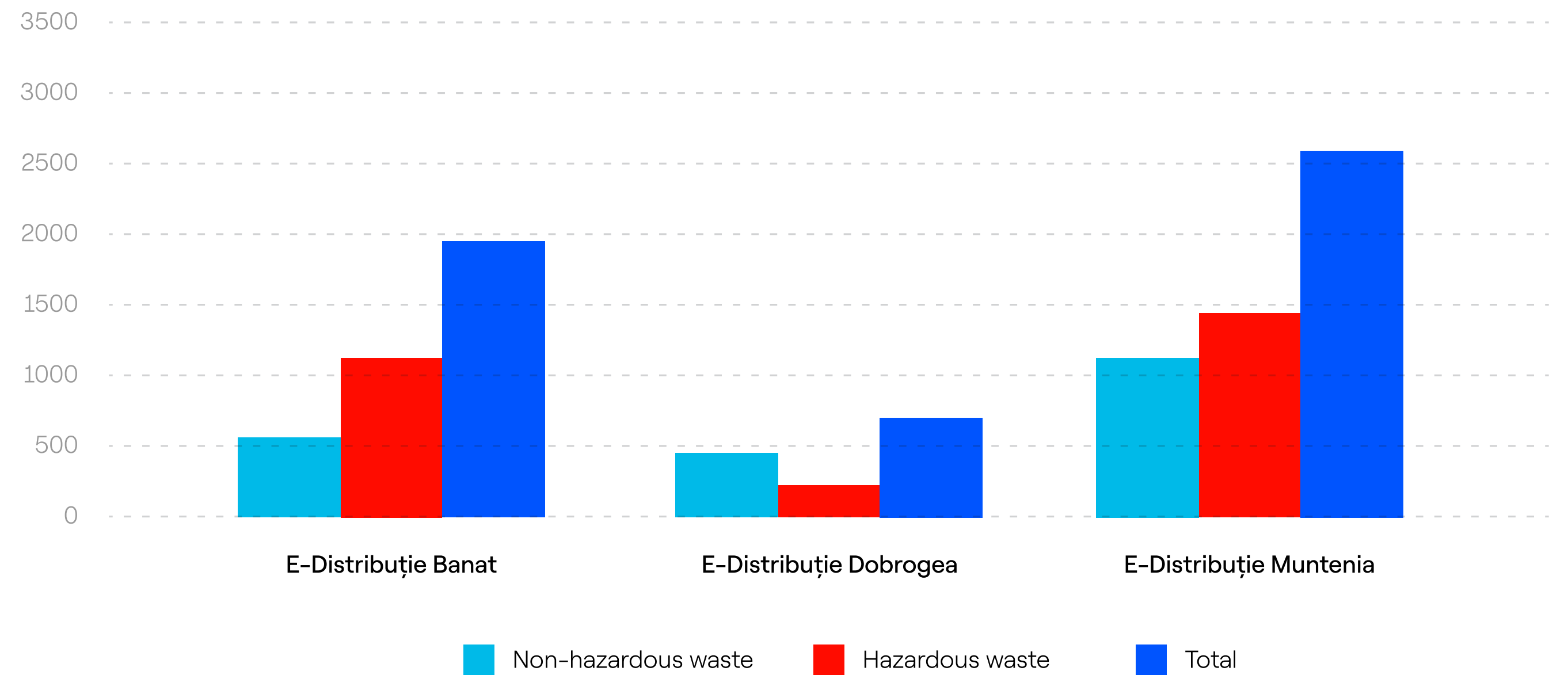
- Circular inputs: from renewable, reuse, recycle;
- Product Life extension: Extending life through design, maintenance and repair;
- Sharing Platforms: increase usage rates through shared use or access;
- Product as a service: sell to clients a service instead of a product;
- New life Cycles: maintain value through upcycling, reuse and recycling.



Circular economy

In our companies, waste generated in the electricity distribution business is managed in accordance with environmental protection legislation and in line with our implemented and certified integrated waste management system.

All categories of waste generated are described in the Waste Management Plan based on which a Waste Management Program, a set of measures to prevent and reduce the amount of waste generated, has been drawn up.



Circular economy

Hazardous waste, such as the insulating oil used in transformers, is subject to regular chemical analysis to determine the content of PCBs (polychlorinated biphenyls) whose concentration in hazardous waste is limited by law. Analyses of hazardous waste generated by our companies have shown PCB content below the maximum values allowed by law.

In 2020, more than 90% of the hazardous waste produced was recycled or recovered. The main hazardous waste products mainly comprise of dielectric mineral oils used in the insulation of electrical equipment and end-of-life accumulators used as energy reserves in transformation stations. Oils are sent to authorised waste-to-energy companies for regeneration and treatment where regeneration is not possible. Accumulators are sent to authorised companies that can recover secondary raw materials.

In addition, our companies have signed a free cooperation protocol with the Recolamp Association and the Ecotic Association to collect categories of waste coming from light

sources, such as small WEEE (Waste Electrical and Electronic Equipment) and alkaline batteries. To fulfill the purpose of this Protocol, Green Corner containers and stands for waste collection have been installed in a visible place at the premises of our distribution companies. The WEEE category also includes electrical meters waste which is shredded using a shredder before being handed in for recovery.

We therefore encourage the development of a business model that integrates the principles of the circular economy, striving both to limit the amount of waste generated and to increase the amount of waste recovered relative to the amount generated.

	Hazardous waste generated (t)	Hazardous waste recycled or recovered (t)
E-Distribuție Banat	1,176.51	1,088.51
E-Distribuție Dobrogea	277.85	277.57
E-Distribuție Muntenia	1,645.16	1,625.42

Circular economy

All waste generated by our companies, regardless of its type, is either recovered or disposed of through economic operators authorised to carry out collection, transport, treatment, recovery/disposal activities who hold environmental permits issued by the Environmental Protection Agencies and approved annually. Contracts are awarded following calls for tenders in which the bidding firms are chosen based on transparent and non-discriminatory criteria.

The entire waste management process is closely monitored both internally, as our companies are required to report on this issue to the Enel Group's International Division, and externally, through regular mandatory reporting to the Environmental Protection Agencies or the Ministry of Economy.

	Expenditure on non-hazardous waste (RON thousands)	Hazardous waste expenditure (RON thousands)	Covid-19 waste management expenditure (RON thousands)	Revenue from the sale of waste (RON thousands)
E-Distribuție Banat	63,897	7,535	110,902	824,436
E-Distribuție Dobrogea	-	44,782		727,040
E-Distribuție Muntenia	-	9,041	21,334	2,557



Protecting biodiversity

GRI 304-1, 304-2

We are promoters of a sustainable business model whose goal, beyond financial performance, must be and is to bring value to its community, including by protecting biodiversity. Committed to meeting the 2030 Agenda for Sustainable Development Goals, we are also committed to respecting biodiversity in the conduct of our activities, in line with Development Goal 15 "Life on Earth".

We are also actively involved in many environmental initiatives, such as the protection of birds on the Red List of the International Union for Conservation of Nature (IUCN) (White Stork, Danube Falcon, Dalmatian Pelican, *Coracias garrulus*) and the conservation of natural habitats in the Danube Delta Biosphere Reserve, a UNESCO-protected area in Romania. We are also partnering with the DANUBE parks CONNECTED project.

One of our biodiversity conservation projects is dedicated to protecting the White Stork, which uses electricity poles and house roofs as nesting sites, as electrocution is one of the threats to this species in nesting areas. The white stork is a protected species, and the estimated population of white storks is between 180,000 - 220,000 pairs in Europe, while

in Romania they have been estimated at 4,000 - 5,000 pairs. The first step in helping this protected species is to identify the exact number of nesting pairs and their chicks. To this end, in partnership with the Romanian Ornithological Society (SOR), we have developed since 2017 a mobile application that collects rigorous data on the nesting of white storks in Romania, involving both E-Distribuție field specialists and the public. The stork census is a citizen science project carried out at national level with the help of all those who want to contribute to the protection of this species.

The project aims to identify areas with a high potential electrocution hazard for storks, so that our companies can take measures to protect the birds, as well as the power grids, such as installing nest supports or power line insulators. These measures are also aimed at consumer convenience, by reducing breakdowns and grid interventions caused by the presence of birds. In addition to actively participating in the stork census, our employees also analyse the situation of low voltage poles in several localities in the counties of Tulcea, Constanța, Ialomița, Călărași and Giurgiu. Over 4,800 nests were surveyed using the app during 2020.

Protecting biodiversity

As part of the LIFE Danube Free Sky project, which aims at transnational conservation of birds along the Danube River. E-Distribuție Dobrogea, with the direct support of the Danube Delta Biosphere Reserve Authority (DDBRA), implements various solutions on overhead power lines to protect wild bird species.

In recent years, similar solutions have been implemented to protect the environment and wild bird species from collision and electrocution with power lines.

Measures adopted include:

- replacement of overhead lines with underground cables;
- replacement of classic conductor cables with twisted cables;
- fitting electrically insulating sheaths on medium and high voltage lines;
- adoption of bird-friendly medium-voltage pole canopies;
- installation of special brackets (nests) on low and high voltage lines to protect birds.

So far, we have installed over 800 metal supports for stork nests, insulated over 6,000 poles and installed over 2,000 insulating covers in the Banat, Dobrogea and Muntenia regions, investing over €140,000 in these efforts in 2020 alone.

Another relevant partnership of the E-Distribuție companies is with the Romanian Landscape Association – AsoP. Together they started a campaign to increase the quality of green spaces within the localities by protecting trees, thus trying to create true green infrastructures, essential to the urban environment. We therefore aim to raise awareness of the importance of vegetation management, both from an environmental and air quality perspective, but also from a business perspective, being aware that good vegetation management reduces the risk of breakdowns and therefore reduces the incidence of interruptions to consumers' electricity supply. The project targets communities in

the Dobrogea, Banat and Muntenia regions served by our companies.

The campaign kicked off with a course on urban arboriculture held from 29 to 31 October 2020 in partnership with the Directorate of Public Administration of the Municipality of Slobozia and was aimed at employees of the institution. It covered both theoretical aspects of vegetation management in the urban environment and practical aspects such as visual analysis of trees, the use of Green Register applications or specialised investigations such as tomography or wood strength measurements. The course also involved pruning interventions in the tree canopy of the Municipality of Slobozia, under the guidance of AsoP Romania specialists and internationally certified arborists, representatives of the Romanian Arboriculture Association.

Protecting biodiversity

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

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



05

E-Distribuție activity

5.1 Our Business

- Electricity distribution
- Our operational performance
- Supply Chain

5.2 Responsible employer

- Working environment in line with company values
- Diversity, equality and inclusion
- Employee satisfaction
- Development and improvement in the workplace
- Health and safety at work

5.3 Our partners

- Responsible relations with our partners
- Partnership with local public authorities
- Customer Engagement



Our business

Electricity distribution

E-Distribuție operates the electricity network in three areas of the country - Banat, through the network operator E-Distribuție Banat (in Timiș, Arad, Hunedoara, and Caraș-Severin counties), Dobrogea, through the network operator E-Distribuție Dobrogea (in Constanța, Călărași, Tulcea and Ialomița counties) and Muntenia, through the network operator E-Distribuție Muntenia (in București, Ilfov and Giurgiu).

Every year our companies distribute around 15 TWh of electricity over more than 130,000 km of network - underground and overhead power lines, high, medium, and low voltage.

We are responsible for the continuity of electricity supply service for 3 million customers and have meter-related responsibilities - regular reading, replacement in case of faults or as per upgrade plans.

Our networks include 398 transformer stations and 23,958 transformer substations, totalling 22,285 MVA total power.

The services we offer are:

- **Grid connection, i.e. connecting customers to the electricity distribution network;**
- **Distribution of electricity to customers connected to the grid according to certain characteristics (e.g., power and voltage);**
- **Metering, which covers installation and maintenance of meters, monitoring and reporting of electrical measurements.**

Our activity

Elements of the network operated

by E-Distribuție Banat

- 122 transformer stations
- 8,502 transformation stations
- 6,626 MVA power in substations and transformer stations

Elements of the network operated

by E-Distribuție Dobrogea

- 206 transformer stations
- 6,318 transformation stations
- 6,619 MVA power in substations and transformer stations

Elements of the network operated

by E-Distribuție Muntenia

- 70 transformer stations
- 9,138 transformation stations
- 9040 MVA power in substations and transformer stations

Customers of our companies

Electricity distributed	Residential customers	Business customers	Total
E-Distribuție Banat	853,029	74,177	927,206
E-Distribuție Dobrogea	614,941	51,824	666,675
E-Distribuție Muntenia	1,300,148	75,679	1,375,827

Amount of energy distributed in 2020 by our companies (MWh)

Electricity distributed	High Voltage	Medium Voltage	Low Voltage	Total
E-Distribuție Banat	535,364	1,556,451	2,240,557	4,332,373
E-Distribuție Dobrogea	916,557	1,020,009	1,820,670	3,757,236
E-Distribuție Muntenia	250,204	2,886,402	4,117,059	7,253,665



Our operational performance

GRI EU 6, EU 10, EU 7, EU 12, EU 27, EU 28, EU 29

The performance standard applies to relations between distribution system operators and users of the electricity distribution system who meet certain requirements, including the obligations of operators in the event of planned and unplanned outages. It also includes information on the technical quality of electricity and the commercial quality of the distribution service, the connection to the distribution network, the contracting of the distribution service and the compensation granted by the distribution operator for non-compliance with the deadlines imposed by the standard.

The most important performance indicators reported by our company are SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) which are annual averages of interruption duration and frequency per customer, respectively.

To better monitor our performance indicators, we use new analytical tools, such as the Way to SAIDI action program, to identify the interventions with the greatest impact on service quality.

To improve the performance of our networks, we have

also installed new equipment that can operate as much automatically or integrated and can be controlled remotely. This reduced the number of customers affected by the same fault and the time it takes to get electricity back.

Our operational performance

All these measures have improved the performance of our networks, so that the unplanned SAIDI and SAIFI indices have improved annually since 2014, as shown in the tables.

As we continued to invest in grid modernization in 2020, our companies remain the leaders among electricity distribution operators in Romania. In 2020, the SAIDI unplanned outage index was below the national average.

SAIFI index – continuity in electric energy distribution

	SAIFI 31.12.2020	SAIFI	Cumulated	Accomplished vs Planned (cumulated)
EDB	monthly	accomplished	3,9	-18%
	cumulated	planned	4,7	
EDD	monthly	accomplished	3,9	-7%
	cumulated	planned	4,2	
EDM	monthly	accomplished	2,9	-19%
	cumulated	planned	3,6	
Romania	monthly	accomplished	3,5	-16%
	cumulated	planned	4,1	

SAIDI index – continuity in electric energy distribution

	SAIDI 31.12.2020	SAIDI	Cumulated	Accomplished vs Planned (cumulated)
EDB	monthly	accomplished	164	-32%
	cumulated	planned	240	
EDD	monthly	accomplished	135	-21%
	cumulated	planned	171	
EDM	monthly	accomplished	120	-16%
	cumulated	planned	143	
România	monthly	planned	137	-24%
	cumulated	planned	180	

Our operational performance

Access to the distribution network

We ensure non-discriminatory access to our distribution network so that we provide adequate services for handling and processing user requests and take the necessary measures to ensure a secure connection within the parameters set by the performance standard.

We present the total number of residential disconnections for non-payment in 2020 and the average reconnection time for the consumption site after notification of payment issued.

Total number of residential disconnections for non-payment, 2020	
E-Distribuție Banat	2,185
E-Distribuție Dobrogea	1,879
E-Distribuție Muntenia	5,094

Our operational performance

Average reconnection time (days) for place of consumption after payment notification issued (all user types), 2020

We are working hard to improve access to electricity for our current and potential customers.

Thus, we continue the annual analysis of the network load (based on historical values) and the forecast of load evolution for the next 5 years aiming at identifying contingencies and critical points of the network, formulating action plans to eliminate them.

We continue to allocate funds as a priority for co-financing all network extensions requested by the local and central authority provided that the legal and technical criteria are met.

Average reconnection time (days) for place of consumption after payment notification issued (all user types), 2020

OD	Voltage level	Total average time by year
E-Distribuție Banat	Low Voltage	1.31
	Medium Voltage	1.00
E-Distribuție Dobrogea	Low Voltage	0.99
	Medium Voltage	6.45
E-Distribuție Muntenia	Low Voltage	1.53
	Medium Voltage	0.63

Our operational performance

We also continue to streamline our distribution system. In 2020, own recorded technology consumption decreased by more than 9.5% in each of our companies compared to the values recorded in 2019.

Own technology consumption in 2020 by our companies

	Annual total				
	Unit of measurement	High Voltage	Medium Voltage	Low Voltage	Total
E-Distribuție Muntenia	MWh	48,592	237,263	589,653	875,508
	%	0.56 / 0.57*	2.98 / 3.20*	12.5 / 13.75*	9,76
E-Distribuție Banat	MWh	36,643	132,286	326,310	495,239
	%	0.68 / 0.61*	3.07 / 3.33*	12.69 / 13.01*	8,86
E-Distribuție Dobrogea	MWh	86,948	142,860	253,596	483,404
	%	1.62 / 1.57*	4,16 / 3,99*	12,18 / 12,42*	8,59

* Romanian Energy Regulatory Authority targets for own technology consumption in 2020



Simona Trofin
**Manager Procurement
Infrastructure & Network
Romania**

„Within the procurement department, sustainability has become a way of thinking that is transposed into daily activity through the culture we promote and to E-Distribuție suppliers, both in the public procurement process and in those which we organize based on the internal procedure.

To achieve this goal in the evaluation of tenders, we consider a fair and clear involvement in the direction of sustainability, supporting a circular economy, but also social sustainability, such as the use of low-carbon electric cars and youth employment.”

Supply chain

GRI 308-1, 308-2, 414-1, 414-2

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

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

Supplier qualification system

At Group level, Enel has created a “Supplier Qualification System”, which has also been implemented in E-Distribuție companies. It allows the accurate selection and evaluation of companies that intend to participate in procurement activities.

Technical, economic and financial, legal, environmental, safety, human rights and integrity aspects are assessed to ensure an adequate level of quality and reliability.

Each supplier is qualified for one or more specific categories of goods, and eligibility for qualification is granted only when

the results of the assessment show that all the criteria set for that category are met.

The evaluation covers three main areas:

Health and Safety: “Safety Self-Assessment” allows our companies to easily convey key requirements to their suppliers, and in 2018 it became an integral part of the sustainability requirements for assessment;

Environment: the environmental assessment criteria differ according to the category of equipment and the associated risk level on a scale from 1 to 3. When a high environmental risk is identified, ISO 14001 certification or equivalent is always required. Furthermore, for these categories of equipment, an on-site audit at the contractor’s premises/site is always required. As part of the qualification process, we have introduced a specific assessment of environmental requirements, in addition to the usual checks, for suppliers who will be registered in the Supplier Registry;

Human Rights: taking a prudent approach, aligned with the rules of the Group to which we belong, our companies assess suppliers on human rights, regardless of the risk level, through

a dedicated questionnaire that analyses the characteristics of potential suppliers in terms of inclusiveness and diversity, protection of workers’ privacy, verification of the supply chain, forced or child labour, freedom of association and collective bargaining and fair working conditions (including fair wages and hours worked). Since 2019, additional screening questions have been included in the questionnaire for a more accurate assessment of the potential supplier.

As in 2019, in 2020 all qualified contractors were assessed against social, environmental and safety criteria.

Supply chain

Auction system

Enel Group's tendering process includes a specific "key sustainability factor (K)" that includes environmental, safety and social components. These components, used by our procurement units in tender processes, evolve annually and show our commitment to transition to a sustainable business model manifested throughout the value chain. The main elements considered in tender processes are:

- **Environmental Ks: implementation of specific standards and certifications, waste management, carbon footprint assessment; circular economy projects;**
- **Safety Ks: implementation of specific standards and certifications, monitoring the main safety indexes;**
- **Social Ks: e.g., hiring staff in a state of unemployment/redundancy/mobility or young first-time jobseekers, or conducting social projects.**

In 2020, the sustainability K-factor was applied in all 14 tender procedures, resulting in contracts with 14 suppliers worth almost €2 million.

Performance management of our suppliers

There is a dedicated procedure for determining our suppliers'

performance level within our companies, which is based on systematic reporting of data and information on the execution of work defined by contract according to specific indicators internally called "Categories" (quality, punctuality, health and safety, environment, human rights and equity, innovation, collaboration). These categories are combined to form a weighted average and produce the Supplier Performance Index (SPI). Performance categories and indices may be used as evaluation elements for participation in tenders and for continuing the contractual relationship in accordance with applicable local requirements.

For poorly performing suppliers, our companies can use various levers that can have an impact on:

- **The qualification system (e.g., suspending the qualification, reviewing the application class, placement on the blacklist, exclusion from the list of qualified suppliers, etc.);**
- **The contract (e.g., further investigation, improvement plan, contract termination, reduction in volumes, etc.). If critical issues arise in a supplier's behaviour, an action plan can be jointly developed, and its execution constantly monitored.**

In addition, while carrying out its activities, if one of our suppliers acts on behalf of Enel in a way that is not in line with the general principles of our Code of Ethics, our companies may take all necessary measures, including refusing to work with that supplier in the future.

5.2 Responsible employer

GRI 401-1, 401-2,

Working environment in line with company values

The working environment in our companies is governed by our Code of Ethics and Diversity Charter. The Code of Ethics lays down criteria of conduct for the recruitment of staff and contains provisions regarding the rights and duties of employees.

Thus, the recruitment of our future employees is based on the correspondence between the candidates' profiles and those sought, considering the company's requirements. The principle of equal opportunities is one of the core values of our recruitment policy and the recruitment process is conducted with the highest respect for the lives and personal views of candidates.

Our Human Resources Department is empowered to take all measures to avoid situations favouring nepotism or clientelism during the selection and hiring period. In addition, we avoid entering into employment agreements or service agreements with employees of companies that audit our companies' financial statements.

The recruitment process therefore excludes any form of

discrimination, and we favour flexible working arrangements that can facilitate periods of maternity and childcare, thus promoting an inclusive working environment.

Our employee appraisal process involves all stakeholders, collecting information on employee performance from both line managers and others who have worked with the employees being appraised.

Furthermore, our managers have an obligation to develop and improve the professional skills of their employees to ensure the growth of their professional skills and to communicate all strengths and weaknesses of employees so that they can improve their skills through specialised training.

Our employees' performance appraisal is therefore an annual process that is carried out according to internal procedures aimed at objectively assessing how employees have fulfilled their objectives/tasks based on the appraisal criteria and usually includes the following steps:

- **Assessment by the employee's direct supervisor;**
- **Meeting between the appraiser and the appraised employee to discuss the results achieved and, if necessary,**

the future actions required to continue to properly perform the specific tasks in the job description;

- **Counter-signing the evaluation sheet.**

Evaluating the individual performance of our employees allows us to determine where and how we can improve them and how we can increase their performance.

We thus ensure access to jobs and positions on the sole basis of professional criteria and merit considerations through a transparent process in line with the professional ambitions of our employees.



5.2 Responsible employer

Our employees organised in trade unions

We pay particular attention to the relationship with the trade union, which makes it possible to engage in dialogue, to get to know the expectations of employees, to address and discuss important issues and to negotiate appropriate solutions in an effective and collective manner.

Our employees are protected by collective labour agreements in the event of collective redundancies because of restructuring, reorganisation, operational closure of internal parts or the entire business or liquidation.

Our companies are required to provide information on the number and structure of posts to be reduced, the reasons for the reduction in salary bases and possible redeployments.

According to the collective bargaining agreement and the Labour Code, our companies are required to notify the union of their intention to make collective redundancies at least 30 calendar days before issuing redundancy decisions. Also, in case of termination of the individual employment

agreement at the initiative of one of our companies, it is required to give 20 working days' notice.

Collective bargaining is initiated by our companies 45 calendar days prior to the expiry of collective agreements. If one of our companies has not initiated negotiations, the initiative may also belong to the trade union organisation through a request which we are obliged to follow up within 10 calendar days of its communication.

The duration of the negotiations may not exceed 60 calendar days unless the participants in the negotiations agree to an extension.

5.2 Responsible employer

Our employees in figures

Our companies have over 2,500 employees with a wide variety of specialisations - engineers, electricians and several non-technical colleagues.

They are employed for an unlimited period or for a temporary period, depending on our projects and needs.

At the end of 2020, 77 of our employees had a temporary employment agreement.

		2018	2019	2020
E-Distribuție Banat	Number of employees by the end of the year	700	761	798
	Number of new employees	7	62	43
	Number of employees with temporary agreement	0	42	29
E-Distribuție Muntenia	Number of employees by the end of the year	908	993	1075
	Number of new employees	40	97	142
	Number of employees with temporary agreement	0	49	129
E-Distribuție Dobrogea	Number of employees by the end of the year	597	643	671
	Number of new employees	17	64	22
	Number of employees with temporary agreement	0	36	9



Diversity, equality and inclusion

GRI 405-1, 406-1

The recruitment and promotion process of our employees respects the principle of diversity and equality. We promote an inclusive working environment, ensuring visibility to all groups regardless of gender, ethnicity, culture or any other component of their identity.

Our team is made up of people with various professional and cultural backgrounds - all Enel Group companies are signatories of the Diversity Charter. It aims to motivate signatory companies to recognise the benefits of integrating diversity into business practices.

Since 2019, the Enel Group has joined the global "Valuable 500" movement, which calls for the participation of 500 private companies to promote the value that people with disabilities around the world can generate socially, economically and business-wise. The Value for Disability project was launched as part of the movement in 2020.

In this context, we adopted in December 2020 a Disability Inclusion Plan, a programmatic document reflecting the four pillars of the project, starting from the main barriers faced by people with disabilities to access employment:

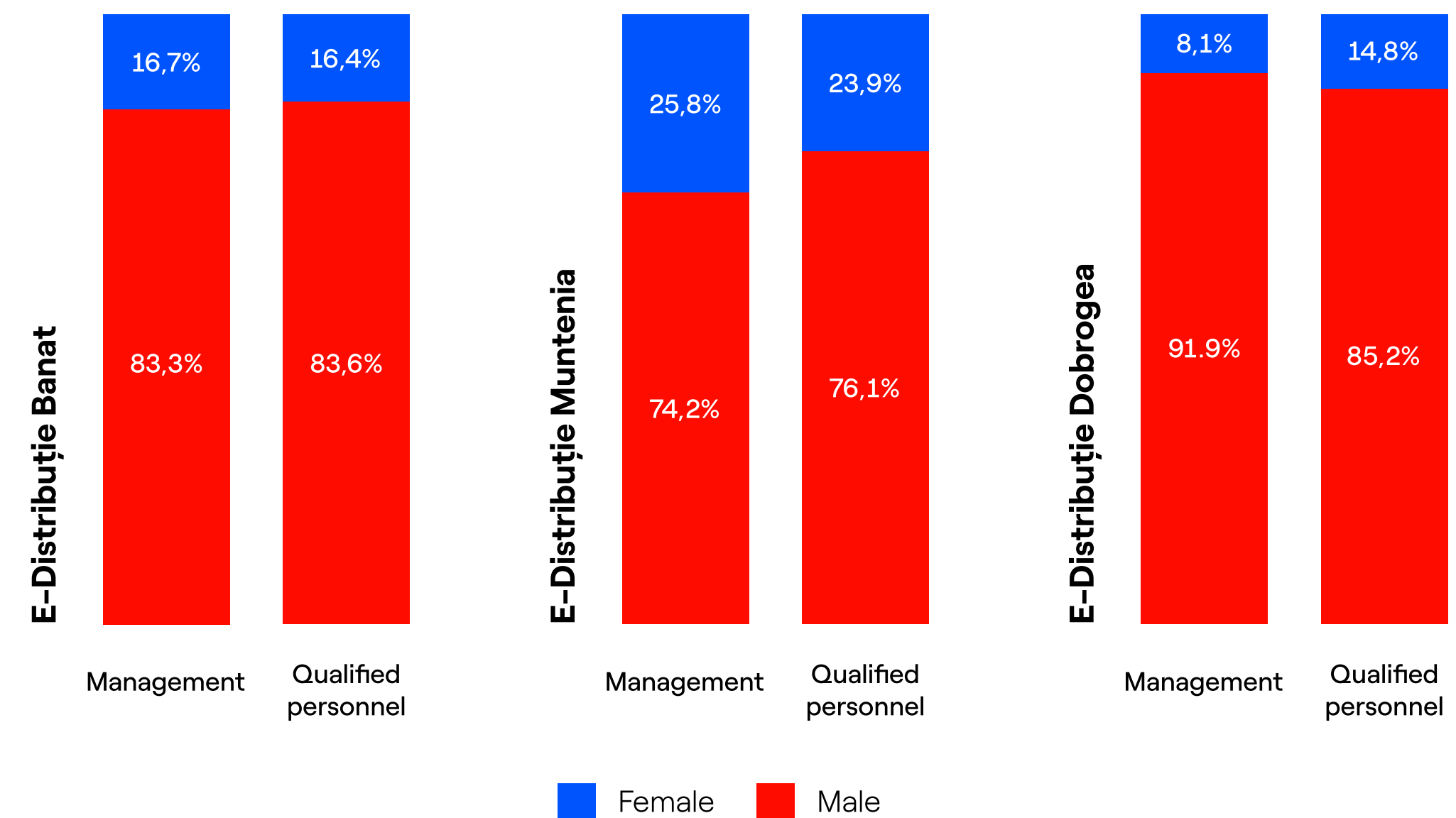
- [Inclusion of people with disabilities](#)
- [Organisational culture](#)
- [Digital Accessibility](#)
- [Physical accessibility](#)

Our companies' diversity in 2020 figures

The four pillars also reflect the guidelines for our future actions to facilitate access to available positions in our companies:

- Increase internal capacity to address diversity, equity and inclusion in order to respond effectively to the specific needs of colleagues and clients with disabilities;
- Organise training to raise awareness among stakeholders on disability employment opportunities, accessibility and reasonable accommodation, with a view to creating the premises for an inclusive environment for colleagues with disabilities and designing offers and services dedicated to customers with disabilities;
- Providing an inclusive environment where everyone feels part of the whole;
- Ensuring equal opportunities in terms of physical and digital accessibility.

Gender distribution of the E-Distribuție personnel



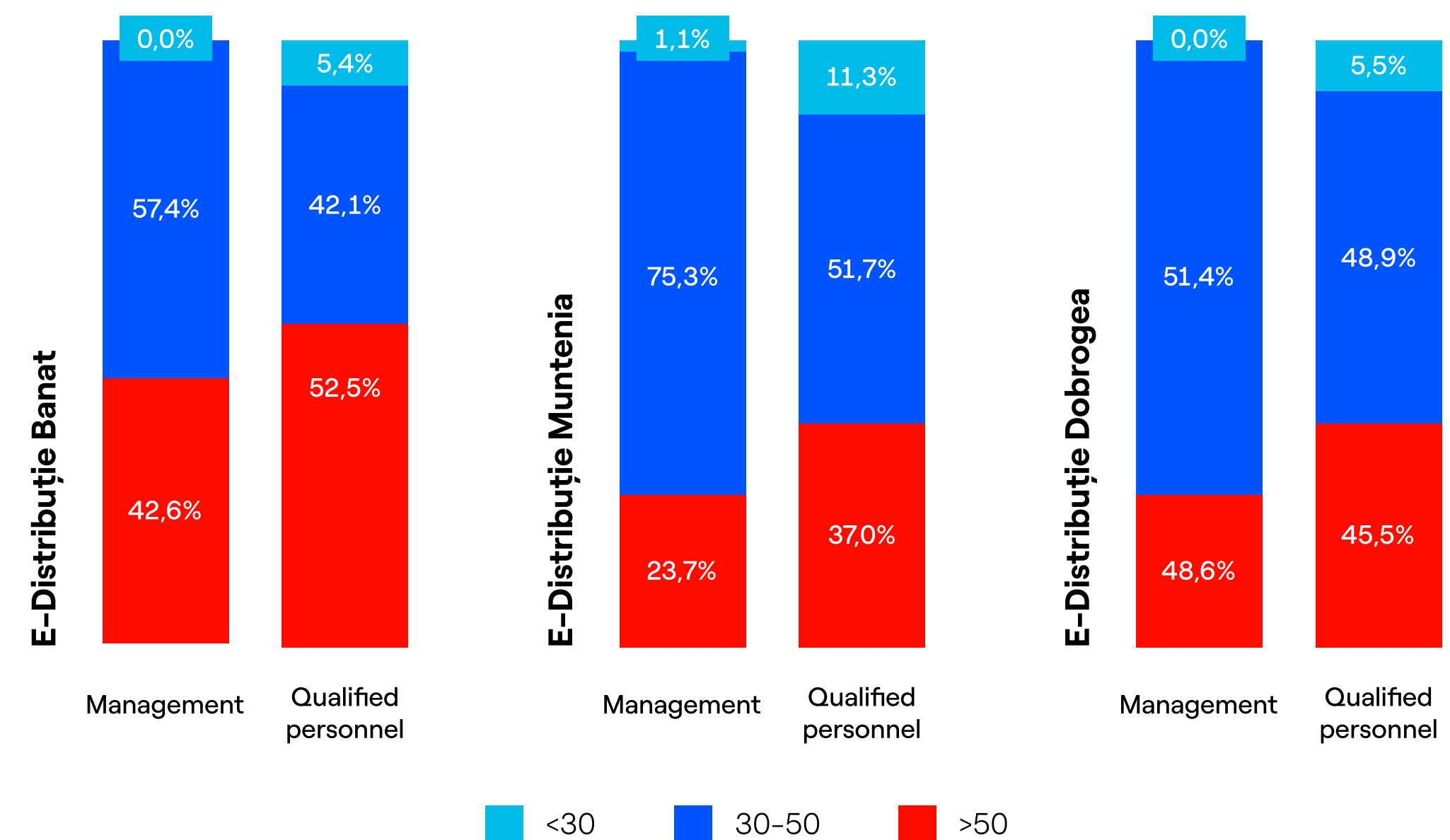
Our companies' diversity in 2020 figures

Identifying the needs of people with disabilities from the perspective of both clients and employees was carried out with the support of experts from the disability community through a partnership with the Foundation for the Development of Civil Society (FDSC) and the Federation of Non-Governmental Organizations for Social Services (FONSS).

As part of the Value for Disability project, the study "Inclusive Companies for People with Disabilities" was published to guide employers in understanding the concept of sustainability, educating about the benefits of including people with disabilities in their teams, and the regulatory framework specific to this sector.

We therefore make great efforts to promote an inclusive work environment and have zero tolerance for any discrimination and harassment based on ethnicity, race, gender, political, religious or any other grounds in both the hiring and promotion process and in the day-to-day activities of our employees. Such abuses should be reported to our Internal Audit Department or Group management.

Age distribution of the E-Distribuție personnel



Responsible employer

Employee satisfaction

Our employees' satisfaction is very important to us, so we regularly conduct surveys to measure satisfaction levels and understand how we can better meet their needs and desires.

According to the latest survey conducted in 2020, 79.1% of our employees said they were very satisfied with their work, feeling that their daily activities motivate them to find the best solutions and that they are sufficiently involved in decisions on how to organise their work. 15.7% of employees who responded to the survey said they were only satisfied with their work, while 3.3% were very dissatisfied with the way their work is currently organised.

When asked about well-being at work, 58.2% of our employees felt that their daily activities allow them to maintain a healthy work-life balance, 25% of them consider themselves quite

satisfied with this balance, and 12% of them say that work-life balance is not always maintained.

Survey respondents say we should improve the way we manage workload at team level. In addition, they say they would like more flexibility in their timetable and a better understanding of their needs.

In addition, our employees would like more support in maintaining their physical and mental health and, in the context of remote working, ergonomic equipment and guidance on the correct position at the desk.

When asked what should be changed in the way work is organised to be fully satisfied with their work, most of our employees were in favour of a better work-life balance,

primarily determined by workload, in favour of better communication in difficult moments.

Finally, our employees want to make their work more dynamic, allowing them to constantly improve and learn new things.

Responsible employer

GRI 404-1, 404-3

Development and improvement in the workplace

Development and improvement in the workplace are a firm commitment of E-Distribuție to its employees. This gives our employees access to training resources and their progress is closely monitored by line managers. We encourage and support performance and want the resources available to our employees to be the bridge between the opportunity to take on new roles and responsibilities and the preparation for them.

We know that the process of acquiring new skills is a process that can be collective or at least collaborative, especially if the process is organised within an institutional framework. Training our employees can also be an opportunity for cooperation, for creating a new network of connections based on learning experience. We encourage new ways to increase our employees' ability to work as a team and to complete work tasks efficiently.

We explore the most interesting methods for the success of our people through training, coaching, personalised learning, or technology-assisted learning. Given our digitalisation goals, the passion for innovative technologies

and methodologies we offer employees the opportunity to become better professionals through annual training courses.

Furthermore, our employees have access to more than 1000 registered courses on an internal platform. Included in this issue are technical courses, trainings, mandatory courses, soft skills, videos, and courses managed by Enel Global.

Training programs usually follow two directions to improve the professional skills and abilities of our employees:

- **Improve digital skills (e.g., using mobile terminals and specific applications for electricians, courses to improve foreign language skills (English, Italian, Spanish));**
- **Improve general employee skills: teamwork, company values, conflict and stress management, time management, leadership for employees in management positions.**

Information, coaching and training sessions in the context of the health crisis were added to the training programs in 2020. Thanks to our digital platforms, we were able to organise information sessions on how to respect barrier gestures to prevent the spread of Covid-19, as well as a series

of trainings to make it easier for our employees to adapt to the new challenges of everyday life - managing work-life balance in the context of working from home.

As we understand the importance of emotional balance for our employees, we will continue the training sessions next year. These will take the form of one-to-one coaching or counselling sessions giving our employees the emotional support they need to maintain balance in their lives.

Development and improvement in the workplace

In 2020, employees of our companies, both women and men, received 650.66 hours of training.

Company	Technical employees		Office employees		Management	
	Women	Men	Women	Men	Women	Men
E-Distribuție Banat	15.74	59.31	25.55	36.66	45.12	55.67
E-Distribuție Dobrogea	7.28	45.54	32	44.74	32.56	64.9
E-Distribuție Muntenia	32.82	39.12	20.46	16.28	36.31	40.6



Giovanni Iavarone

**Head of HSEQ Infrastructure
& Network Romania**

„E-Distribuție strongly believes in the idea that integrating safety and health considerations into our sustainability strategy can transform our organization into one that strives to protect the environment for future generations, ensure long-term economic viability and enable all people to thrive. In recent years, sustainability has become synonymous with corporate responsibility, an idea that encompasses more than environmental considerations.

From an organizational point of view, sustainability today is a union of economic, social, and environmental considerations. Occupational health and safety are part of the social responsibility component, placing thus the safety of our professionals at the heart of the sustainability strategy.

We successfully manage to be close to the families of our employees through events in which they come to see the E-Distribuție perimeter and the workplace of loved ones, through COVID-19 vaccination campaigns, as well as by getting involved in organizing Different Week program (the alternative education week organized in Romania annually) for school children.”

Health and safety at work

GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-7

We value not only the mental health of our employees, but also their physical health. The safety of our people is paramount, so our goal, now programmatic policy, is Zero Accidents. It is our responsibility to inform our employees about the risks they can expose themselves and others to and the importance of maintaining responsible conduct to prevent workplace accidents.

An important step towards achieving Zero Accidents is our "Stop Work" policy, a policy of stopping work immediately if a risky situation or dangerous behaviour occurs. In addition, we insist on immediate notification of any incident or risk of incident.

Our equipment and instruments meet health, safety and quality standards. It is important for us to ensure a safe and responsible working environment and we are doing our utmost to ensure this by cooperating with the relevant authorities and bodies.

All our employees are part of the occupational safety and health program and the activities they carry out must comply with certain standards and guidelines depending on their

nature, such as: Working methods, Own Occupational Health and Safety Guidelines / IPSSM 01 Electrical Hazards, IPSSM 02 Driving Company Vehicles, IPSSM 03 Working at Height, IPSSM 04 Ergonomics: Safety Policy and Environmental Policy.

Our Health and Safety Department and Occupational Health and Safety Internal Audit check the compliance with these occupational safety standards and guidelines by conducting assessments of each type of activity and setting inspection targets to verify compliance. All inspection results are analysed and based on the conclusions of this analysis action plans are designed to improve safety at work.

Furthermore, all accidents and incidents that occur during our companies' operations are thoroughly investigated to identify the cause of the event. Furthermore, every three months employee and employer representatives and the Health and Safety Department meet to discuss occupational health and safety issues in accordance with the rules in force and our companies' internal procedures.

In 2020, one work incident has been reported near a transforming station in 2020 with no long-term repercussions

over the health of our employee.

To avoid further accidents, we have developed advanced programs and methods to train our employees and collaborators in health and safety issues. For example, we use the Virtual Reality (VR) technology to simulate work scenarios and to train people to comply with the safety procedures.

We are therefore committed to developing a sustainable safety culture in which each of us plays an active role in achieving this goal.

5.3 Our partners

Responsible relations with our partners

The transition to a sustainable business model also requires the adoption of a cooperative organisational model. Such a model is also reflected by constant stakeholder consultation on our development directions and priorities.

One important stakeholder group is our shareholders, both current and potential. As decision-makers on the development directions of our companies, our shareholders need to have all relevant information available that can help them make informed decisions based on data, analysis, and forecasts. We therefore create the conditions to facilitate access to this information and protect their interests and those of our companies against initiatives that are not based on the principles of transparency and fairness by systematically applying the provisions of our Code of Ethics and the Enel Global Compliance Program.

We are also affiliated to several national and international networks and organizations whose missions are closely aligned to ours and towards which we contribute with experience regarding the energy transition approach, encouraging collaboration and innovation in fulfilling the Sustainable Development Objective.

- Federation of Energy Utility Companies Associations (ACUE)
- Concordia (through ACUE)
- Foreign Investors Council (FIC)
- American Chamber of Commerce (AmCham)
- Italian Chamber of Commerce in Romania (CCIPR)
- Coalition for the Development of Romania (through CCIPR)
- World Energy Council, Romanian National Committee (CNR-CME)
- Future Energy Leaders Romania (division of CNR-CME)
- Cofindustria Romania
- Aspen Institute Romania
- Energy Policy Group
- Romanian Energy Center (CRE)
- Romanian Association for the Promotion of Energy Efficiency (ARPEE)
- Institute of Energy of Southeast Europe
- The Romanian National Institute for the Study of the Management and Use of Energy Sources (IRE)

5.3 Our partners

Partnership with local public authorities

The smooth running of our business is closely linked to effective cooperation with public authorities. In this regard, we have worked to cultivate and strengthen our relationships with public authorities, which have evolved into true partnerships, overcoming the barriers of rigid institutional communication, and cultivating human relationships that have allowed us to react in a concerted manner to effectively manage crises often caused by bad weather in our distribution areas.

Severe weather conditions have a negative impact on the electricity grid causing faults that can result in customers being temporarily disconnected from the grid.

The response time to such crises is greatly reduced if the efforts of our colleagues in the field to reconnect customers are concerned with the efforts of public authorities, who have complementary communication channels to inform those affected by outages, facilitating tripartite sharing of information on progress.



5.3 Our partners

A sign of cooperation with the public authorities is the partnership between E-Distribuție Banat and the Timis Emergency Situations Inspectorate (ISU), which has provided the latter with a special 8x8 vehicle on a loan basis, enabling it to intervene in special weather conditions, both on rough terrain and on water.

This is part of a series of long-standing collaborations that our companies have cultivated with Emergency Inspectorates following joint missions in extreme weather conditions.





5.3 Our partners

Customer Engagement

We see our customers as our valued partners in the distribution business. We always keep open lines of communication with our customers as we value their opinions on the development directions of our companies. That is why we strive to diversify our communication channels with our customers, especially in the light of the social distancing regulations coming into force in 2020.

The way we inform our customers is strictly framed by our Code of Ethics. According to the provisions, this information must be:

- Clear and simple, written in a language as close as possible to the one normally used by the people to whom it is addressed;
- Compliant with current regulations, without resorting to evasive or unfair practices;
- Complete, without neglecting any information necessary for the customer to be able to make a decision;
- Affordable.

5.3 Our partners

Our customers have different communication channels to contact us: by phone or online, at the dedicated email address or through the form available on our website, through which they can receive answers to any questions or concerns related to our electricity distribution service. Any power supply problems and outages can be reported over the phone via a dedicated number for each distribution area.

Our presence on social media channels has been strengthened so that all our customers can stay connected to the latest news about our companies via our official Facebook page. We continue to work towards the goal of implementing a Facebook chat service, which will assist customers in resolving issues with our electricity distribution service and through which we will be able to inform them in real time of progress in resolving the reported issue.

In 2020, we implemented a system that allows to conduct the connection process online, via an account created on our website. Thus, through our platform, customers can start the

network connection process, submit relevant documents, and track the status of the application until completion.

The customer account still allows access to existing online services such as site approval, meter reading history, contract notifications or other services.



06

About the report

About the Report

GRI 102-54

The second Sustainability Report for the electricity distribution activities carried out by the three E-Distribuție companies, presents the results obtained in 2020 in terms of economic, social, and environmental impact.

The report was prepared in collaboration with Deloitte Consulting SRL, in accordance with the standard on the Global Reporting Initiative (Core Option) and it complies with the provisions of European Directive **2014/95 / EU** transposed into Romanian legislation by Order of the Ministry of Public Finance **no. 1938 of 17 August 2016**.

The report provides a correct and real picture of the non-financial aspects of the business activities which impact the transition towards a sustainable business model.



07

APPENDIX

7.1 GRI Content Index

7.2 Abbreviations

7.1 GRI

content index

GRI 102-55

GRI Standard	Disclosure	Comments/omission
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	<p>Organizational profile</p> <p>102-1 Name of the organization</p> <p>102-2 Activities, brands, products, and services</p> <p>102-3 Location of headquarters</p> <p>102-4 Location of operations</p> <p>102-5 Ownership and legal form</p> <p>102-6 Markets served</p> <p>102-7 Scale of the organization</p> <p>102-8 Information on employees and other workers</p> <p>102-9 Supply chain</p> <p>102-11 Precautionary Principle or approach</p> <p>102-13 Membership of associations / Affiliations</p> <p>Strategy</p> <p>102-14 Statement from senior decision-maker</p> <p>102-15 Key impacts, risks, and opportunities</p> <p>Ethics and Integrity</p> <p>102-16 Values, principles, standards, and norms of behavior</p> <p>Governance</p> <p>102-18 Governance structure</p> <p>102-19 Executive-level responsibility for economic, environmental, and social topics</p> <p>102-20 Consulting stakeholders on economic, environmental, and social topics</p> <p>102-22 Chair of the highest governance body</p> <p>102-24 Nominating and selecting the highest governance body</p> <p>102-26 Role of highest governance body in setting purpose, values, and strategy</p> <p>102-29 Identifying and managing economic, environmental, and social impacts</p> <p>102-30 Effectiveness of risk management processes</p> <p>Stakeholder engagement</p> <p>102-40 List of stakeholders</p> <p>102-42 The basis for identifying and selecting stakeholders with whom to engage</p> <p>102-43 The organization's approach to stakeholder engagement</p> <p>102-44 Key topics and concerns that have been raised through stakeholder engagement</p> <p>Reporting practices</p> <p>102-46 Defining report content and topic Boundaries</p> <p>102-47 List of material topics</p>	

7.1 GRI

content index

GRI 102-55

GRI Standard	Disclosure	Comments/omission
	102-49 Significant changes over previous reporting periods	The reporting period is Jan 1st - Dec 31st 2020
	102-50 Reporting period	
	102-52 Reporting cycle	
	102-53 Contact point for questions regarding the report	
	102-54 Statement regarding reporting in accordance with the GRI Standards	
	102-55 GRI context index	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	This disclosure was organized around energy transition, the main material topic of the report.
	103-2 The management approach and its components	
GRI 201: Economic Performance 2016	201-1 Evaluation of the financial indicators	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	
GRI 304: Biodiversity 2016	302-4 Reduction of energy consumption	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products, and services on biodiversity	
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
GRI 402: Labour / Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
GRI 403: GRI 404: Training and Education 2016	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	

7.1 GRI

content index

102-55

GRI Standard	Disclosure	Comments/omission
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee 404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in leadership and employee structures	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
GRI 412: Human rights assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	
GRI 415: Public Policy 2016	415-1 Political contributions	Enel does not have direct relations with political parties and does not provide financing of any kind, as explicitly established at point 2.2 of the Zero Tolerance of Corruption Plan and at point 3.26 of the Group's Code of Ethics. Some exceptions can be found in some countries following the local law and subject to analysis by the due bodies
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken Sector specific indicators	
Availability and Reliability	EU 6 Management approach to ensure short and long-term electricity availability and reliability EU 10 Planned capacity against projected electricity demand over the long term, broken down by energysource and regulatory regime	
Demand-Side Management	EU 7 Demand-side management programs including residential, commercial, institutional and industrial programs	
Research and Development	EU 8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	
System Efficiency	EU 12 Transmission and distribution losses as a percentage of total energy	
Access	EU 27 Number of residential disconnections for non-payment, broken down by duration of disconnection. and by regulatory regime EU 28 Power outage frequency EU 29 Average Power outage duration	

7.2 Abbreviations

ANRE	- National Regulatory Authority
CEER	- Council of European Energy Regulators
CLA	- Collective Labor Agreement
CSV	- Creating Shared Value
DSO	- Distribution System Operator
EGCP	- Enel Global Compliance Program
ESG	- Environmental, Social and Governance
GD	- Government Decision
GRI	- Global Reporting Initiative
HV	- High Voltage
IA	- Institutional Affairs
IPSSM	- Own occupational safety and health instructions
ISO	- International Organization for Standardization
IUCN	- International Union for Conservation of Nature
KPI	- Key Performance Indicator
LV	- Low Voltage
MAIFI	- Momentary Average Interruption Frequency Index
Mil	- Million
MV	- Medium Voltage
MVA	- Mega Volt Ampere
MWh	- Mega Watt Hour
SDO	- Sustainable Development Objective
POD	- Point of distribution
RON	- Romania's national currency

7.2 Abbreviations

SAIDI - System Average Interruption Duration Index

SAIFI - System Average Interruption Frequency Index

SDG - Sustainable Development Goals

SIA - Social Impact Award

SOR - Romanian Ornithological Society

SM - Smart Metering

SPI - Supplier Performance Index

t - Tons

TSO - Transport and System Service Operator

TWh - Terra Watt Hour

UNESCO - United Nations Educational, Scientific and Cultural Organization

UNGP - United Nations Guiding Principles on Business and Human Rights

VR - Virtual Reality