



SUSTAINABILITY OUR SECOND NATURE

Sustainability Report

2023



**DISTRIBUȚIE
OLTENIA**

part of



EVRYO

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Caring for people and the environment is our second nature



GRI 2-22

Dear readers,

In the following pages, you will find information about the activity of #team Distribuție Energie Oltenia, our operational results and successes in terms of sustainability and social responsibility projects.

This is our seventh sustainability report and we thank our stakeholders for their openness, responsibility and involvement.

We are a results and detail-oriented team, concerned about the safety of everyone involved in the electricity distribution process, from employees to consumers.

2023 was the year we put #safety first and implemented impactful projects, both internally and externally. We put members of the Top Management at the table with specialists in the field, as they are both our image before consumers and our main concern. We have reviewed their proposals and developed a comprehensive programme to raise awareness of the importance of safety at the workplace.

Our investments continued to focus on the transition to Net Zero emissions, but also on building a digitized grid through the implementation of projects targeting the strategic pillars of ensuring continuity of electricity supply, reducing the grid's own technological consumption and investing in green energy, modernizing electrical systems, transformer stations and integrating them into SCADA, continuing smart metering plans, implementing an advanced grid management system and more.

In the area of connection of prosumers, we remain the distribution operator with highest number of prosumers connected to the network at national level. During 2023, 11,705 prosumers were connected to the Distribuție Energie Oltenia network, of which 9474 individuals and 2231 corporate customers.

Between 2005 and 2023, we invested more than 3.5 billion RON

in electricity networks and kept the community at the core of our activity, investing in strategic directions: health and wellbeing, education, environmental preservation and regional development.

Our actions continued to provide solutions to the needs of the people we serve, with the Distribuție Oltenia team involved in actions aimed at supporting health and education systems, as well as in specific activities that respond to the immediate needs of children, young people and the elderly. Last but not least, we have considered specific actions, concrete measures and practical strategies to bring forth career education, digitalisation, green energy and energy efficiency. We have invested in social responsibility projects through our flagship projects: The 2023 Oltenia Marathon raised 40,000 EUR donated to the community of Valcea, Generators of Good meant 90,000 EUR invested in nine projects, and through the Electrician Apprentices we continued to build the generation of future electricians.. The 300 Electrician Apprentices had a year full of new activities and experiences (Practice Club, Circuit of Ideas) and the novelty of 2023 - The 10 in Energy Competition, by which we tried to attract future apprentices, starting from the 7th grade. We also continued our paid internship program, Junior Electrician, and in 2023, 5 out of 8 apprentices became our colleagues.

I invite you to discover our activity, but also us, the people of Distribuție Energie Oltenia, and our drive for initiative, technology and innovation, responsibility for the community and the environment.

Best consideration,

Eugen Butoarcă

Chief Executive Officer and Chairman of the Management Board of Distribuție Energie Oltenia





ABOUT DISTRIBUȚIE ENERGIE OLTENIA



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Organisational details

Since 2017, Distribuție Energie Oltenia has been the legal successor of CEZ Distribuție S.A., which bought Electrica Oltenia in 2007.

From 2021, Distribuție Energie Oltenia is acquired and controlled by funds managed by Macquarie Asset Management (MAM), part of Macquarie Group in Australia. MAM is one of the largest international infrastructure managers and part of Macquarie Group.

Macquarie is an investment fund operating on 34 markets in asset management.

Macquarie Asset Management currently oversees over 105 GW of renewable energy assets under development, construction and operation on more than 25 markets. The asset manager also benefits from established wealth management franchises in Australia and the US based on its diverse range of investment capabilities.

Company	Legal form	Shareholding	Geographic area	Registered office	Roles within the company	Products Key services
Distribuție Energie Oltenia	A fully privately owned joint-stock company.	Felix Distribution Holdings S.R.L., a limited liability company incorporated under the Romanian laws, with the registered office at 1iața Charles de Gaulle nr. 15, etaj 5, sector 1, Bucharest, Romania, registered with the Trade Register Office under number J40/11447/2020, sole registration code (C.U.I.) 43036121 - shareholding 99,99999986019%. Felix Distribution Investments S.à r.l., a limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg, having its registered office at 20 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (Registre de commerce et des sociétés, Luxembourg) under number B246540 - shareholding 0.000001013981%.	Arges, Dolj, Gorj, Mehedinți, Olt, Teleorman, Valcea.	Calea Severinului nr. 97, parter 2-4, Craiova, Dolj County.	Distribuție energie electrică pentru consumatori casnici și agenți economici.	Electricity distribution.

Entities included in the organization's sustainability reporting

The current sustainability report refers strictly to the results obtained by Distribuție Energie Oltenia S.A.

Distribuție Energie Oltenia reports on a financial and consolidated basis together with Felix Distribution Holdings S.R.L., but the latter is not included in the current report.

Activities, value chain and other business relationships

We supply electricity to approximately 1,507,292 consumers in 7 counties of Oltenia and partly in the region of Muntenia: Arges, Dolj, Gorj, Mehedinți Olt, Teleorman and Valcea. The core business of the company is to distribute electricity to domestic and non-household consumers in both the public and private sectors.

The main elements related to organisational activities are linked to:

- design of electricity networks to be upgraded/developed,
- maintenance, upgrade and development of electricity networks,
- meter reading, connection of new electricity consumers/producers to the grid,
- procurement of electrical products - poles, conductors, transformers, insulators, electricity meters, other materials that are used for the maintenance/upgrade/development of electricity grids.

The goods, works and services procured are related to the core business: services and goods for the development and maintenance of electricity distribution systems.

The number of suppliers during 2023 is **392**.

Geographical localisation of suppliers: 99.23% are Romanian suppliers, 0.77% are subsidiaries of international/multinational companies.

The products, services and works necessary for DEO to carry out its activity are contracted following public tenders, in accordance with the provisions of the Sectoral Procurement Law no. 99/2016.

There are no significant changes during the reporting period with respect to changes at the location of suppliers, supply chain structure or the relationships with suppliers, including their selection and termination.

Employees

The achievements of Distribuție Energie Oltenia would not have been possible without the energy and commitment of the 1,455 employees whose structure and distribution in the operational areas was at the end of the reporting period (31.12.2023), the following:

County	Men	Women	Total
Arges	200	71	271
Bucharest	1		1
Dolj	385	101	486
Gorj	136	26	162
Mehedinți	118	10	128
Olt	135	15	150
Teleorman	111	16	127
Vâlcea	119	11	130
Total	1205	250	1455

Of these, the majority have employment contracts for an indefinite period:

County	Men	Women	Total
Arges	191	65	256
Bucharest	1		1
Dolj	357	94	451
Gorj	132	24	156
Mehedinți	111	10	121
Olt	131	11	142
Teleorman	109	15	124
Vâlcea	106	8	114
Total	1138	227	1365

Employees who worked in 2023 under fixed-term contracts:

County	Men	Women	Total
Arges	9	6	15
Dolj	28	7	35
Gorj	4	2	6
Mehedinți	7		7
Olt	4	4	8
Teleorman	2	1	3
Vâlcea	13	3	16
Total	67	23	90

Employees who worked in 2023 under full-time contracts

County	Men	Women	Total
Arges	199	71	270
Bucharest	1		1
Dolj	382	99	481
Gorj	136	26	162
Mehedinți	117	10	127
Olt	134	15	149
Teleorman	111	16	127
Vâlcea	119	11	130
Total	1199	248	1447

Employees who in 2023 worked under part-time contracts:

County	Men	Women	Total
Arges	12	22	34
Bucharest	3	12	15
Dolj	25	19	44
Gorj	4		4
Mehedinți	2		2
Olt	3		3
Teleorman	2	1	3
Vâlcea	1	1	2
Total	52	55	107



Workers who are not employees

In 2023, there were no workers who were not employees of Distribuție Energie Oltenia.

Membership associations

In 2023, Distribuție Energie Oltenia continued to actively participate in initiatives supported in various associations in order to ensure that the organisation remains connected to the realities of the industry, to promote its own initiatives and to benefit from the exchange of experience that an environment of experts promotes in order to align with the requirements of an evolving European context:

- ACUE (Federation of Associations of Energy Utility Companies) - is an employers' federation by which we communicate with ANRE and the Ministry of Energy on behalf of the entire sector
- CiGRE ROMANIA (International Council of Large Electric Systems) - CIGRE Romanian National Committee (CNR-CIGRE) - affiliated to CIGRE Paris addresses issues related to generation, transmission, distribution, storage Every year, we participate with works at the International Regional South-East European Conference - RSEEC;
- CIGRE PARIS (Conseil International des Grands Réseaux Électriques); (International Council of Large Electric Systems) is a collaborative global community dedicated to the most important knowledge development programme for the creation and sharing of energy expertise, in which we are present in the Markets and Regulations Study Committee;
- Eurelectric is the voice of the energy sector at EU level, and it gives us the opportunity to convey our views at European level; we are present in different committees - Electrification and Sustainability, Generation and Environment, Markets and Investment, Distribution and Market Facilitation, and working groups - Electrification and Energy Efficiency, Regulation and Network Customers.
- EDSO (European Distribution System Operators).

Number of residential, industrial, institutional and commercial customer accounts

In order to get a clearer picture of our consumers, we provide a breakdown by number of accounts for residential, industrial, institutional and commercial consumers:

No. No.	Types of consumers	Number of consumers in 2023
1	Residential	1.380.429
2	Vulnerable	782
3	Customers assimilated to household customers	16.968
4	Industrial activities	13.153
5	Administrative activities	981
6	Agricultural activities	1.073
7	Administrative agricultural activities	110
8	Public services	19.898
9	Public services - administrative offices	13.896
10	Customers of third parties	12.996
11	Customers with seasonal activity	901
12	Customers with seasonal activity - administrative offices	116
13	Corporate customers/Services	45.989
	Total	1.507.292
	Total number of production sites	288

Length of above and underground transmission and distribution lines by regulatory regime

Distribuție Energie Oltenia manages distribution grids at the following voltage levels:

Voltage level	Overhead 2023 (km)	Underground 2023 (km)
Low	44,252	16,686
Medium	19,178	2,585
High	5,361	38
Total	68,791	19,309

- Low voltage electrical grids 50 - 1000 [V]; 230/12 [V]; 400/230 [V]; 500(660 V) [V];
- Medium voltage electrical grids 1 - 35 [kV] 3, 5, 6, 10, 15, 20, 25, 30, 35 [kV] - up to 110 kV;
- High voltage electrical grids - 110 kV grids.

The volumes are declared based on the following data:

- measurements taken in stereo 70 coordinates and entered into GIS (Geographic Information System) for 110 kV LEAs (overhead lines) related to Arges, Dolj, Olt and Teleorman counties;
- to record the volume of facilities held since commissioning.

Economic Performance

Management of material topic

We are aware that Distribuție Energie Oltenia through its economic performance, its development programs, improvement and transformation of the electricity distribution system, has a significant direct and indirect economic impact both in the operational area and throughout the country.

“Economic performance” is a topic that can directly influence the following categories of stakeholders: shareholders through share price fluctuations and dividends, managers through the achievement of performance indicators, and employees through bonuses and salary increases.

Indirectly, taxes and duties paid by the company to local and central authorities contribute to the consolidation of budgets and reach the local community in various forms (e.g. investment, salary budget for public officers, etc.).

In 2023, the company paid taxes totalling RON 233,397,512.00 under the heading of:

- Corporate tax: RON 53,011,604.00;
- VAT:RON 89.353.649;
- Monopoly tax: RON 4,797,803.00;
- Salary duties: RON 69,531,705.00;
- Salary tax: RON 12,544,235.00;
- Local taxes: RON 3,979,645.00;
- Other: RON 178,871.00.

Also indirectly, the level of investments that the company makes influences both the local community, by increasing the quality of the electricity distribution service, and the companies supplying energy services and products (e.g. maintenance works, construction, equipment assembly, equipment production, etc.).

We pay particular attention to the direct and indirect economic impact we have in our area of activity. Increasing performance is a top management priority so that we can maintain or exceed the same level of investment in the energy distribution network.

Each year, at top management level, we implement 5-10 strategic projects and an average of 25 operational projects.

Their aim is to streamline operations and increase economic performance.

Among the strategic projects with a direct impact on economic performance, the most important are:

- Implementing Smart Metering on a large scale in order to increase customer satisfaction, lower operational costs and control losses in DEO networks;
- Implementation of ADMS (Advanced Distribution Management System) with management functionalities, network planning and optimisation, efficient outage management, renewable generation management and electric charging stations;
- Implementation of AMS (Asset Management System) for preparation of investment scenarios, CAPEX planning, PIF, grid maintenance, analytical functionalities to increase investment efficiency and transparency;
- GIS system with technical data made available to our contractors in order to streamline the work and also to consumers with direct access from DEO website (<https://www.distributieoltenia.ro/ro/suport/gis-sistem-informatic-geografic-al-retelei-de-distributie-deo/harta-retelei-electrice-deo-consumatori-de-energie-dezvoltatori-locali-si-autoritati.html>).



Capital investments in the annual programs of Distribuție Energie Oltenia are often of considerable importance in employment in the local community, making DEO an important local „player”.

Distribuție Energie Oltenia operations have a substantial impact not only on the jobs and business opportunities of suppliers but also influence the purchasing power of suppliers in other parts of the local business sector, which affects the long-term development of service sectors in local communities.

Distribuție Energie Oltenia contributes to local budgets by paying taxes, permits, and authorizations, necessary for executing the works from the annual investment program.

The implementation of investment works does not only affect local communities in general.

Employees, shareholders, consumers and suppliers all depend on the profitability of DEO, and by improving this aspect of the implementation of the annual investment programmes, DEO will be able to continue to make a positive economic and social contribution to the development of these communities.

Direct economic value generated and distributed

Direct economic value generated and distributed (Economic performance) (amounts are expressed in RON)		
Economic value/year	2022	2023
i. Generated direct economic value	1,174,357,814	1,571,589,889
Turnover	1,174,357,814	1,571,589,889
ii. Distributed economic value, of which:	771,668,678	1,179,084,474
Operating costs	733,599,278	841,620,307
Payments to capital providers, of which:	0	194,876,639
funding interests	0	27,625,293
dividends	0	167,251,346
Payments to the state budget	38,069,400	142,587,528
Corporate tax	18,899,860	44,289,640
Net VAT (+payable/- recoverable)	10,405,319	89,439,427
Monopoly tax	4,935,687	4,787,585
Other charges	3,828,534	4,070,876
iii. Withheld economic value	402,689,136	392,505,415

Financial implications and other risks and opportunities due to climate change

The climate change risks have not been assessed in 2023, but are planned for the following period. Assessment, quantification and mitigation measures are considered

Financial assistance received from government

List of ongoing projects in 2023, with funding from attracted sources

Seq. no.	Funder	Project Name	Financing Contract no./date	Total non-reimbursable amount set by the grant contract	Suma încasată în 2023 și moneda
	Ministry of Investments and European Projects - Management Authority for Operational Programme Large Infrastructure (AM- POIM)	Implementation of an advanced distribution management system (ADMS) and monitoring and optimization of energy consumption in a homogeneous area of predominantly domestic consumers of electricity, located in the area of Pitesti municipal operating point, Arges County	629/15.10.2021	652,430.08	10,136,679.66 (lei)
	Ministry of Investments and European Projects - Management Authority for Operational Programme Large Infrastructure (AM - POIM)	Implementation of an advanced distribution network asset management system (AMS) and distribution network monitoring in a homogeneous area of predominantly domestic electricity consumers served by the 110/20 KV Căzănești transformer station, Valcea County	739/24.11.2021	64,719,496.00	18,614,408.80 (lei)
3.	Ministry of Investments and European Projects - Management Authority for Operational Programme Large Infrastructure (AM- POIM)	Upgrade of the electricity grid and increase of the distribution capacity of the 110/20 kV Caracal Vest transformer station, for the discharge of electricity generated by photovoltaic power plants	825/12.01.2022	31,538,862.00	16,144,201.84 (lei)
4.	Ministry of Investments and European Projects - Management Authority for Operational Programme Large Infrastructure (AM- POIM)	Upgrade of 110/20/6 kV Podari transformer station, Podari, Dolj County, to increase the safety of electricity supply to consumers and to ensure the technical conditions for taking energy from renewable sources	1642/02.08.2022	17,959,776.00	9,627,067.07 (lei)
5.	Ministry of Investments and European Projects - Management Authority for Operational Programme Large Infrastructure (AM- POIM)	Upgrade of the 110/20/6 kV Ocolna transformer station, Dăbuleni, Dolj County, to increase the safety of the electricity supply to consumers and to ensure the technical conditions for taking over the energy generated from renewable sources.	1697/13.09.2022	18,019,475.00	6,675,523.42 (lei)
6.	Norway Grants 2014-2021	Photovoltaic system for the reduction of own technological consumption in Bărbătești-Gorj and Balș-Olt transformer stations	2021/330663/11.07.2022	745,772.00	0,00 (lei)
7.	Ministry of Investments and European Projects - Management Authority for Operational Programme Human Capital (AM-POCU)	SMART - Training for the future, POCU/861/3/12/145238	12454/27.05.2021	504,378.00	278,150.66 (lei)

Availability and Reliability

Management of material topic

The availability and reliability of the distribution system have a direct internal impact on investors, management of the company and its employees/users, and an external impact on consumers, local authorities and local communities.

To achieve these objectives, DEO's strategy focuses on:

- Correlation of the investment plan with the maintenance plan and with the safety requirements for grid operation (purchase of new equipment and upgrade of facilities);
- Identification and implementation of applications aimed at streamlining investments and automating the network.

To this end, projects have been launched and are being implemented (with access to EU funds):

- Upgrading of 110/20/6 kV Ocolna station;
- Upgrading of 110/20/6 kV Ocolna station;
- Upgrading of 110/20/6 kV Caracal Vest station;
- Implementation of ADMS system;
- Implementation of AMS system;
- Photovoltaic system in Bărbătești and Balș stations;
- Increasing energy efficiency and quality of energy supplied to customers within Butoiești area;
- Extending of the public electricity distribution network in the town of Horezu, Vârful lui Roman-Izvoarele Pleșei area, Vâlcea County;
- Upgrading to 20 kV of the 6 kV facilities supplied from the 220/110/20/6 kV Severin Est station, in Drobeta Turnu Severin;
- Upgrading of 110/20/10 kV Dăbuleni transformer station;
- Complete upgrading of 110/20 kV Drăgășani transformer station;
- Extending the low voltage electrical distribution networks in Simian and Obârșia Cloșani communes, Mehedinți County;
- Upgrading and introducing into SCADA the 110/20 kV Rogojelu transformer station, Rovinari, Gorj County.

Funding applications have also been submitted to attract non-reimbursable funds for 15 other projects, which are at various stages of analysis, and will most likely result in the conclusion of co-financing contracts within the following period:

This category includes the following projects:

- Complete upgrading of 110/20 kV Zimnicea transformer station;
- Increasing energy efficiency and quality of energy supplied to consumers within the Argetoiaia area;
- Upgrading and introducing into SCADA the 110/20 kV Costesti transformer station;
- Increasing energy efficiency and quality of energy supplied to consumers, Calimanești, Valcea County;
- Increasing energy efficiency and quality of energy supplied to Jiana consumers;
- Increasing energy efficiency and quality of energy supplied to consumers within Zimnicea Soimu area, Teleorman County;
- Switching to 20 kV voltage of the 6 kV grid afferent to 110/20/6 kV Bărbătești station, improving the safety level in the operation of Bărbătești and Turburea MV grid;
- Increasing energy efficiency and quality of energy supplied to consumers within the Scornicesti area;
- Increasing energy efficiency and quality of energy supplied to consumers within the area of Costești, Argeș County;
- Increasing energy efficiency and the quality of energy supplied to consumers within Zimnicea Vedea area;
- Increasing energy efficiency and quality of energy supplied to consumers within Corabia area;
- Upgrading to 20 kV of the 6 kV facilities supplied from the 220/110/20/6 kV Severin Est station, in Drobeta Turnu Severin;
- Increasing energy efficiency and quality of energy supplied to consumers within the Catargiu area, Craiova;
- Increasing energy efficiency and quality of energy supplied to consumers within the Studina area, Olt County;
- Increasing energy efficiency and quality of energy supplied to consumers within the Mălureni area.



GRI 3-3

Initiatives/works that contribute to improving continuity indicators are promoted in the annual investment plans:

- Upgrading of MV LEA with high number of incidents and damaged equipment and high impact in SAIFI/SAIDI;
- Looping of MV LEA in order to increase the safety of electricity supply to users;
- Upgrading of primary equipment in DEO transformer stations.

EU 10

Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime

In its investment programmes, DEO has provided works for:

- upgrading of the low-voltage power grids by replacing the existing conductor with one of increased cross-section and removing the metering groups at the property boundary;
- Upgrading of 20 kV power grids (overhead and underground lines) ensuring an increase in distribution capacity, taking into account the analysis of the existing situation and a forecast for increased energy discharged/consumed in accordance with DEO Development Plan.

Upgrading of electrical plants operating at 6 kV to 20 kV in order to reduce technological losses and increase safety in the supply of electricity to consumers:

- upgrading of equipment in transformer stations;
- reinforcement works upstream of the connection point of the electricity distribution network (secondary legislation obligation) improving the capacity of the distribution network;
- extension works to the distribution network (secondary legislation obligation) for new connection requests from users;
- upgrading of low-voltage electricity networks in order to improve voltage levels.
- Replacing existing transformers with new, low-loss transformers.

Power type	U.M	2019	2020	2021	2022	2023
Total installed capacity of all production sites, of which:	MW	3,092.09	3,098.96	3,129.41	3,209.25	3,369.99
IT	MW	2,517.96	2,517.96	2,537.96	2,537.96	2,538.34
MT	MW	571.68	574.78	579.13	596.73	661.57
JT	MW	2.45	6.22	12.32	74.56	168.99
Total approved power afferent to all consumption sites, of which:	MW	9,942.85	10,185.01	10,474.14	10,773.20	11,003.83
HV	MW	1,545.85	1,504.99	1,505.01	1,523.21	1,523.21
MV	MW	1,493.69	1,527.04	1,588.70	1,648.13	1,681.24
LV	MW	6,903.30	7,152.98	7,380.43	7,601.86	7,799.38

- HV - High Voltage;
- MV - Medium Voltage;
- LV - Low Voltage.

EU 10



ESG STRATEGY

Introduction of ESG strategy

Megatrends

Our operating environment

Vision of Distribuție Energie Oltenia

Mission

Values

How we defined our Strategy:

1. Contextualization
2. Prioritisation
3. Quantification

Overview of Distribuție Energie Oltenia ESG pillars

ESG Governance

ESG Committee

Main strategic ESG objectives undertaken

Results achieved in 2023

- GRI 2-23 Policy commitments
- GRI 2-24 Embedding policy commitments
- GRI 2-25 Processes to remediate negative impacts
- GRI 2-26 Mechanisms for seeking advice and raising concerns
- GRI 2-27 Compliance with laws and regulations

ESG Strategy of Distribuție Energie Oltenia

Introduction of ESG strategy

Megatrends

Megatrends are far-reaching changes with major social, environmental, technological and economic impacts.

Recognising the potential of megatrends and investing in forward-looking companies and today's business areas can provide investors with the opportunity to align their portfolio with long-term growth.

The megatrends considered by us and adapted to the company are:

- Climate change - Decarbonisation of the energy mix;
- Resource preservation - Circular economy;
- Urbanisation and digital revolution - Infrastructure and networks;
- Ecosystem preservation and restoration - Ecosystem preservation and environmental management;
- Welfare - Health and safety at work;
- Inclusion and gender equality, Work of the future - Managing, developing and motivating people;
- New governance models - Fair corporate governance;
- Empowered customer - Customer-focused;
- The new economy - based on creating value.

Our operating environment

<p>POLITICS As an EU border country, Romania is directly exposed to increasing geopolitical tensions in the Black Sea. Romania is in line with the current European energy policy, which is based on the energy union strategy, providing secure, sustainable, competitive and affordable energy supply.</p>	<p>ECONOMY Romania has weathered relatively well the economic shocks of the pandemic, the war in Ukraine and the resulting increases in energy and food prices. Armed conflicts in Ukraine and Gaza are factors that have contributed to rising material costs and supply difficulties for distribution networks. Economic growth slowed in the first half of 2023 to about 1.9 percent (year-on-year) as consumption declined due to real income erosion from inflation and external demand remained weak.</p>	<p>SOCIETY Under the Energy Efficiency Directive, energy companies create and implement measures that help end-users improve energy efficiency in their homes. Other measures are implemented with priority among vulnerable households, including those affected by fuel poverty and, where appropriate, in social housing.</p>
<p>TECHNOLOGY The energy transition is putting enormous pressure on electricity grids around the world. In order to operate electricity grids efficiently now and in the future, energy distribution networks need more transparency and interoperability.</p>	<p>ENVIRONMENT The phenomenon of prosumers connected to distribution networks is in line with what we want for the future of the Romanian energy sector: decentralisation, decarbonisation, digitalisation. Prosumers strengthen the resilience of electricity supply at household level in Romania, support the green transition process and achieve a high degree of digitalisation, which enables better management at each consumption point.</p>	<p>LEGISLATION The government has extended the energy price cap until March 2025. At European level, the Regulation on interoperability requirements and non-discriminatory and transparent procedures for accessing registered meter and consumption data has entered into force.</p>

Table 1 - Our operating environment

Vision of Distribuție Energie Oltenia

As part of CEZ Group in Romania, Distribuție Energie Oltenia has taken on the role of catalysing the energy of the future. To help transform the energy system, we need to create a robust, digital, sustainable energy infrastructure in order to facilitate the growing electrification of Romania and the transition to a low-carbon economy.

The vision of Distribuție Oltenia is to become a modern, flexible company, capable of responding to any challenges of the evolution of technologies related to electricity distribution, in order to meet the demands of our consumers. Our future environmental, social and governance (ESG) commitments will reinforce the path we have taken so far, and are a natural response to the climate, economic, social and energy crises.

Our role in society is strategic and reflects our responsibility to employees, shareholders, customers, authorities, suppliers, partners and the local community.

We aim to base our investments and portfolio management in the near future on the transition to Net Zero Emissions and take into account ESG risks and opportunities.

Mission

The mission of Distribuție Oltenia is to ensure the distribution of electricity to customers in seven counties: Arges, Dolj, Gorj, Mehedinti, Olt, Valcea and Teleorman. The activities of the distribution service include: operation, maintenance and development of electrical equipment, with the aim of distributing electricity from producers to consumers under conditions of safety in the operation of electrical equipment, operational safety, ensuring quality parameters and reducing maintenance and repair costs.

Values

We fundamentally appreciate the following values:



Figure no. 2 - Values of Distribuție Energie Oltenia

The Management Board and the management of Distribuție Energie Oltenia consider ESG alignment as an integral part of the strategic management of the organisation. It is the process by which Distribuție Energie Oltenia addresses environmental, social and governance issues in an integrated way in order to ensure resilience and long-term value creation in each activity.

How we defined our Strategy:

The process of defining the strategy took place over the period 2022-2023, and it is based on three phases:

1. Contextualization

In this first stage, we analysed the sustainability context, megatrends, identified and prioritised the relevant ESG factors for Distribuție Energie Oltenia. The aim was to identify those ESG factors whose impact on the organisation or through which the activity of the organisation has an impact on the environment and/or society.

From the list of relevant ESG factors identified, the ESG strategy pillars were selected and defined as potential medium-term action vectors for Distribuție Energie Oltenia.

2. Prioritisation

In order to determine the relevance of the ESG pillars, a consultation of all relevant stakeholder categories for Distribuție Energie Oltenia was organised:

- Employees of Distribuție Energie Oltenia;
- Consumers;
- Suppliers;
- Subcontractors;
- Local authority representatives;
- Central authority representatives;
- Local community;
- Civil society;
- Mass media.

From the list of identified ESG relevant factors, the following pillars of the ESG Strategy have been selected and defined as potential vectors for medium-term action for Distribuție Energie Oltenia.

As a result of the strategic relevance, Top Management decided to extend the Decarbonisation pillar with the issue of Energy Efficiency and Renewable Energy, so the list of material ESG strategic directions is:

Materiality Matrix - Distribuție Energie Oltenia

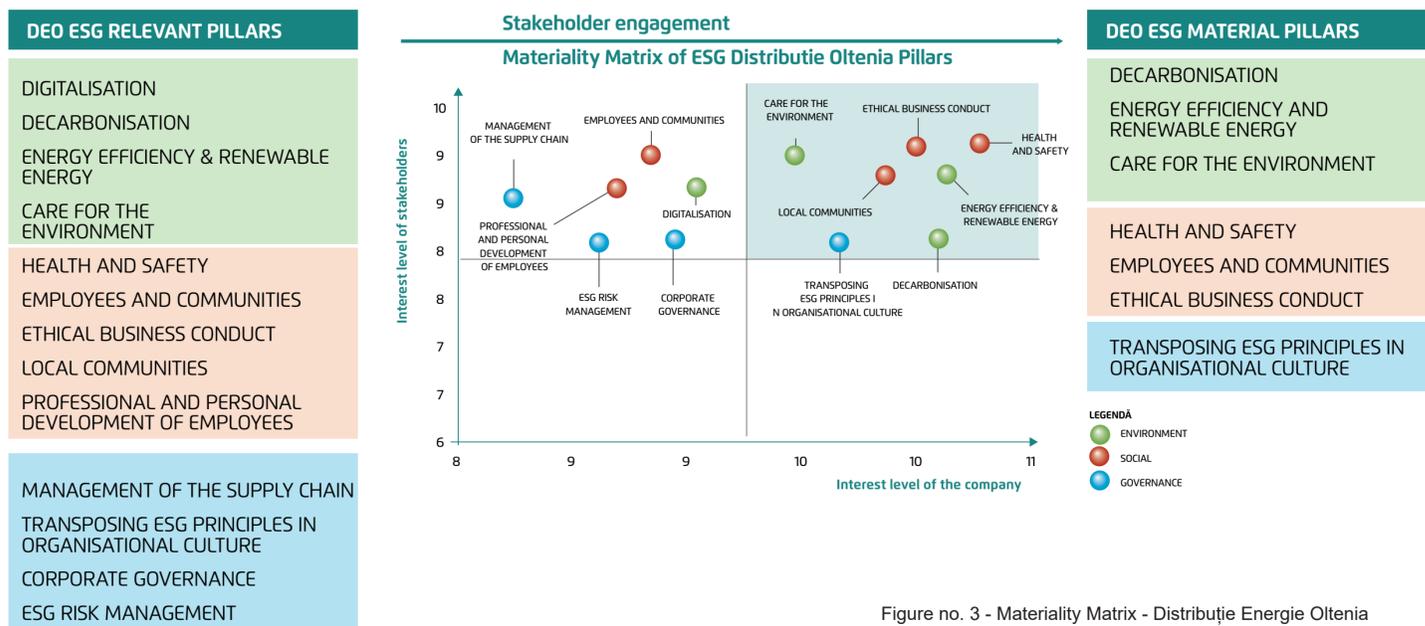


Figure no. 3 - Materiality Matrix - Distribuție Energie Oltenia

3. Quantification

After establishing the material pillars that constitute the group's vectors of action for the coming years, the objectives, actions, responsibilities and deadlines were defined. In this process, the experience, expertise and vision of key employees in the relevant ESG departments were called upon, together with whom the Strategy Action Plan was defined.

Overview of Distribuție Energie Oltenia ESG pillars

Overview of ESG Distribuție Energie Oltenia pillars

MATERIAL PILLARS	Definition
1 DECARBONISATION, ENERGY EFFICIENCY AND RENEWABLE ENERGY	In the fight against climate change we promote actions to reduce greenhouse gas emissions, including monitoring and reporting of carbon and/or other greenhouse gas (GHG) emissions. We are pursuing the transition to a low-carbon economy by developing a decarbonisation action plan and targets by 2030 in line with The Science Based Targets Initiative (SBTI) and the Net Zero 2040 target.
2 CARE FOR THE ENVIRONMENT	In order to achieve this goal, Distribuție Energie Oltenia focuses on improving energy efficiency in its operational area. We are working to progressively reduce Own Technology Consumption (OTC), duration (SAID) and frequency (SAIFI) of outages and support the energy performance of energy and non-energy buildings. At the same time, we aim to produce green energy for our own consumption, but we are also "supporters" and facilitators for all green energy prosumers and producers in our area of activity.
3 EMPLOYEES AND COMMUNITIES	We prioritise measures to protect biodiversity and habitats, reduce energy consumption, natural resources, waste management and electric mobility.
4 OCCUPATIONAL HEALTH AND SAFETY	The principles of diversity and respect for and promotion of human rights define the essence of the organisation. We are committed to being a good partner for the people at the heart of our business and invest in workplaces and programmes tailored to their needs, in activities to develop professional skills, creativity and innovation. We also support local management, diversity and effective communication solutions with employees, customers or collaborators.
5 ETHICAL BUSINESS CONDUCT	Occupational health and safety are fundamental values. We aim to strengthen all processes across the organisation in order to safely operate. We provide ongoing training for our employees through specific training programmes. At the same time, we take all necessary measures to ensure the health and safety of our consumers and partners.
6 TRANSLATING ESG PRINCIPLES INTO ORGANISATIONAL CULTURE	In conducting our business, we promote ethical principles and integrity. We have implemented a robust compliance system applicable to all employees, suppliers and partners. In addition, we promote diversity management, we do not accept any form of discrimination, and employment relations are based on the principle of equal opportunities.
	Awareness and implementation of an ESG governance system and the adoption of values in the business are priorities for the coming period. We therefore want to invest in a sustainable business model aligned with ESG principles.

LEGENDA □ ENVIRONMENTAL PROTECTION □ SOCIAL □ GOVERNANCE

Table no. 4 - Overview of Distribuție Energie Oltenia ESG pillars

The pillars and targets set have been linked both to existing business strategies and to the Sustainable Development Goals set by the UN under the 2030 Agenda.

1	DECARBONISATION, ENERGY EFFICIENCY AND RENEWABLE ENERGY	SDG 7: Affordable and clean energy SDG 12: Responsible consumption and production	7 ENERGIA CURATĂ 12 CONSUMABILITATE RESPONSABILĂ
2	CARE FOR THE ENVIRONMENT	SDG 12: Responsible consumption and production SDG 15: Life on land	12 CONSUMABILITATE RESPONSABILĂ 15 VIAȚĂ TERE
3	EMPLOYEES AND COMMUNITIES	SDG 3: Good health and well-being SDG 4: Quality education SDG 5: Gender equality SDG 8: Decent work and economic growth SDG 10: Reduced inequalities SDG 11: Sustainable cities and communities	3 SĂNĂTATE BUNĂ 4 EDUCAȚIE DE CALITATE 5 EGALITATE DE GEN 8 MĂRCĂ DE CREDERE 10 NEEGALITĂȚI REDUSE 11 ORAȘURI DURABILE
4	HEALTH AND SAFETY	SDG 8: DECENT WORK AND ECONOMIC GROWTH	8 MĂRCĂ DE CREDERE
5	ETHICAL BUSINESS CONDUCT	SDG 4: Quality education SDG 5: Gender equality SDG 7: Affordable and clean energy SDG 8: Decent work and economic growth SDG 12: Responsible consumption and production SDG 13: Climate action SDG 16: Peace, justice and strong institutions	7 ENERGIA CURATĂ 4 EDUCAȚIE DE CALITATE 5 EGALITATE DE GEN 8 MĂRCĂ DE CREDERE 12 CONSUMABILITATE RESPONSABILĂ 13 ACȚIUNE CLIMATICĂ 16 ÎNCLĂDIRE SPERANȚĂRI
6	TRANSLATING ESG PRINCIPLES INTO ORGANISATIONAL CULTURE	SDG 8: Decent work and economic growth SDG 12: Responsible consumption and production SDG 13: Climate action SDG 16: Peace, justice and strong institutions	8 MĂRCĂ DE CREDERE 12 CONSUMABILITATE RESPONSABILĂ 13 ACȚIUNE CLIMATICĂ 16 ÎNCLĂDIRE SPERANȚĂRI

Figure 5 Established ESG Targets and Objectives - Distribuție Energie Oltenia

ESG Governance

By acknowledging the strategic importance of ESG, we considered it essential to define a governance structure dedicated to the integrated management of sustainability within DEO, detailed separately in Chapter 3 - ESG Governance of this report.

As part of the analysis carried out in the preparation of the ESG strategy, the sustainability governance system for Distribuție Energie Oltenia was redefined in order to address all activities, risks and opportunities in the field in an integrated manner. To this end, ESG responsibilities, as well as duties and performance indicators, have been clearly defined for all levels of management and execution, which are monitored using a dedicated ESG specialist position. These are:

- adopting and implementing the ESG strategy;
- adopting and implementing the Net Zero Business Plan;
- identifying and managing ESG risks in Distribuție Energie Oltenia activity (including risks due to climate change);
- ensuring transparency through reporting according to different standards/frameworks (GRI Standards, GRESB, ARMFA, etc.).

Also, the advisory role for the Management Board of the company on ESG issues is taken over by the ESG Committee established at Group level. Thus, the architecture of the ESG governance system is as follows:



Figure no. 6 - Architecture of the ESG governance system within Distribuție Energie Oltenia

ESG Committee

It is represented by the management of the relevant ESG departments within CEZ Group and Distribuție Energie Oltenia, and meets on a regular basis to review ESG developments both internally (within the company) and within the national and European legal framework. The Committee regularly assesses the results achieved, the degree to which the established objectives have been met, and proposes improvement measures and possible amendments to the ESG strategy.

Analyses the annual reports/statements of the ESG department and issues its recommendations to the Management Board.

The Committee shall consist of an odd number of voting members.

Main strategic ESG objectives undertaken:

ESG Pillars	ESG strategic objectives
DECARBONISATION, ENERGY EFFICIENCY AND RENEWABLE ENERGY	We are pursuing the transition to a low-carbon economy by developing an action plan and 50% decarbonisation targets by 2030 in line with The Science Based Targets Initiative (SBTI) and the Net Zero 2040 target.
CARE FOR THE ENVIRONMENT	We aim to assess our impacts on biodiversity on Natura 2000 sites.
EMPLOYEES AND COMMUNITIES	We are committed to being a good partner for the people at the heart of our business and invest in workplaces and programmes tai-lored to their needs, in activities to develop professional skills, creativity and innovation.

ESG Pillars	ESG strategic objectives
OCCUPATIONAL HEALTH AND SAFETY	We provide ongoing training for our employees through specific training programmes. At the same time, we take all necessary measures to ensure the health and safety of our customers and partners. Our goal is zero accidents at work.
ETHICAL BUSINESS CONDUCT	We promote ethical principles and integrity, diversity management, we do not accept any form of discrimination and our employment relations are based on the principle of equal opportunities.
TRANSLATING ESG PRINCIPLES INTO ORGANISATIONAL CULTURE	Awareness and implementation of an ESG governance system and the adoption of values in the business are priorities for the coming period.

Tabel nr.7– Principalele obiective ESG strategice Distribuție Energie Oltenia

Results achieved in 2023

In 2023, the ESG Strategy for DEO was approved. The entire ESG reporting process has also been revised to reflect the concern of the company in this area, i.e. the procedures for preparing all sustainability/ESG reports.

Also, in 2023 we took steps to achieve our key ESG targets and the following ESG actions were taken:

- Quarterly carbon footprint measurement for Scope 1 and Scope 2;
- Developing a decarbonisation plan with science-based targets to limit global warming to 1.5 degrees over pre-industrial levels;
- Selective waste collection in the main offices;
- Preventing energy losses by fully meeting maintenance plans;
- Linking the Electrician Apprentice project to the UN sustainability targets;
- Implementing KPI 0 accidents for employees;
- Implementing KPI 0 accidents for contractors;
- Defining the ESG risk identification and assessment process and integrating it into the existing risk management system;
- Revising the Internal Regulation in order to integrate ESG factors;
- Drafting the Diversity and Anti-Discrimination handbook;
- Developing internal ESG alignment procedures: Policy, operational procedures, etc.;
- Informing employees about Diversity, Equality and Inclusion terms by means of internal campaigns.

Policy commitments

All DEO management system documents are aligned with international frameworks that define responsible conduct (Universal Declaration of Human Rights - issued by the UN, Principles defined by the UN - UN Global Compact, OECD - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and SBTi - decarbonisation targets etc.).

As stated and presented in previous GRI Reports, we would like to point out that also in 2023, DEO has implemented and continues to support an ethics and compliance system, with a strong focus on compliance with ethical principles and values, compliance with legal provisions, established and assumed through approved Codes of Conduct and Ethics respectively. Such documents, which are an integral part of the Internal Regulations, include the Declaration of Commitment of the Chairman of Distribuție Energie Oltenia Board, which underlines the Zero Tolerance towards non-compliance with the undertaken ethical values.



These include the rules and principles to be complied with, relating to human rights, non-discrimination, abuse, anti-corruption, etc. For more details, please read the Ethical Conduct aspect of Chapter 3 of the current report.

At the same time, as we have shown in previous years, in order to reinforce the proper application of the above-mentioned values, DEO has implemented and applied, in its relationship with its suppliers, the Code of Conduct for Suppliers.

We remind you that the obligation to comply with it and the ethics and compliance system, which covers the conduct and business conduct of employees/partner companies, is undertaken by both employees and suppliers by:

- signing a Declaration of Commitment by the entire staff of the company, regardless of the position held in the organization, committing to: compliance with these Codes, the specific Policies in force and the declaration of conflicts of interest. The declaration is part of the Internal Rules of the company, and is on file of every DEO employee;
- introducing specific contractual clauses both in the tender documents and in the actual procurement contracts concluded with suppliers/providers, concerning the obligation to comply with the provisions of DEO Code of Conduct for Suppliers.

Both the proper completion of the Declaration of Commitment and the existence and acceptance by suppliers of the above-mentioned contractual clauses are subject to regular checks, as appropriate, carried out by the Ethics and Compliance Officer. These checks are usually carried out on a sample basis, in conjunction with the provisions of the above-mentioned Codes, other Internal Policies presented in previous GRI reports (e.g. Policy on Conflicts of Interest, Anti-Corruption Policy, General Anti-Fraud Policy, Whistleblowing Policy, etc.) and/or applicable legislation, as appropriate.

The identified areas of non-compliance are subject to specific Action Plans, which are monitored and implemented within the set deadlines.

All these commitments of the company integrated in the management system are approved by the Chairman of the Management Board of Distribuție Energie Oltenia

Embedding policy commitments

All DEO management system documents are aligned with the international frameworks defining responsible conduct:

- The Code of Ethics, the Code of Business Conduct and the Compliance Manual include all the values defined by the Universal Declaration of Human Rights issued by the UN, the Principles defined by the UN - UN Global Compact, OECD - Guidelines for Responsible Business for Multinational Companies;
- Net Zero Business Plan has been defined according to the SBTi methodology for setting decarbonisation targets.

Within Distribuție Energie Oltenia, as we have also reported in previous GRI reports, the compliance officer of the company has contributed to the implementation and assurance of the commitments of the company regarding compliance with values and ethical conduct, ensuring the following on an annual basis (including 2023):

- Maintaining and/or developing specific Codes and Policies such as: General Anti-Fraud Policy, Policy on Conflict of Interest, Anti-Bribery Policy, Whistleblowing Policy, Code of Business Conduct, Code of Ethics, etc;
- Training employees, regardless of their position within the company and testing them, as appropriate, on compliance issues related to the Policies and Codes of Conduct/Ethics developed by it (also mentioned in previous reports); The training took place both face-to-face and online with provision of training materials;
- Maintaining and managing alternative whistleblowing channels (Vorbeste Liber system), whose applications are available to employees, partners, third parties and which can also ensure whistleblower anonymity (as also provided in previous GRI reports);
- Investigating integrity reports filed in 2023 through whistleblower channels and forwarding findings to senior management for review and decision-making;

- Developing a dedicated “Compliance” section to provide all relevant information on the area of responsibility (e.g. anti-fraud, conflicts of interest, anti-bribery, etc.);
- Ensuring control actions against conflicts of interest in procurement processes carried out at the level of the Procurement Division; existing declaration of conflicts of interest in the file of the employee;
- As in previous years, in 2023, the “Compliance Week” and the “Ethics Competition - the 6th edition”, were organized and provided by the Internal Ethical Relations Directorate, where the following were provided:
 - o newsletters,
 - training materials,
 - daily articles related to the “Ethics Pill” with specific topics that contribute to a better understanding of ethics and conduct;
- The Internal Ethical Relations Department also provides quarterly information on conduct issues and trends in the area of compliance and through articles in CEZ News magazine.

Processes to remediate negative impacts

Our commitment is to control how we contribute to the sustainable development and transition to sustainability of operational activities by identifying and prioritizing, preventing and mitigating, halting, minimizing and remediating actual or potential negative impacts on human rights, the environment and communities in our area of operation, and working with relevant bodies to preserve existing environmental conditions and remediate identified negative impacts.

We are also committed to putting in place and enforcing due diligence measures in respect of both our own operations and those of our direct and indirect business partners throughout our business chains.

In addressing negative impacts, we take appropriate measures that have the capacity to achieve the proposed objectives in limiting or completely eliminating negative impacts.

By appropriate measures we mean measures that can achieve due diligence objectives by effectively addressing adverse impacts in a manner that is proportionate to the severity and likelihood of the adverse impact and reasonably available to our company.

We take into account the circumstances of the event in question, the nature and extent of the adverse impact and the relevant risk factors, including the prevention and minimisation of adverse impacts, the specifics of the company’s business operations and its chain of activities, and the sector or geographical area in which its business partners operate.

Our due diligence process covers the six steps set out in the proposal for a Directive of the European Parliament and of the Council on corporate sustainability due diligence and amending Directive (EU) 2019/1937 (COM(2022)0071 - C9-0050/2022, which includes measures on due diligence for companies to identify and address negative impacts on human rights and the environment.

This process comprises the following stages:

1. integration of due diligence into policies (described in GRI 2-24) and risk management systems;

Regarding risks, the company has initiated a Risk Catalogue, in which negative impacts are identified and assessed. This takes into account, on the basis of an overall assessment, any relevant risk factors, including:

- risk factors at the level of business operations;
- geographical and contextual risk factors, such as the level of enforcement in terms of the type of negative impacts;
- risk factors related to products and services;
- sectoral risk factors;
- ESG risk factors.

2. identification and assessment of negative impacts on human rights and the environment;

Forms were submitted to the stakeholders in order to identify the risks and material impacts that the activities of the company exert on the community and the environment, as well as suppliers;



3. prevention, cessation or minimisation of actual and potential adverse impacts on human rights and the environment;

We prioritise negative impacts according to their likelihood and severity. The severity of an adverse impact shall be assessed on the basis of the magnitude, scope or irremediability of the adverse impact, taking into account the severity of the impact, including the number of people who are or would be affected, the extent to which the environment is or could be harmed or otherwise affected, its irreversibility, and the limitations on the ability to restore affected people or the environment to a state equivalent to that before the impact within a reasonable time.

After the most serious and likely negative impacts are addressed within a reasonable timeframe, we next address the less serious and less likely negative impacts

4. monitoring and assessment of the effectiveness of measures

With these monitoring and assessments we aim to verify that negative impacts are properly identified, that appropriate due diligence measures are implemented and that negative impacts have been effectively prevented or stopped.

In order to ensure that such measures are up to date, assessments are made at least every 12 months; in some cases, they may also be reviewed on an ad hoc basis, if there are reasonable grounds to believe that significant new risks of negative impact may have arisen.

5. communication

In this regard, Distribuție Energie Oltenia provides various communication channels both to organizations and individuals who wish to address complaints or proposals in order to identify, improve and remedy negative environmental impacts. (<https://www.distributieoltenia.ro/ro/contact/contacte-utile.html>, <https://www.distributieoltenia.ro/ro/etica-si-integritate/vorbeste-liber-canale-de-raportare.html>, <https://www.distributieoltenia.ro/contact-dpo>).

6. ensuring remediation.

How the resolution of reported issues is identified is communicated to relevant stakeholders through regular sustainability reporting.

Where the impact refers to a process deficiency, it is reviewed and the implementation of updates is monitored.

By “remediation” we mean the restoration of the affected person(s), communities or environment to a condition equivalent to or as close as possible to the condition it or they would have been in, had the actual adverse impact not occurred, commensurate with the involvement of the company in the adverse impact, including compensation by the company to a person or persons affected by the actual adverse impact and, where appropriate, reimbursement of costs incurred by public authorities for any necessary remedial measures.

In accordance with the international standards, complainants (if they are not anonymously submitted) have the right to request timely and adequate notice from the company of actions taken to mitigate impacts, and to meet with company representatives at an appropriate level to discuss the actual or potential adverse impact that is the subject of the complaint and possible remediation, to receive a statement of the reasons why a complaint has been found to be unsubstantiated or unfounded and, if found to be substantiated, to receive information on the measures and actions taken or to be taken by the company. We ensure the accessibility of notification mechanisms and complaint submission procedures for stakeholders.

Mechanisms for seeking advice and raising concerns

As reported in previous reports, DEO has implemented and will continue to maintain a whistleblowing system (Vorbeste Liber) in 2023. It is made available to employees, partners, third parties, and can be accessed directly from the website of the company by clicking on <https://www.distributieoltenia.ro/ro/etica-si-integritate/vorbeste-liber-canale-de-raportare.html>.

The “Vorbeste liber” web application has been revised and aligned in 2023 to the new legal provisions and requirements in force.

This includes information encryption and whistleblower anonymity. The system allows the submission of integrity warnings on any issue related to the ethical conduct of the company/employees in relation to the legal provisions and/or the values and principles undertaken in DEO declarations and/or Codes (of ethics/conduct), which were also provided in the previous years in the Sustainability Reports.

The management of the reporting system is provided by the Ethics and Compliance Officer. This includes ensuring appropriate investigation of identified referrals/incidents according to an approved Investigation Methodology.

In response to the complaints recorded through Vorbeste Liber system, the Ethics and Compliance Officer ensures the confidentiality of the data in accordance with the legal provisions in force, such as those on whistleblower protection.

Compliance with laws and regulations

At DEO, there were seven inspections carried out by ANRE, and one investigation carried out by the Competition Council:

- four inspections carried out by ANRE were completed with a fine in 2023;
- Three inspections carried out by ANRE were completed without a fine in 2023.

The investigation carried out by the Competition Council ended in 2023, without a fine, with a 2-year monitoring period of the commitments made.

The total amount paid in 2023 based on fines received was: RON 205,000.00

- There is no payment of fines in 2023 for the control actions carried out by ANRE in 2023, because they have all been challenged in court, and the challenge is not finalised.
- The amount of RON 205,000.00 paid in 2023 for control actions carried out by ANRE in previous years, and the court challenge was lost.

Of the four controls ending with a fine carried out by ANRE in 2023, only one is significant. Below you can find details of the non-compliance identified by ANRE.

Control completed on 28.09.2023 - Timing of the smart meter implementation plan (verification period 01.01.2022 - 10.01.2023), concluded with a fine of 400,000 RON / unpaid - case challenged in court and ongoing.

Non-compliances identified by ANRE: exceeding the 3-month period between the integration of smart meters into the metering system and their installation.

As a general measure taken by Distribuție Energie Oltenia, we can mention the periodical reporting of the status of the control actions and the follow-up of the internal measures taken after the closure of the control actions. Audit reports are also a follow-up measure in order to ensure regulatory compliance. Online or face-to-face staff trainings are also a tool the Company uses to increase accountability and data accuracy in IT systems.

All non- conformities were identified by ANRE during control actions. All the necessary documentation was submitted to the Authority, which analysed the entire database on a case-by-case basis, or a requested sample.

The investigation by the Competition Council was launched on suspicion of a breach of the competition rules. After reviewing all the documentation requested by the Authority, the investigation was closed without a fine, only with a 2-year monitoring period of the commitments approved by the Competition Council. The alleged infringements of competition rules consist of a suspected abuse of a dominant position in the switching process.



GOVERNANCE

- GRI 2-9 Governance structure and composition
- GRI 2-10 Nomination and selection of the highest governance body
- GRI 2-11 Chair of the highest governance body
- GRI 2-12 Role of the highest governance body in overseeing the management of impacts
- GRI 2-13 Delegation of responsibility for managing impacts
- GRI 2-14 Role of the highest governance body in sustainability reporting
- GRI 2-15 Conflict of interest
- GRI 2-16 Communication of critical concerns
- GRI 2-17 Collective knowledge of the highest governance body

Anti-corruption

- GRI 3-3 Management of material topic
- GRI 205-1 Operations assessed for risks related to corruption
- GRI 205-2 Communication and training on anti-corruption policies and procedures
- GRI 205-3 Confirmed incidents of corruption and actions taken

Ethical conduct

- GRI 3-3 Management of material topic.

Number of grievances registered within the whistleblowing system, the status of grievances and how they were finalised; number of trainings and topics of the ethical business conduct

Governance structure and composition

Corporate governance plays a crucial role in ensuring sustainable development and long-term value creation for Distribuție Energie Oltenia.

Effective governance involves:

- transparency in decision-making and accountability to all stakeholders.
- Consultation and collaboration with all stakeholders: employees, customers, shareholders, local communities and authorities to ensure that decisions are made for the benefit of all.
- integrating sustainability objectives into strategy and operations of the company. This can include mitigating environmental impacts, promoting renewable energy and supporting local communities.
- risk assessment and risk management in order to be ready to face change and respond to future challenges, including those related to sustainability.

Thus, the governance of Distribuție Energie Oltenia, a two-tier company, is ensured by the three bodies:

- General Meeting of Shareholders;
- Supervisory Board;
- Management Board.

Members of the Supervisory Board may not be members of the Supervisory Board and employees at the same time.

The Shareholder Meeting appoints and dismisses the members of the Supervisory Board. The relationship between the members of the Supervisory Board and the company is governed by the provisions of the mandate and the rules defined in the Articles of Incorporation.

The Supervisory Board consists of three members with a 4-year non-executive mandate, as follows:

WILLIAM DAVID GEORGE PRICE - Chairman of the Supervisory Board,
RAKOWSKI ARTHUR - Member of the Supervisory Board,
JOURDAIN ANTOINE DANIEL MARIE - Member of the Supervisory Board

DEO Management Board consists of 3 members with a 4-year term of office in an executive role, as follows:

BUTOARCĂ ION EUGEN – Chairman of the Management Board
TIȚA ZOREL CRISTINEL - Member of the Management Board
VORNICU VALERICA-DOINA – Member of the Management Board

In carrying out its executive work and in support of the decision-making process, the Management Board is supported by three advisory committees:

- Risk Committee
- Occupational Health and Safety Committee (CSSM),
- ESG Committee.

The **Risk Committee**, which meets on a quarterly basis and generally deals with issues with a financial and economic impact and within the scope of activity of the Risk Management Department.

Occupational Health and Safety Committee (CSSM), which meets on a quarterly basis and reviews the concerns and complaints of employees in relation to occupational health and safety.

An Occupational Health and Safety Committee, a joint body comprising designated employee and management representatives, is set up at organisational level. Workers are involved in this activity through regular consultation on occupational health and safety issues by filling in questionnaires in which they can express their opinions and submit proposals for improvement.

The ESG Committee is represented at Group level and meets on a quarterly basis to review ESG developments both internally (within the company) and within the national and European legal framework. The Committee assesses the state of implementation of the measures and proposes possible amendments to the ESG strategy.



Figure 1 - DEO Governance System

Nomination and selection of the highest governance body

In 2023, the nomination and selection of the executive management of DEO was carried out by the General Meeting of Shareholders nominating the members of the Supervisory Board, which subsequently nominated the members of the Management Board;

At AGA (General Meeting of Shareholders), each shareholder is represented by legal representatives or by third parties authorised by the legal representatives.

Chair of the highest governance body

The highest governance body of DEO is the Supervisory Board and the Management Board.

This ensures the separation of the supervisory role - the Supervisory Board - from the management role - the Management Board - and avoids conflicts of interest.

Role of the highest governance body in overseeing the management of impacts

According to the articles of incorporation, DEO's Management Board ensures the management of the company, including in the area of sustainability by approving the values, mission, ESG or decarbonisation strategies, related policies, list of material impacts, targets, etc.

The highest governance bodies oversee processes to identify relevant impacts of the organisation on the environment, society and the economy. They are also responsible for assessing the effectiveness of measures to reduce the negative impacts of activities, products and services of the companies.

Delegation of responsibility for managing impacts

The Management Board of DEO, by appointing the ESG specialist, has delegated the monitoring process on sustainability issues.

The role of this specialist is to oversee the implementation of ESG Strategies and Decarbonisation plans, to guide and monitor the ESG topics and performance of the company, to oversee ESG and sustainability reporting and, last but not least, to promote an organisational culture focused on accountability and sustainability.

For more information, see the ESG Strategy topic in Chapter 2.



GRI 2-14

Role of the highest governance body in sustainability reporting

DEO Management Board monitors the sustainability reporting process through actions such as:

- list of impacts identified and prioritised by the organisation;
- results of stakeholders' consultation and materiality analysis;
- list of material impact areas;
- the final form of the sustainability report.

In 2023, the positive and negative impacts were identified in a group-wide strategic project for all companies and then assessed both internally with our specialists and externally with relevant company stakeholders.

If there are other relevant impacts and no measures have been taken to remove or mitigate them, remedial actions shall be SMART and included in DEO's ESG Strategy. Regularly updating the strategy helps to raise awareness of impact management within the organisation.

In the future, we aim to include quantification of negative impacts in our current work and to explore the possibility of diversifying consultation according to the affected parties.

Conflict of interest

The identification and management of the conflicts of interest is one of the important aspects for our company, being in close correlation with our efforts to prevent corruption and fraud, for which we have declared Zero Tolerance. To this end, DEO maintains and further develops an ethics and compliance system in order to streamline measures to prevent and manage conflicts of interest and the effects they may have.

Thus, in 2023, DEO continued to apply the form "Declaration - Commitment" whereby all employees with individual employment contracts with the company (regardless of the position held in the organization chart), are required:

- to fill in/update it, declaring conflicts of interest regarding personal relationships (e.g. such as family relationships within the company), shareholdings in companies and/or directorships in companies;
- to undertake to comply with the Codes of Ethics and Business Conduct, specific policies (such as Conflicts of Interest, Anti-Corruption, etc.).

GRI 2-15

In 2023, further survey checks were carried out on:

- proper filling in of the declaration on conflicts of interest by employees;
- cross-checking the declared information and/or information in the personnel file of the employee with information in other databases in order to identify potential non-compliances and conflicts;
- the history of the employee (KPIs, incidents/submissions recorded in relation to their activity, existing disciplinary investigations, etc.) in order to identify potential high-risk profiles;
- compliance with other legal provisions laid down by the supervisory authority in order to avoid specific conflicts applicable to DEO.

At the same time, other related activities were carried out during the year, in addition to the above-mentioned checks, such as:

- establishing measures to remedy identified areas of non-compliance and mitigating risks of conflicts of interest and declaring them;
- promoting the concepts and values of DEO by conducting regular training, testing and briefing of employees and management on:
 - provisions of the Conflict of Interest Policy, Code of Business Conduct, Anti-Corruption Policy and Whistleblowing Policy, etc.
 - the link between conflict of interests and corruption, etc.
- maintaining and promoting whistleblowing channels (Vorbeste Liber system), whose web-based application was revised in 2023 in order to meet the legal requirements in force. This includes ensuring the anonymity of the whistleblower. Access is provided including to consumers, suppliers, employees, third parties, etc. directly from the website of the company.
- investigating any complaints recorded by means of the above channels (as appropriate) regarding conflict of interests and/or other facts that may be related to it.

GRI 2-15

Additionally, in order to mitigate risks, DEO continued in 2023:

- maintaining direct access for suppliers/providers to their dedicated Code of Conduct;
- maintaining the clauses implemented in the contracts and specifications drawn up by DEO, concerning the compliance of suppliers with the ethical principles and values of the company in accordance with the Code of Conduct for Suppliers.

All verifications and monitoring are carried out by ethics and compliance officers.

The reports drawn up on the issues identified and the measures proposed are constantly forwarded to the management of DEO, in accordance with internal provisions.

Communication of critical concerns

All impacts identified throughout the year are assessed and reported to the ESG Officer to define remedial measures and update the internal strategies, processes and procedures of the organisation.

In 2023, 39 impacts of DEO's activity, products and services on the economy, environment and communities, including on human rights, were identified and assessed. In 2023, DEO had no reports of critical concerns with a negative impact on the company.

Collective knowledge of the highest governance body

Members of DEO Management Board were informed about carbon emissions, their source, level and how to classify them, as well as reduction solutions.

They also received reports on ESG performance benchmarked against other electricity distributors.

Regular training on concepts, principles, changes made in the field of sustainability by relevant forums is provided to the management of the company by representatives of ESG department.

In the reporting year, training was organised on the following topics:

- sustainability and ESG concepts, processes and benefits for companies;
- decarbonization definition according to the SBTi requirements;
- requirements of the European Sustainability Reporting Standards (ESRS).

Anti-corruption

Management of material topic

Distribuție Energie Oltenia has continued to develop its ethics and compliance system, including the promotion of Zero Tolerance towards corruption, as well as a series of measures aimed at its prevention.

According to the Anti-Corruption Policy, DEO's commitment is to conduct all its work in an honest and ethical manner. DEO supports a Zero Tolerance stance on bribery and corruption and is committed to acting with professionalism, fairness, integrity in all business relationships and implementing effective anti-corruption and anti-bribery systems.

In this regard and in 2023, DEO acted in order to:

- prevention of corruption;
- Information to make employees aware of the importance of Zero Tolerance towards corruption and its negative impact on employees/company/community or economic level;
- identifying incidents of corruption and/or premises that may arise as a result of corruption, etc.

With a series of measures and actions consisting of:

- reviewing the Anti-Corruption Policy;
- drafting the new DEO Anti-Corruption Guidelines/2023;
- articles / Newsletters / Ethics Pills / ExpressTraining tools dedicated to anti-corruption;
- direct/online training and tests dedicated to employees, which also addressed relevant aspects of internal/legal provisions on corruption.
- maintaining Codes of Conduct and Ethics for employees.



- (All this information is permanently available to employees in the Group Compliance section of #IntreNoi platform.
- Also, all specific Ethics and Integrity Policies and Procedures are communicated to all employees and can be accessed via DEO intranet, section "Document Inventory").
- maintaining the completion and regular spot-checking of the Declaration of Commitment by which the employees:
 - undertake to comply with the provisions of the RI (including the aforementioned Codes);
 - undertake to comply with the provisions of the specific Ethics and Compliance Policies;
 - declare their conflicts of interest.
- organisation and promotion of the annual events: "Compliance Week" and "Ethics Competition" - the 6th edition/2023, dedicated to all employees;
- maintaining the Codes of Conduct for suppliers and customers respectively;
- maintaining the contractual clauses included in the contracts concluded with the suppliers, by which they undertake and comply with the ethical values and conduct of DEO;
- maintaining, reviewing and promoting dedicated whistleblower reporting channels (Vorbeste Liber), which also ensure whistleblower anonymity as required by law.

All the above steps and actions are ensured in order to mitigate and prevent any risks of corruption and not only, the main goal being zero corruption.

Please note that in 2023, Distribuție Energie Oltenia did not record/identify any incidents of corruption, thus confirming the effectiveness of the measures and actions listed above.

Operations assessed for risks related to corruption

The trainings and tests carried out in 2023 on the legal/internal provisions specific to conduct and ethics were carried out according to the approved Annual Programme and/or at the express request of the company's management, as appropriate.

Thus, the training materials provided in 2023 were sent to employees and made available on a permanent basis in the "DEO Compliance" section of #IntreNoi platform. This diligence ensures that all employees are able to access the information and training materials provided by the Internal Ethics Department whenever necessary.

At the same time, the implemented internal regulations (e.g. Policies/Procedures/Guidelines and others), are communicated to all employees by email, and can be consulted by at all times by accessing them directly via the company intranet (Document Inventory).

We would also like to remind you that DEO has in place an Anti-Bribery and Anti-Corruption Policy, which is an internal document dedicated exclusively to the employees of the company, emphasizing Zero Tolerance towards such illegal acts. Also, in the case of partners/third parties, the relevant aspects related to Anti-Corruption and Anti-Bribery are reflected in the provisions of the following documents: The Code of Conduct for Suppliers, the

Statement on the Code of Conduct for Consumers, DEO Ethics and the Brochure on the Compliance System - all made available for consultation by posting them on www.distributieoltenia.ro, section "Ethics and Integrity".

This year new Anti-Corruption Guidelines were developed and sent to all DEO employees. It is also permanently accessible and is made available to them in the "DEO Compliance" section mentioned above.

Please note that in 2023, according to the situation below, at DEO level, a total of 201 employees were trained and tested by the Ethics and Compliance Officer in sessions organised by them, of which: 19 held positions as heads of operational centres and 143 executive positions.

In addition to these, training and briefings on anti-corruption issues will be provided on a regular basis in 2023, according to "ExpressTraining" (via email), with a total of 786 employees (management positions and operational employees) benefiting from them at DEO level.

In addition, the event "Compliance Week" the 6th edition/2023 and the Ethics Competition /2023 were addressed to all DEO employees (managers and operational staff) who benefited from information (according to the "Ethics Pill") and comprehensive training material, including ethics and anti-corruption issues. (The questionnaire of the competition/2023 included questions concerning the anti-corruption issue).

Communication and training about anti-corruption policies and procedures

As mentioned in the previous paragraph (205-1), the training-information system for DEO employees on the relevant aspects of legislation and/or internal anti-corruption provisions has been maintained in 2023.

Communication of the Policies/Procedures/Code of Ethics and Code of Business Conduct, respectively, within the company is ensured by making them available to all employees/Members of the Management Board/Management via email and/or by posting them on the intranet of the company (e.g. in the Document Inventory and/or the "DEO Compliance" section - as the case may be), so that they are accessible to them at any time.

In addition, the 2023 Ethics and Compliance System (DEO) Brochure is made available to employees and can be consulted on an ongoing basis, both on www.distributieoltenia.ro website and on #IntreNoi platform by both employees and partners/third parties (as appropriate).

Codes of conduct for suppliers and consumers are also published on www.distributieoltenia.ro.

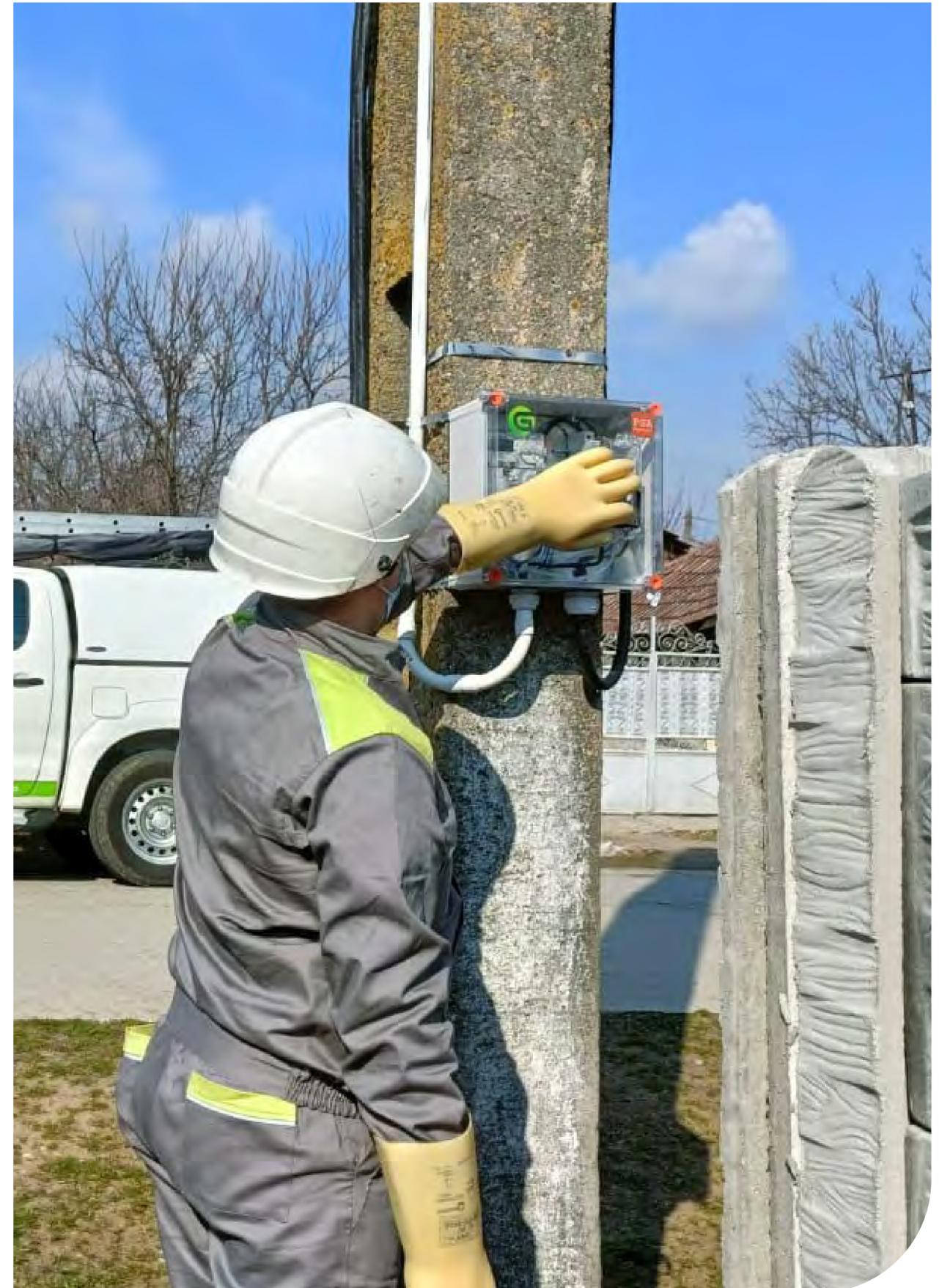
The purpose of the due diligence in 2023 was to:

- continue to undertake the ethical values;
- assess the knowledge level of employees;
- prevent potential risks (fraud, corruption, non-compliance, reputational, etc.);
- develop and sustain a compliance system based on high ethical and integrity values and standards.

Thus, we would like to point out that, this year, all employees and management afferent to DEO was provided with new training materials, information/newsletters on anti-corruption issues and/or those closely related to anti-corruption or to important ethical values and conduct undertaken by the company, such as for example:

1) Newsletter and provision of the new DEO/2023 Anti-Corruption Guidelines, which present the main relevant information on:

- the concept of corruption;
- ways of recognising and avoiding corruption;
- links between corruption and other types of activities where the risk of corruption may be higher or more specific;
- (general) measures that can be applied to fight corruption;
- promotion of whistleblowing reporting channels ("Vorbeste Liber" system), which ensures whistleblower anonymity, provided by the company and/or the authorities, etc.



2) General aspects of Ethics - Integrity - Compliance/2023. It represents online and/or face-to-face training with DEO employees and is the most comprehensive training material for all employees, including the presentation:

- Code of Ethics;
- Code of Conduct;
- Anti-corruption and anti-bribery policies;
- General anti-fraud policy;
- Conflict of interest policy;
- Trade secret protection policy;
- Information classification methodology;
- Whistleblowing policy;
- Policy and bylaws of the ethics and compliance function;
- Operational Procedure Protocol for response in relation to authorities according to the area of responsibility.

Starting from the definition of the main concepts of the ethics and compliance function and the definition of compliance risk within the company, the material outlined the main applicable legal provisions, the related internal regulations, the fundamental principles of transparency and professionalism in business, and the professional conduct expected by the company from each employee. The importance of knowledge, promotion and assumption of ethical values by all DEO employees is closely related to preventing the risk of corruption and reinforcing the company's zero-tolerance conduct against their violation.

3) The organisation of the 6th Edition / 2023, of the information and awareness campaign "Compliance Week" is ensured as every year by the Internal Ethical Affairs Department, for all DEO employees.

The main mission of the campaign is carried out under the aegis of "Discover the Spirit of Ethics" and has the role of informing and raising awareness of all DEO employees and management. Within the framework of the campaign, several specific actions have been organised, such as, for example, sending of Newsletters and/or daily "Ethics Pill" newsletters), accompanied by inspirational "Mottos", together addressing and promoting as appropriate, topical issues such as:

- Ethics and anti-corruption;
- Role of the whistleblower;
- General aspects regarding Ethics - Integrity - Compliance 2023 (ExpressTraining), and others.

4) Newsletter and Express Training - DEO Principles on Anti-Corruption and Conflicts of Interest. The purpose of training was to raise awareness on corruption and ensure:

- ongoing training of the employees of the company on relevant aspects of corruption offences, conflict of interest and the link between them.

The course material included the presentation of, among others:

- The concept of corruption;
- Categories of offences under both Law no. 78/2000 and the Criminal Code;
- Definition of the concept of conflict of interest;
- How to report irregularities or breaches of the Anti-Corruption and Anti- Bribery Policy and the Conflict of Interest Policy or applicable legislation in these areas;
- Promotion of whistleblowing channels dedicated to whistleblowers (Vorbeste Liber).

Confirmed incidents of corruption and actions taken

In 2023, DEO did not record any complaints/incidents of corruption.

Ethical conduct

Management of material topic

In 2023, DEO further developed the existing ethics and compliance system. The steps taken were aimed at preventing and mitigating the risks of fraud, corruption, compliance/integrity, non-compliance with the provisions of REMIT (Regulation on Integrity and Transparency of the Wholesale Energy Market), reputational risk, legal risk, etc. Given the efforts made and maintained, as well as the lack of complaints/ethical incidents, we believe that, in 2023, DEO's activity did not have a negative impact on the economy/society in terms of ethics and conduct.

In 2023, DEO maintained, revised and developed its ethics and conduct system. Thus, consideration has been given to the development and/or revision (where appropriate) of Policies and/or new internal provisions (where appropriate), aligned with national/EU legislation, aimed at ensuring and strengthening the existing ethics and compliance system at DEO level.

Some of these include:

- Trade secret policy;
- Methodology for classifying information and trade secrets;
- General anti-fraud policy;
- Anti-corruption and anti-bribery policy;
- KYC-AML policy;
- Insider trading policy (REMIT);
- Conflict of interest policy;
- Whistleblowing policy;
- Policy and bylaws of the ethics and compliance function;
- Operational procedure on the Protocol for response in relation to the authorities;
- DEO Anti-Corruption Guidelines /2023 etc.

At the same time, as mentioned above, under the new legal provisions in force, DEO revised its whistleblower reporting system in 2023 in order to align with the new requirements. It is dedicated to both employees and partners/third parties and can be permanently accessed at www.distributieoltenia.ro, section "Ethics and Integrity". The "Vorbeste Liber" web application also provides anonymity to the whistleblower, depending on the choice of the whistleblower.

By its actions and its Anti-Corruption- and Anti-Bribery Policy, DEO emphasizes zero tolerance for corruption, both in relations with employees and partners (e.g. consumers, suppliers, authorities, etc.). Each of the above-mentioned internal regulations have been developed and implemented at DEO level in order to contribute to fair, legal and transparent operations. They are also intended to prevent and mitigate the premises of risk that may manifest itself in terms of: corruption offences, fraud, premises that may lead to risks of financial, reputational and/or non-compliance losses, etc.

To this end, DEO has maintained the investigation of all complaints recorded according to Vorbeste Liber system, and/or spot-checks have been carried out concerning, for example:

- "Declaration - Commitment" filled in by employees and management, regarding the understanding of the provisions of the internal regulations, the specific policies mentioned above as well as their declaration of potential conflicts of interest, in order to ensure good risk management and prevention measures (e.g.: segregation of responsibilities, application of the 4-eyes principle of endorsement/approval of actions, monitoring, etc.); Such checks are carried out in accordance with the approved Control Theme and Annual Activity Programme of the Internal Ethical Affairs Department.

With regard to DEO/2023 information, training and/or testing actions for employees, these were provided for example, as detailed in this Report under sections 205-1 and 205-2.

In addition to these details, we note that other information (e.g. Newsletters, articles in CEZ News magazine), training support/sessions provided in 2023 to DEO employees, covered topics such as:

- Newsletter and Express Training - Relevant aspects of competition rules;
- Newsletter and ExpressTraining - The importance of trade secret and its protection;
- In addition, the organisation of the VI/2023 edition of the information and awareness campaign "Compliance Week" also included Ethics Pills with topics on:
 - Role of the whistleblower;
 - Ethics and ESG;
 - Non-discrimination and prevention of harassment at work.
- Compliance with REMIT provisions - by providing online training sessions with the support of specialist partners - Musliu si Asociatii Law Firm;



- Specific articles dedicated to ethics and conduct from 2023, regularly appearing in CEZNews magazine, on “Conflict of interest and the risk of corruption”;
 - “About the importance of whistleblower protection”
 - “The Importance and Relationship between Ethics - Diversity - Non-discrimination”;
 - “The role and importance of whistleblowing reporting channels”.

Please note that all information (e.g. training materials, newsletters and articles mentioned above) is permanently available to all employees on #IntreNoi platform for them to access at any time.

Number of grievances registered within the whistleblowing system, the status of grievances and how they were finalised; number of trainings and topics of the ethical business conduct

In order to prevent and/or mitigate risks that may arise, the ethics and compliance function proactively considers and monitors/assesses the following specific ethics and compliance indicators:

- Total number of complaints recorded each year in Vorbeste Liber system dedicated to whistleblowers, and their status of resolution;
- Total number of briefings/trainings/instructions on specific topics provided each year on relevant ethics and business conduct issues/topics (e.g. as per: ExpressTraining, Newsletters, Ethics Pills, CEZNews magazine articles; REMIT training support, etc.);
- Total number of employees subject to annual testing (e.g. according to tests for face-to-face/webex training);
- Total number of employees registered annually who received direct/webex training and subsequent testing, but did not pass testing;
- Total number of employees participating on an annual basis in the “Ethics Competition” event.

Annual value data/2023:

Seq. no.	Disclosure description - DEO	Total no.	Details - as the case may be
1	Total number of ethics complaints recorded on an annual basis in Vorbeste Liber system dedicated to whistleblowers, and their status of resolution;	1	▪ the complaint concerned issues of non-compliance with the code of conduct/ethics. The Ethics and Compliance Officer addressed the complaint as required by law. Investigations did not identify any hard evidence or proof to support the complaint made by the whistleblower. There were no major risks and impacts with regard to the issues raised at company, societal or economic level.
2	Total number of information/support trainings provided on an annual basis (e.g. as per: ExpressTraining, Newsletters, Ethics Pills, CEZNews magazine articles, REMIT training support, Guides, etc);	23	23 briefings/supports of which: <ul style="list-style-type: none"> ▪ 4 Ethics pills; ▪ 3 REMIT training materials; ▪ 4 CEZNews magazine articles; ▪ 4 Newsletters; ▪ 1 CEZ Anti-Corruption Guidelines/2023 ▪ 1 CEZ/2023 Ethics and Compliance System Brochure; ▪ 4 ExpressTraining; ▪ 1 Induction Days/2023 training support; ▪ 1 ExpressTraining on competition rules.
3	Total number of employees tested on an annual basis (e.g. according to the testing of face-to-face/webex training);	201	
4	Total number of employees recorded on an annual basis who received direct/webex training and subsequent testing, but did not pass testing;	5	These employees shall be included in a new training and testing session.



THE SEVENTH SUSTAINABILITY REPORT



- GRI 2-3 Reporting period, frequency and contact point
- GRI 2-4 Restatements of information
- GRI 2-5 External assurance
- GRI 2-29 Approach to stakeholder engagement
 - 3-1 Process to determine material topics
 - 3-2 List of material topics

Reporting period, frequency and contact point

We present to you the seventh sustainability report of Distribuție Energie Oltenia, prepared with the support of our consultant Fine Business Consulting S.R.L., which includes the sustainability results achieved during the period from 1 January 2023 to 31 December 2023, which also corresponds to the financial year, and it is published on 30 June 2024. As intended in our previous report published at the end of June 2023, we continue to report, on annual basis, on sustainability performance of Distribuție Energie Oltenia. Details on sustainability information reported by Distribuție Oltenia can be requested at raport-sustenabilitate@distributieoltenia.ro.

This report has been prepared in accordance with the GRI Standards and used GRI G4 Electric Utilities Sector Disclosures.

The report ensures compliance with the European Directive no. 95/2014, transposed locally by Orders of the Minister of Public Finance (O.M.F.P.) no. 1802/2014 and O.M.F.P. no. 2844/2016, as subsequently amended and supplemented.

This report responds to the requirements and obligations derived from:

- European Regulation (EU) no. 852/2020 establishing a framework to facilitate sustainable investment and amending Regulation 2088/2019;
- Delegated Regulation (EU) 2139/2021, which sets out eligible activities in relation to climate change mitigation and adaptation objectives;
- Delegated Regulation (EU) 2178/2021, which develops the reporting methodology on the obligation to publish information on how and to what extent company activities are associated with economic activities that qualify as environmentally durable/sustainable in relation to climate change mitigation and adaptation. It defines the content, methodology and presentation of the information to be disclosed and the key performance indicators;
- Delegated Regulation (EU) 1214/2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors, and Delegated Regulation (EU) 2021/2178 as regards the publication of specific information on those economic activities;
- Delegated Regulation 2485/2023 on the establishment of additional technical screening criteria to determine under which conditions certain economic activities qualify as activities that make a significant contribution to climate change mitigation or adaptation and whether those activities do not cause significant damage to any other environmental objective;
- Delegated Regulation no. 2486/2023 by establishing technical screening criteria to determine the conditions under which an economic activity qualifies as an activity which makes a substantial contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution or to the protection and restoration of biodiversity and ecosystems and to determine whether that economic activity causes significant damage to any of the other environmental objectives.

The published data are provided in Chapter 8 “Care for the Environment” in subsection “Taxonomy”.

Restatements of information

No information provided in our previous sustainability reports was identified as requiring revision.

External assurance

DEO Sustainability Report has not been verified or assured by a third party.

Distribuție Energie Oltenia does not have a specific policy on how to select limited assurance and/or auditing of sustainability data, and currently supplier selection is based on the procurement policy of the company.



Throughout the reporting process we have taken into account the reporting principles defined in the GRI 2021 standards:

- **Accuracy** = The organisation shall report information that is correct and sufficiently detailed to allow an assessment of the organisation’s impacts.
- **Balance** = The organisation shall report information in an unbiased way and provide a fair representation of the organisation’s negative and positive impacts.
- **Clarity** = The organisation shall present information in a way that is accessible and understandable.
- **Comparability** = The organisation shall select, compile, and consistently report information to enable an analysis of changes in the organisation’s impacts over time and an analysis of these impacts relative to those of other organisations.
- **Completeness** = The organisation shall provide sufficient information to enable an assessment of the organisation’s impacts during the reporting period.
- **Sustainability context** = The organisation shall report information about its impacts in the wider context of sustainable development.
- **Timeliness** = The organisation shall report information on a regular schedule and make it available in time for information users to make decisions.
- **Verifiability** = The organisation shall gather, record, compile, and analyse information in such a way that the information can be examined to establish its quality.

Approach to stakeholder engagement

The consultation process with stakeholders relevant for Distribuție Energie Oltenia is ongoing, with specific processes and procedures being developed for each business segment, in addition to those deriving from legal or contractual obligations, as follows:

- The email address complaints@distributieoltenia.ro has been made available for commercial relations with users (for further details, please go to Communication with consumers section in Chapter 5 - Our consumers and users);
- Periodic Net Promoter Score (NPS) and Voice of Customer (VoC) questionnaires on user relations;
- Mystery Shopper studies on relations with customers;
- In line with ensuring compliance for all categories of stakeholders, there is a whistleblowing system available on www.distributieoltenia.ro website under the Ethical Conduct section (for further details, please see the Ethical Conduct topic in Chapter 3 - Governance);
- Regular eNPS and VoE questionnaires on employee relations;
- In line with the identification of sustainability impact areas, consultations of all relevant stakeholder categories are carried out on an annual basis.

DEO’s customer outlook was also reviewed through NPS surveys, revealing a significant increase in loyalty and satisfaction levels. This was backed up by observations such as improved satisfaction in interacting with the Call Centre and how the connection process to the distribution network was managed.

Studies	Target	Goals	Conclusions																																																																																				
<p>NPS relational study</p> <ul style="list-style-type: none"> Annual, Oct. - Nov. 2023 survey performed with internal resources 	<p>168 interviews with domestic, corporate users</p> <p>mass - market and authorities</p>	<p>it measures loyalty at the level of overall brand interaction and identifies brand retention strength;</p>	<p>Compared to the previous year, DEO 2023 NPS score is up (+9 points, from 26 to 35 points), the best NPS score since 2019.</p> <p>The main sources of satisfaction are based on increasing satisfaction with the Call Centre (+23) and with the management of the grid connection process (+13).</p> <p>Social media communication (+9) and communication on DEO website (+8 points) are other important aspects appreciated by DEO consumers.</p>																																																																																				
<table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2022 vs 2023</th> </tr> </thead> <tbody> <tr> <td>Scor NPS (declarat)</td> <td>32</td> <td>13</td> <td>27</td> <td>29</td> <td>43</td> <td>14 ↑</td> </tr> <tr> <td>Scor NPS CUMULAT*</td> <td>32</td> <td>20</td> <td>22</td> <td>26</td> <td>35</td> <td>9 ↑</td> </tr> <tr> <td>Call Center</td> <td>35</td> <td>20</td> <td>16</td> <td>13</td> <td>36</td> <td>23 ↑</td> </tr> <tr> <td>Client service in CRU</td> <td>41</td> <td>27</td> <td>23</td> <td>23</td> <td>30</td> <td>7 ↑</td> </tr> <tr> <td>Social Media Website</td> <td>22</td> <td>4</td> <td>13</td> <td>17</td> <td>26</td> <td>9 ↑</td> </tr> <tr> <td>www.distributieoltenia.ro</td> <td>31</td> <td>22</td> <td>25</td> <td>32</td> <td>40</td> <td>8 ↑</td> </tr> <tr> <td>Continutatea in alimentarea cu energie electrica (lipsa intreruperilor)</td> <td>24</td> <td>21</td> <td>26</td> <td>37</td> <td>39</td> <td>2 ↑</td> </tr> <tr> <td>Nivelul de tensiune/ variatia tensiunii energiei electrice</td> <td>29</td> <td>21</td> <td>26</td> <td>38</td> <td>37</td> <td>1 ↓</td> </tr> <tr> <td>Procesul de racordare la reseaua de distributie</td> <td></td> <td>21</td> <td>20</td> <td>20</td> <td>33</td> <td>13 ↑</td> </tr> <tr> <td>Asistentia/ suport din partea personalului distributie</td> <td>40</td> <td>26</td> <td>26</td> <td>33</td> <td>39</td> <td>6 ↑</td> </tr> <tr> <td>Timpii de raspuns la solicitarile utilizatorilor</td> <td>30</td> <td>20</td> <td>21</td> <td>23</td> <td>35</td> <td>12 ↑</td> </tr> </tbody> </table> <p>*Scor NPS cumulat = reprezinta media scorurilor NPS pentru indicatorii de interes in studiul NPS, ca de exemplu Call Center, CRU, website, racordare, etc)</p> <p>↑ = evaluare in crestere ↓ = evaluare in scadere</p>					2019	2020	2021	2022	2023	2022 vs 2023	Scor NPS (declarat)	32	13	27	29	43	14 ↑	Scor NPS CUMULAT*	32	20	22	26	35	9 ↑	Call Center	35	20	16	13	36	23 ↑	Client service in CRU	41	27	23	23	30	7 ↑	Social Media Website	22	4	13	17	26	9 ↑	www.distributieoltenia.ro	31	22	25	32	40	8 ↑	Continutatea in alimentarea cu energie electrica (lipsa intreruperilor)	24	21	26	37	39	2 ↑	Nivelul de tensiune/ variatia tensiunii energiei electrice	29	21	26	38	37	1 ↓	Procesul de racordare la reseaua de distributie		21	20	20	33	13 ↑	Asistentia/ suport din partea personalului distributie	40	26	26	33	39	6 ↑	Timpii de raspuns la solicitarile utilizatorilor	30	20	21	23	35	12 ↑
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Asistentia/ suport din partea personalului distributie	40	26	26	33	39	6 ↑																																																																																	
Timpii de raspuns la solicitarile utilizatorilor	30	20	21	23	35	12 ↑																																																																																	
<p>NPS transactional study</p> <ul style="list-style-type: none"> monthly questionnaire addressed in July - December 2023. survey performed with internal resources 	<p>63 interviews with DEO users contacted after a visit to one of DEO URCS</p>	<p>Identifying overall satisfaction and potential for DEO referrals after a recent user visit to one of DEO's User Relationship Centres</p>	<p>The NPS loyalty score for interaction in DEO URCS over the last 6 months shows an increase from 31 to 53 points (+21 points), compared to the first half of 2023.</p> <p>Among users who expressed dissatisfaction with the DEO URC, the main source of dissatisfaction is waiting time (application resolution, waiting time between online appointment and URC visit, URC waiting times).</p>																																																																																				

Any other proposals received that deserve your attention, and please let us know if you have information or if it needs to be found elsewhere::

1. There are monthly/quarterly/half-yearly/yearly meetings with county town halls/local/county councils OR, every week, DEO representatives attend meetings of county town halls (County SMAD Head & County Medium Voltage-Low Voltage Manager.

As part of the broad stakeholder consultation process, active collaboration with local authorities and constant involvement of the top management of the company should also be mentioned. Consultations with local authorities take place on an annual basis and have been essential to ensure compliance with local regulations and policies, as well as to improve relations with the communities in which DEO operates.

2. Partnerships with local communities/ educational institutions (Electrician Apprentice - WE CARE)

The Electrician Apprentice Programme is a particularly valuable initiative, carried out in seven cities (Alexandria, Slatina, Pitesti, Craiova, Drobeta Turnu Severin, Ramnicu Valcea and Targu Jiu), aimed at training and preparing future electricians. This initiative not only contributes to the professional development of young people, but also has a significant impact on local communities. Through this programme, we are pleased to have an excellent collaboration with local authorities in each county involved. This effective and sustained collaboration is crucial to ensuring the success and sustainability of the programme, providing access to resources and logistical support, but also promoting its smooth integration into the social and economic web of local communities. Through joint efforts and mutual commitment, the Electrician Apprentice programme continues to be a shining example of how partnerships between the private sector and local authorities can generate tangible and lasting benefits for young people and communities across the country.

3.Actions carried out for Oltenia Marathon - including the number of companies that were partners in the event and the number of participants and volunteers.

For the past eleven years, motivation has been the common ground for all those who have been involved with Oltenia Marathon. At each edition, we were united by motivation and united for good deeds, with each passing year being more prepared, more involved, more motivated. In 2023, we drew attention to sustainability goals through the Reverse Time for Nature - Reverse Marathon campaign, and we created a new section and a new pledge on the event website in the Sports for Nature community.

We were joined by 28 partner companies, 1,045 participants and over 100 internal volunteers, and the big winner was, as always, the local community. Thus, we doubled the registration fees and donated to the three social causes as follows:

- EUR 13,350.00 to the Ramnicu Valcea Emergency County Hospital for equipping the maternity ward of the hospital with medical equipment;
- EUR 13,350.00 to Valcea Community Foundation for the implementation of educational activities within the framework of Fondul Științescu initiative, targeting children and young people between 6 and 19 years old;
- EUR 3,350.00 to AVA Ramnicu Valcea Association to support the mission of creating authentic social environments for children with disabilities and special needs.

For 11 years, Oltenia Marathon has combined motivation and enjoyment of sport with care for the local community.

In 2023, all stakeholders of the organisation were assessed, and no other categories relevant to the business of DEO were identified. Thus, 31 main classes of stakeholders were identified, which were grouped into 11 main classes.

The following evaluation criteria were used to rank the stakeholder categories:

- Accountability:** those connected to the organisation by contracts and/or legal, financial policies or operational regulations;
- Influence:** those who are empowered to influence the achievement by the organisation of its goals. This includes those with formal (decision-makers) as well as informal, internal or external influence;
- Proximity:** those on whom the organisation depends in its day-to-day operations and those living near the premises of the organisation;
- Dependency:** those who are most dependent on the organisation, consumers/users, who rely on the services of the organisation or suppliers for whom the organisation is an important/major customer;
- Representativeness:** those representing key institutions with which the company interacts, such as union representatives, community leaders, local authorities, etc.

Each stakeholder category was assessed according to the aforementioned criteria and scored with:

- 1 - low relevance,
- 2 - average relevance, and
- 3 - high relevance.

In terms of value, the obtained average was framed as follows:

- range between: 0 and 1.66 - low relevance (Low);
- range between 1.66 and 2.33 - average relevance (Average) and range between 2.33 and 3 - high relevance (High), and it represents the level of prioritisation of the stakeholder category.

Categories of stakeholders	Average	Ranking
Shareholders	2.71	HIGH
Employees	2.69	HIGH
Local authorities (Town Halls, County Councils, Prefectures)	2.49	HIGH
Users	2.27	AVERAGE
Central authorities	2.16	AVERAGE
Main Suppliers	2.09	AVERAGE
Educational establishments (universities, high schools)	2.04	AVERAGE
Civil society	1.96	AVERAGE
Local communities	1.96	AVERAGE
Subcontractors	1.96	AVERAGE
Media (Conventional and Social Media)	1.89	AVERAGE

Figure no. 1 - Categories of stakeholders relevant to Distribuție Energie Oltenia

Following the prioritisation, the following categories of stakeholders identified as relevant to Distribuție Energie Oltenia were involved in the consultative processes in order to determine the content of the sustainability report.

Internal stakeholders	External stakeholders
Employees Middle management Top Management Trade union representatives	Consumers/users Suppliers Subcontractors Shareholders Central authorities (including regulators) Local authorities Local communities Civil society Media

Figure no. 2 - Categories of stakeholders involved in the consultative processes

Process for determining material topics

Identification, assessment, grouping and prioritisation of impacts

In 2023, the work carried out within Distribuție Oltenia was reviewed to identify the impacts (positive and negative, actual and potential, short and long-term, intended and unintended, reversible and irreversible) on the economy, the environment and society, including human rights, caused by the activities, products and services of the company.

Impacts were assessed according to their Severity (scale, scope and irremediable character) and Likelihood and impact on human rights, resulting in the following hierarchy of their relevance to the organisation. For ease of correlation of the ratings used in the review process, all ratings were scaled 1-10

Negative impacts

Link to GRI Standards	Topic	Impacts definition	Human rights	Relevance
EU26, EU27, EU28, EU29	Acces	Frequent grid power failures and outages can affect equipment and even user safety.	YES	10
DEO specific topic	Communication with customers	By adhering to the Supplier Code of Conduct, we provide our customers/users with a guarantee of the integrity and quality of the provided services/products. We also ensure respect for all the rights of the employees of our suppliers based on values similar to those of the CEZ Group.	YES	8.5
GRI 418	Customer privacy	Violation of the rights of users regarding the processing of personal data will have an impact on the observance of the privacy rights of users	YES	7.25
GRI-302	Energy	Through our technological consumption, we have a high level of electricity consumption and consequently greenhouse gas emissions.	NO	7
GRI-416	Customer health and safety	The interaction of the local community with the distribution infrastructure can lead to events that affect the health of its members (meters in houses, overhead power lines across properties where people live).	NO	7
GRI-205	Anti-corruption	The occurrence of a possible corruption incident at the management level may cause a negative impact on employees, suppliers or the environment.	YES	6.25

Link to GRI Standards	Topic	Impacts definition	Human rights	Relevance
GRI-306	Waste	The maintenance of the distribution network involves the use of environmentally harmful substances (e.g. transformer cooling oil) that can affect water sources in operational areas.	NO	6
GRI-302	Energy	With fuel consumption due to the need to travel in the field to maintain the distribution network, we have a high consumption of non-renewable resources.	NO	5.75
GRI-205	Anti-corruption	The occurrence of a possible incident of corruption among employees may cause a negative impact on DEO users.	NO	5.25
GRI-305	Emissions	Accidental release of sulphur hexafluoride gas or refrigerants from air conditioning units into the atmosphere can increase greenhouse gas emissions and the carbon footprint of the company.	NO	5.25
GRI-205	Anti-corruption	The occurrence of a possible corruption incident in the procurement process can cause damage to users, suppliers or the environment.	NO	4.5
GRI-304	Biodiversity	Maintenance actions by deforestation safety lanes have a potential negative impact on biodiversity.	NO	4.25
GRI 406	Non-discrimination	The emergence of forms of discrimination can create an unhealthy working environment with a negative impact on employees or stakeholders (customers, contractors, suppliers, local community). At the same time, it can lead to lower employee engagement and efficiency.	N/A	4.25
GRI-204	Procurement practices	The lowest price policy could result in the purchase of products with a short lifespan, environmental impact relative to the amount of waste generated, high CO2 energy purchase	NO	3

LEGEND ■ ECONOMIC FIELD ■ ENVIRONMENTAL FIELD ■ SOCIAL FIELD ■ DEO SPECIFIC TOPIC

Figure no. 3 - Negative impacts identified and assessed by DEO

Positive impacts

Link to GRI Standards	Topic	Impacts definition	Human rights	Relevance
EU26, EU27, EU28, EU29	Access	Electricity is a key resource for social and economic development, and it provides access to other technologies and services. Ensuring quality energy distribution services (frequency and reduced outage times), guarantees the social and economic development of local communities.	N/A	10
EU26, EU27, EU28, EU29	Access	The special measures implemented for medically vulnerable users (provision of additional energy sources) ensure that their rights are protected.	N/A	10
DEO specific topic	Investing in green energy	Through the photovoltaic production capacities installed in the transformer stations, we contribute to the decrease of energy consumption and implicitly to the reduction of the carbon footprint, to the reduction of operational costs and indirectly to the reduction of the distribution tariff paid by the users (covering their own technological consumption).	N/A	8.75
GRI 403	Occupational Health and Safety	DEO's actions to increase the level of protection of the employees of service providers (reducing the risk of injury through specific contractual provisions), specialised training, monitoring and control of their work, as well as the monitoring of non-compliances found to lead to the development of an OHS (occupational health and safety) culture in local communities.	N/A	8.5
GRI 404	Training and Education	Development of human resources in local communities through professional and personal training programs for the employees of the company.	N/A	8.5
GRI 404	Training and Education	Impact on the educational system in terms of human resources development in local communities by involving the company in training programmes for young people (Electrician Apprentice) and supporting internship programmes for students and pupils.	N/A	8.25
GRI 403	Occupational Health and Safety	By using the advanced distribution management system to monitor the electrical distribution network and remotely operate the remotely controllable equipment (switches, reclosers, load breakers), the trips and risks to the employees of the company are reduced.	N/A	8
GRI 403	Occupational Health and Safety	Improving the physical and mental health of employees by popularising a healthy lifestyle (various information materials, lifestyle education programmes).	N/A	8
DEO specific topic	Ethical Conduct	Ethical business conduct ensures a climate conducive to the development of mutually beneficial relationships with our suppliers and users and, last but not least, guarantees respect for fundamental human and employee rights.	N/A	8
EU10	Availability and Reliability	Extending the existing network ensures the stability and social and economic development of local communities.	N/A	7.75

Link to GRI Standards	Topic	Impacts definition	Human rights	Relevance
GRI-307	Environmental Compliance	Maintaining environmental standards and ISO 14001 certification ensures that existing and potential negative environmental impacts resulting from the activity of the company are identified and addressed.	N/A	7.75
GRI 403	Occupational Health and Safety	DEO, as an employer, provides examples of good practice in developing an OHS culture in local communities in operational areas by providing safe and healthy workplaces, assessing risks of occupational injury and illness and implementing measures in order to eliminate or mitigate risks. Healthy employees actively participate in the life of the local community.	N/A	7.75
GRI 413	Local Communities	Development of human resources and economic growth of the local community through CSR projects that contribute to the acquisition/development of skills or knowledge necessary for integration into the labour market.	N/A	7.5
GRI 413	Local Communities	Local communities in the counties within our area of operation benefit from investments in projects in the following areas of action: education, health & wellbeing, environment, local community development. In our projects we opt for the purchase of sustainable products and the promotion of environmentally responsible behaviour. DEO's CSR flagship project is the Electrician Apprentice.	N/A	7.25
GRI-305	Emissions	Through our services and assistance to prosumers we support the reduction of carbon emissions and European efforts to decarbonise the energy system.	N/A	7
GRI 401	Employment	The economic development of the operational area by offering permanent employment contracts, collective labour agreements and various benefits to employees ensures stability and welfare.	N/A	6.5
GRI-201	Economic Performance	Through Economic Performance, the company contributes to the economic growth of local communities in the operational area through paid taxes.	N/A	6.25
GRI-201	Economic Performance	DEO's economic performance helps ensure a low unemployment rate in local communities in the operational area.	N/A	6.25
DEO specific topic	Investing in Green Energy	With the „10 to Energy” project, DEO is installing a photovoltaic system to generate green energy in an educational facility, which contributes to lowering the carbon footprint in the communities in the operational areas.	N/A	6
GRI 401	Employment	By recruiting staff from the local market, we contribute to lowering the unemployment rate and to the specialisation of the workforce in the communities of the operational areas.	N/A	6
GRI 405	Diversity and Equal Opportunity	Increase of the quality of life of the employees through the development of work-life balance campaigns.	N/A	5.25
GRI 405	Diversity and Equal Opportunity	Ensuring diversity and equal opportunities in all DEO activities provides professional development opportunities for all social groups, including the disadvantaged.	N/A	4.75
GRI 405	Diversity and Equal Opportunity	Increasing the proportion of women in technical fields by developing the Female Electrician Apprentice component of the Electrician Apprentice project and making it possible to compete for any position within the company.	N/A	4.25
GRI-202	Market Presence	By offering decent/competitive wages, it ensures higher living standards for employees, attracting and retaining valuable employees, increasing engagement in the work and increasing work efficiency.	N/A	3.75
GRI-202	Market Presence	Through managerial promotion of the employees on the local market and decent wages, a positive impact on the economic development of the local community in the operational areas is achieved. At the same time, it ensures the development of human resources in operational areas.	N/A	3.25

LEGEND ■ ECONOMIC FIELD ■ ENVIRONMENTAL FIELD ■ SOCIAL FIELD ■ DEO SPECIFIC TOPIC

Figure no. 4 - Negative impacts identified and assessed by DEO

The impact areas “Communication with customers”, “Affordability” and “Investing in green energy” proposed by stakeholders do not fall under any of the topics defined by GRI Standards, as the first two were defined in previous reports¹. **A new impact area, i.e. “Ethical Conduct”, has been identified.**

¹ The 2017/2018 Sustainability Report can be accessed at <https://bit.ly/3d9k0uk> - and the impact area “Communicating with Consumers/Users” can be found at pages 56-61 and “Affordability” can be found at page 39. “Investing in green energy” can be found in the 2021 Sustainability Report at page 80, and can be accessed at <https://shorturl.at/eoDGN>

In 2023, a new impact area has been identified, namely “Ethical Conduct”. It is about responsibly approaching our day-to-day tasks and ensuring practices in order to increase business resilience by mitigating negative impacts.

“Ethical conduct” is an area of impact proposed by the organisation that does not fall under any topic defined by GRI Standards. Distribuție Energie Oltenia launched its Code of Ethics, Code of Business Conduct and Compliance Manual in 2015, thus defining the organisational values in which it believes and which form the basis of its activity. Since 2017, the Supplier Code of Conduct and the Customer Code of Conduct and Bill of Rights have been defined to promote similar responsible principles and behaviours throughout its value chain.

With the development of the sustainability context, the relevance of potential negative impacts on “Ethical Conduct”, both downstream and upstream, has increased.

The identified impacts have been grouped into topics and have been submitted to the relevant stakeholders for assessment through online questionnaires.

Consultation with the stakeholders

The following consultation methods were used for this reporting process:

- online consultation/opinion survey;
- focus group meetings (during operational meetings).

All consultation methods had in common the sustainability questionnaire, a tool used in the online stakeholder survey campaign. By applying the questionnaire, stakeholders assessed the material topics for the sustainability report of the company, and suggested other issues of interest to them.

Consultation with stakeholders in order to determine the relevance of the issues proposed by the company for the 2023 sustainability report (September - October 2023):

- **934** recipients of the online questionnaires;
- **163** replies received.
- **10** focus groups with employees, **455** replies were recorded.



Following the analysis of the obtained results, the following hierarchy of relevance to stakeholders of the topics proposed by the company was recorded:

Negative impacts

Link to GRI Standards	Topic	Impact definition	Average STK rating	Category of stakeholders
GRI-205	Anti-corruption	<ul style="list-style-type: none"> The occurrence of a possible corruption incident at management level may cause a negative impact on employees, users, suppliers or the environment. The occurrence of a possible incident of corruption among employees may cause a negative impact on DEO users. The occurrence of a possible corruption incident in the procurement process can cause damage to users, suppliers or the environment. 	8.47	Local community, Suppliers, Other
DEO specific topic	Communication with customers	<ul style="list-style-type: none"> By adhering to the Supplier Code of Conduct, we provide our users with a guarantee of the integrity and quality of the provided services/products. We also ensure respect for all the rights of the employees of our suppliers based on values similar to those of the CEZ Group. 	8.40	Local community, Suppliers, Central government representative
GRI 406	Non-discrimination	<ul style="list-style-type: none"> The emergence of forms of discrimination can create an unhealthy working environment with a negative impact on employees or stakeholders (customers, contractors, suppliers, local community). At the same time, it can lead to lower employee engagement and efficiency. 	8.17	Local community, Suppliers, Central government representative, Other
GRI-416	Customer Health and Safety	<ul style="list-style-type: none"> The interaction of the local community with the distribution infrastructure can lead to events that affect the health of its members (meters in houses, overhead power lines cross properties where people live). 	8.10	Local Community, Local government representative, Employees
GRI-204	Procurement practice	<ul style="list-style-type: none"> The lowest price policy could result in the purchase of products with a short lifespan, environmental impact relative to the amount of waste generated, high CO2 energy procurement. 	7.66	Local community, Suppliers, Central government representative
GRI-306	Waste	<ul style="list-style-type: none"> The maintenance of the distribution network involves the use of environmentally harmful substances (e.g. transformer cooling oil) that can affect water sources in operational areas. 	7.56	Suppliers, Other, Customers
GRI-305	Emissions	<ul style="list-style-type: none"> Accidental release of sulphur hexafluoride gas or refrigerants from air conditioning units into the atmosphere can increase greenhouse gas emissions and the carbon footprint of the company. 	7.48	Subcontractor, Central government representative, Other
EU26, EU27, EU28, EU29	Access	<ul style="list-style-type: none"> Frequent grid power failures and outages can affect equipment and even user safety. 	7.40	Central government representative, Local government representative, Customers
GRI-302	Energy	<ul style="list-style-type: none"> With fuel consumption due to the need to travel in the field in order to maintain the distribution network, we have a high consumption of non-renewable resources. Through our own technological consumption, we have a high level of electricity consumption and consequently greenhouse gas emissions. 	6.99	Suppliers, Other, Customers
GRI-304	Biodiversity	<ul style="list-style-type: none"> Maintenance actions by deforesting safety lanes have a potential negative impact on biodiversity. 	6.85	Suppliers, Other, Customers
GRI 418	Customer Privacy	<ul style="list-style-type: none"> Violation of the rights of users regarding the processing of personal data will have a negative impact on the observance of the privacy rights of users 	6.41	Suppliers, Customers, Employees

LEGEND ■ ECONOMIC FIELD ■ ENVIRONMENTAL FIELD ■ SOCIAL FIELD ■ DEO SPECIFIC TOPIC

Figure no. 5 - Relevance to stakeholders of the negative impacts proposed by the organisation



Positive impacts

Link to GRI Standards	Topic	Impact definition	Average STK rating	Category of stakeholders
GRI 403	Occupational Health and Safety (SSM)	<ul style="list-style-type: none"> By using the advanced distribution management system to monitor the electrical distribution network and remotely operate the remotely controllable equipment (switches, reclosers, load breakers), the trips and risks to the employees of the company are reduced. Improving the physical and mental health of employees by popularising a healthy lifestyle (various information materials, lifestyle education programmes). DEO, as an employer, provides examples of good practice in developing an OHS culture in local communities in operational areas by providing safe and healthy workplaces, assessing risks of occupational injury and illness and implementing measures in order to eliminate or mitigate risks. Healthy employees actively participate in the life of the local community. DEO's actions to increase the level of protection of the employees of service providers (reducing the risk of injury through specific contractual provisions), specialised training, monitoring and control of their work, as well as the monitoring of non-compliances found lead to the development of an OHS (occupational health and safety) culture in local communities. 	9.29	Subcontractor, Civil Society, Local Community
DEO specific topic	Investing in Green Energy	<ul style="list-style-type: none"> Through the photovoltaic production capacities installed in the transformer stations, we contribute to the decrease of energy consumption and implicitly to the reduction of the carbon footprint, to the reduction of operational costs and indirectly to the reduction of the distribution tariff paid by the users (covering their own technological consumption). With the „10 to Energy” project, DEO is installing a photovoltaic system to generate green energy in an educational facility, which contributes to lowering the carbon footprint in the communities in the operational areas. 	9.15	Central Government Representative, Civil Society, Local Community
GRI 404	Training and Education	<ul style="list-style-type: none"> Impact on the educational system in terms of human resources development in local communities by involving the company in training programmes for young people (Electrician Apprentice) and supporting internship programmes for students and pupils. Development of human resources in local communities through professional and personal training programs for the employees of the company. 	9.13	Civil Society, Local Community, Central government representative
DEO specific topic	Ethical Conduct	<ul style="list-style-type: none"> Ethical business conduct ensures a climate conducive to the development of mutually beneficial relationships with our suppliers and users and, last but not least, guarantees respect for fundamental human and employee rights. 	9.03	Local community, Suppliers, Central government representative
GRI-305	Emissions	<ul style="list-style-type: none"> Through our services and assistance to prosumers we support the reduction of carbon emissions and European efforts to decarbonise the energy system. 	8.94	Local community, Suppliers, Central government representative, Civil Society, Other
GRI 413	Local Communities	<ul style="list-style-type: none"> Development of human resources and economic growth of the local community through CSR projects that contribute to the acquisition/development of skills or knowledge necessary for integration into the labour market. Local communities in the counties within our area of operation benefit from investments in projects in the following areas of action: education, health & wellbeing, environment, local community development. In our projects we opt for the purchase of sustainable products and the promotion of environmentally responsible behaviour. DEO's CSR flagship project is the Electrician Apprentice. 	8.94	Local Community, Other, Central government representative, Subcontractors, Civil society
GRI-307	Environmental Compliance	<ul style="list-style-type: none"> Maintaining environmental standards and ISO 14001 certification ensures that existing and potential negative environmental impacts resulting from the activity of the company are identified and addressed. 	8.75	Local Community, Supplier, Central government representative
EU10	Availability and Reliability	<ul style="list-style-type: none"> Extending the existing network ensures the stability and social and economic development of local communities. 	8.62	Local Community, Local government representative, Customers
GRI 405	Diversity and Equal Opportunity	<ul style="list-style-type: none"> Ensuring diversity and equal opportunities in all DEO activities provides professional development opportunities for all social groups, including the disadvantaged. Increasing the proportion of women in technical fields by developing the Female Electrician Apprentice component of the Electrician Apprentice project and making it possible to compete for any position within the company. Increase of the quality of life of the employees through the development of work-life balance campaigns. 	8.61	Local Community, Central government representative, Other

Link to GRI Standards	Topic	Impact definition	Average STK rating	Category of stakeholders
GRI-202	Market Presence	<ul style="list-style-type: none"> By offering decent/competitive wages, it ensures higher living standards for employees, attracting and retaining valuable employees, increasing engagement in the work and increasing work efficiency. Through managerial promotion of the employees on the local market and decent wages, a positive impact on the economic development of the local community in the operational areas is achieved. At the same time, it ensures the development of human resources in operational areas. 	8.59	Local Community, Suppliers, Civil Society
GRI 401	Employment	<ul style="list-style-type: none"> The economic development of the operational area by offering permanent employment contracts, collective labour agreements and various benefits to employees ensures stability and welfare. By recruiting staff from the local market, we contribute to lowering the unemployment rate and to the specialisation of the workforce in the communities of the operational areas. 	8.56	Local Community, Central government representative
GRI-201	Economic Performance	<ul style="list-style-type: none"> Through Economic Performance, the company contributes to the economic growth of local communities in the operational area through paid taxes. DEO's economic performance helps ensure a low unemployment rate in local communities in the operational area. 	8.04	Local community, Suppliers, Other
EU26, EU27, EU28, EU29	Access	<ul style="list-style-type: none"> Electricity is a key resource for social and economic development, and it provides access to other technologies and services. Ensuring quality energy distribution services (frequency and reduced outage times), it guarantees the social and economic development of local communities. The special measures implemented for medically vulnerable users (provision of additional energy sources) ensure that their rights are protected. 	7.14	Central government representative, Other, Local government representative

LEGEND ■ ECONOMIC FIELD ■ ENVIRONMENTAL FIELD ■ SOCIAL FIELD ■ DEO SPECIFIC TOPIC

Figure no. 6 - Relevance to stakeholders of the positive impacts proposed by the organisation

The sustainability questionnaire submitted to stakeholders during the meetings or in the online survey campaign also included space to highlight areas of impact relevant to respondents in the economic, social and environmental fields.

The replies submitted by stakeholders in this consultation cycle were reviewed in terms of whether they fell within the impact areas defined by GRI Standards or DEO-specific impact areas. Subsequently, the proposals from stakeholders were correlated with the list of topics proposed by Distribuție Energie Oltenia for consultation.

Seq. no.	Stakeholders' message category	Correlation with standards GRI	Percentage	Categories of stakeholders for whom the topic is relevant	Correlation with topics identified by the company	Results of the stakeholders' consultation
1.	Availability and reliability	Access and DEO specific topic	31%	DEO employee, Local government representative, Civil society	Existing in the list proposed by DEO	Material topic, to be included in the report
2.	Waste	GRI 306	20%	DEO employee, Supplier	Existing in the list proposed by DEO	Material topic, to be included in the report
3.	Investing in green energy	DEO specific topic	5%	DEO employee, Supplier	Existing in the list proposed by DEO	Material topic, to be included in the report
4.	Local communities	GRI 413	5%	DEO employee, Civil Society	Existing in the list proposed by DEO	Material topic, to be included in the report
5.	Salaries and benefits for employees	GRI 401 GRI 202	5%	DEO employee, Supplier	Existing in the list proposed by DEO	Material topic, to be included in the report
6.	Training and Education	GRI 404	5%	DEO employee, Civil Society	Existing in the list proposed by DEO	Material topic, to be included in the report
7.	Energy	GRI 302	5%	DEO employee, Civil Society	Existing in the list proposed by DEO	Material topic, to be included in the report

LEGEND ■ ECONOMIC FIELD ■ ENVIRONMENTAL FIELD ■ SOCIAL FIELD ■ DEO SPECIFIC TOPIC

Figure no. 7 - Results of the consultation with stakeholders

Following the review of the impact areas proposed by stakeholders in this reporting cycle, it was found that all

were already included in the list proposed by the company for consultation and shall be reported.

Two-dimensional matrix plotting was used to establish the materiality boundary:

- Relevance of the area of impact to the company;
- Relevance of the area of impact to the stakeholders;

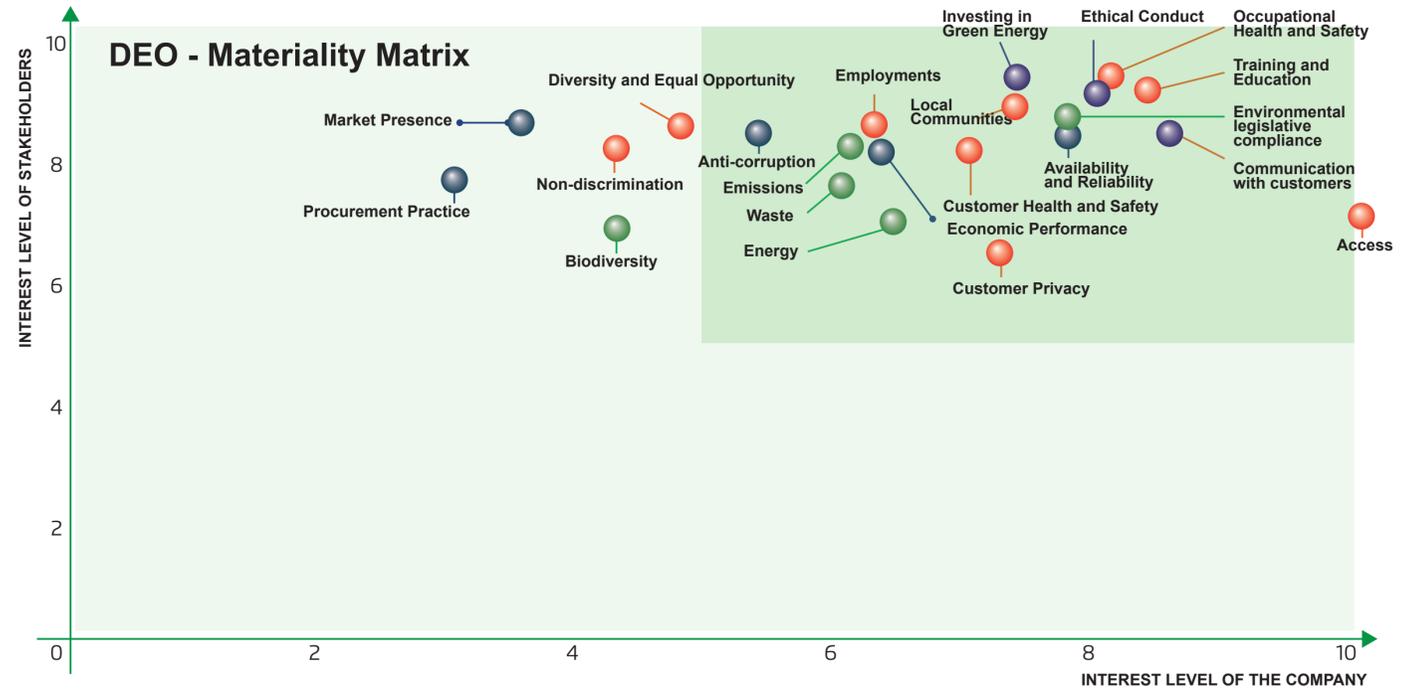


Figure no. 8 - Materiality matrix at impact area level

List of material topics

At the end of the materiality analysis the following impact areas were identified as material, and shall be included in this report

Link to GRI Standards	Topic	Relevance
GRI 404	Training and Education	8.75
GRI 403	Occupational Health and Safety	8.68
EU26, EU27, EU28, EU29	Access	8.57
DEO specific topic	Ethical Conduct	8.51
DEO specific topic	Communication with customers	8.45
DEO specific topic	Investing in Green Energy	8.26
EU10	Availability and Reliability	8.19
GRI 413	Local Communities	8.16
GRI-416	Customer Health and Safety	7.55
GRI 401	Employment	7.41
GRI-305	Emissions	7.17
GRI-201	Economic Performance	7.15
GRI-205	Anti-corruption	6.90
GRI 418	Customer Privacy	6.83
GRI-306	Waste	6.78
GRI-302	Energy	6.68

LEGEND ■ ECONOMIC FIELD ■ ENVIRONMENTAL FIELD ■ SOCIAL FIELD ■ DEO SPECIFIC TOPIC

Figure no. 9 - List of 2023 material impact areas

As every year, the materiality analysis confirms certain topics that remain consistently relevant to both the company and its stakeholders:

- Market presence;
- Availability and reliability;
- Energy;
- Employment;
- Occupational Health and Safety;
- Training and Education
- Local communities;
- Customer Health and Safety;
- Customer Privacy;
- Communication with customers;
- Investing in green energy.

These topics can be considered material to the business of Distribuție Energie Oltenia.

In addition to these, there are certain impact areas, which, depending on developments in sustainability, socioeconomic context and stakeholder perceptions, become relevant and are included in our sustainability reports on a regular basis.

DEO specific topics, i.e. proposed by the stakeholders of the organisation and included in the reporting process, are reconfirmed as relevant for this materiality analysis as well: ‚Communication with customers‘, ‚Accessibility of price‘ and ‚Investment in green energy‘.

Also, out of the two new topics identified by the organisation in this reporting cycle, only „Ethical Conduct“ was confirmed as relevant following consultation with the stakeholders of the organisation.

Developments in material topics

Area	GRI Standards	Topics	Material topics					
			2016	2017/2018	2019	2020	2021 & 2022	
ECONOMIC	GRI-201	Economic performance	—	Economic performance	Economic performance	—	—	Economic performance
	GRI-202	Market presence	—	Market presence	Market presence	Market presence	Market presence	—
	GRI-203	Indirect Economic Impact	—	—	—	—	Indirect Economic Impact	—
	GRI-204	Procurement Practices	Procurement Practices	—	—	—	—	—
	GRI-205	Anti-corruption	Anti-corruption	Anti-corruption	Anti-corruption	Anti-corruption	Anti-corruption	Anti-corruption
	EU10	Availability and reliability	Availability and reliability	Availability and reliability	Availability and reliability	—	Availability and reliability	Availability and reliability
	EU12	System efficiency	System efficiency	System efficiency	System efficiency	System efficiency	System efficiency	—
ENVIRONMENT	GRI-302	Energy	Energy	Energy	Energy	Energy	Energy	Energy
	GRI-304	Biodiversity	Biodiversity	—	—	—	—	—
	GRI-305	Emissions	—	—	—	—	—	Emissions
	GRI-306	Waste and wastewater	Waste and wastewater	Waste and wastewater	—	—	—	Waste
	---	Environmental investments	Environmental investments	—	—	—	—	—
	GRI-307	Environmental Compliance	Environmental Compliance	Environmental Compliance	Environmental Compliance	Environmental Compliance	Environmental Compliance	—
SOCIAL	GRI 401	Employment	Employment	Employment	Employment	Employment	Employment	Employment
	GRI 403	Occupational Health and Safety	Occupational Health and Safety	Occupational Health and Safety	Occupational Health and Safety			
	GRI 404	Training and Education	Training and Education	Training and Education	Training and Education	Training and Education	Training and Education	Training and Education
	GRI 405	Diversity and Equal Opportunity	—	—	—			
	GRI 406	Non-discrimination	Non-discrimination	—	Non-discrimination	—	—	—
	GRI 413	Local communities	Local communities	Local communities	Local communities	Local communities	Local communities	Local communities
	GRI-416	Customer Health and Safety	Customer Health and Safety	Customer Health and Safety	Customer Health and Safety			
	GRI 418	Customer Privacy	Customer Privacy	Customer Privacy	Customer Privacy	Customer Privacy	Customer Privacy	Customer Privacy
	EU26, EU27, EU28, EU29	Access	Access	Access	Access	---	---	Access
DEO specific topic	DEO specific topic	Communication with customers	N/A	Communication with customers	Communication with customers	Communication with customers	Communication with customers	Communication with customers
	DEO specific topic	Accessibility of Price	N/A	Accessibility of Price	—	—	—	—
	DEO specific topic	Investing in green energy	—	—	—	Investing in green energy	Investing in green energy	Investing in green energy
	DEO specific topic	Ethical conduct	—	—	—	—	—	Ethical conduct

Figure no. 10 – Developments in materia topics



OUR CUSTOMERS

Customer Health and Safety

- GRI 3-3 Management of material topic
- GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
- EU25 Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases

Customer Privacy

- GRI 3-3 Management of material topic
- GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
- GRI 3-3 Management of material topic
- 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

Communication with customers

- GRI 3-3 Management of material topic
- DEO-specific topic - Opening new UCCs
- DEO-specific topic - Developing the company's sites and IT applications
- DEO-specific topic - Improving the training of UCC and Call Center personnel
- DEO-specific topic - Better promotion of company services and products

Customer Health and Safety

Management of material topic

The interaction of the local community with the distribution infrastructure can lead to events affecting the health of its members (meters located inside the home, overhead or underground power lines crossing properties, farmland or buildings, people fishing near power lines, trees located under overhead power line conductors, etc.).

Electricity distribution facilities are located near private properties or even cross residential land and buildings. Under normal operating conditions, there are no risks to human health and safety, but these may occur in the event of breakdowns or disturbances. Agricultural or construction work carried out on land crossed by overhead power lines can generate events by hitting poles or conductors and breaking them by machinery, which can lead to human accidents and material damage.

In order to raise the awareness of people who may be involved in such events, the organisation takes measures to label the grid for electrical hazards.

Energy meters that are still located inside homes will be moved to the property line.

Dangerous fishing spots near power lines are identified and marked for electrocution.

During checks by operating staff, trees approaching power line conductors are identified, and measures are taken to groom them.

Incidents of non-compliance concerning the health and safety impacts of products and services

In 2023, there were no incidents related to health and safety impacts of DEO products and services on consumers/users.

Number of injuries and fatalities to the public involving company assets, including legale judgements, settlements and pending legal cases of diseases

In 2023, three people were reported electrocuted for the following reasons:

- attempted tampering of the electrical components of PTCZ;
- Failure to comply with warning signs, distance and accidental contact with the arm of a machine used for agricultural work of LEA (overhead power line);
- failure to comply with warning signs and accidental touching of LEA when fishing on undeveloped ponds.

In 2023, there were no OHS-related court complaints from consumers/users or the local community.

Customer Privacy

Management of material topic

GDPR drives organisational change, efficiency and data-driven intelligence, while creating opportunities for companies to innovate and thrive in a data-driven landscape. Adopting GDPR is key to protecting data, building trust and unlocking the full potential of valuable information with a positive impact on the rights of individuals. It is a guarantee of the protection of fundamental human rights relating to privacy by establishing a single and consistent framework that can be followed by any employee responsible for processing data.

The organisation is constantly striving to manage its business and operations in a way that mitigates risk.

We have our own personal data protection and security policies, published on our website, drafted and implemented in accordance with the provisions of Regulation (EU) 679/2016 of the European Parliament and

of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data. A Data Protection Officer (DPO) has been appointed in DEO since 2018.

We again took a number of steps to ensure data security and to strengthen awareness within the organisation, but also in relation to our relationship with business partners, customers and other relevant parties, which included, among others:

- amending commercial contracts with data protection annexes;
- updating the register of personal data processing;
- providing support in the implementation of the cyber security strategy;
- employee awareness sessions;
- Monitoring legislative changes impacting the GDPR area.

In terms of monitoring the effectiveness of the actions taken, they aim to ensure data protection for both users and its business partners. In this regard, Distribuție Oltenia used both questionnaires designed to assess the level of knowledge of employees in the area of GDPR, as well as checking how they work in areas involving constant processing of personal data. The conclusions were positive and progress was made.

By involving all stakeholders, Distribuție Oltenia has managed to collect and take into account feedback, thus optimizing its existing processes.

Substantiated complaints concerning breaches of customer privacy and losses of customer data

No complaints were received in 2023 regarding breaches of customer privacy and loss of customer data.

Access

Management of material topic

Access to the distribution network.

We ensure non-discriminatory access of consumers/users to the electricity grid in our own licence area. This process requires an adequate service to receive and deal with the requests of users and, implicitly, to carry out works in the distribution network to ensure safe connection and within the parameters set by the performance standard.

Providing access to the grid directly affects investors, management and employees on the internal side, and users, local authorities and local communities on the external side.

The group of vulnerable energy consumers refers to groups of people who, for medical reasons, are in constant need of electricity supply.

In order to support vulnerable energy consumers, according to ANRE Order no. 46/2021, the distribution operator shall ensure that the electricity supply is guaranteed at all times by specific technical means (UPS).

The consumption sites for vulnerable consumers are recorded separately in the databases of the distribution operator and have two dedicated telephone numbers for contacting the electricity distributor to report any problems with the electricity supply.

The distribution system operator shall also ensure, in accordance with internal procedures, that the technical equipment at the point of consumption of vulnerable customers is regularly checked.



Communication with customers

Management of material topic

Within Distribuție Energie Oltenia, the management of relations with customer benefits from a strategic approach, which consists of creating higher values and developing appropriate relationships with them.

The approach of the company is based on a good knowledge of the users in its operational area and the specific characteristics of their demands and behaviours. The “Communication with customers” topic has a direct impact on the following categories of stakeholders:

- Company management - ensuring the logistical and organisational conditions necessary to carry out business at modern standards. The strategy is also established taking into account feedback from consumers/users;
- Employees - through whom communication with consumers/users takes place;
- Consumers/Users - as beneficiaries of the measures to improve the communication systems of the company.

Also in 2023, the goal of Distribuție Energie Oltenia was to ensure the necessary logistics and adequate organization of communication with consumers/users in order to strengthen the flow of document delivery, document processing and user information.

In 2023, specialists in the User Relationship Centres received special training in line with the frequent legislative changes during such period. At the same time, users have benefited from permanent support from our specialists in the connection process. 22 User Relations Centres in the seven counties belonging to Distribuție Energie Oltenia were available to consumers.

Depending on the pandemic situation, some of these centres have been temporarily closed or their activity has been restricted and additional communication channels (e-mail, Whatsapp) have been made available to users. We are constantly looking for new modern communication systems to reduce waiting times and increase user satisfaction.

In order to assess/measure customer/user performance, in 2023, the company ran a series of projects on measuring satisfaction with the company: the “Mystery Shopper “11. The main conclusion of this type of project was that the employees of the operator Distribuție Oltenia are well informed about the managed processes and have the necessary skills to provide information to consumers/users.

We inform users through all available communication channels: both through direct contact in CRC and online via website (www.distributieoltenia.ro) and social platforms (Facebook, Instagram, Youtube, LinkedIn and TikTok), as well as by telephone. From 1 November 2023, we also have a new Facebook page dedicated to Distribuție Oltenia. In this way, we maintain a mix of communication channels with consumers and provide all categories of users the opportunity to be informed.

We are developing our online customer services infrastructure to help reduce the resource consumption and carbon footprint of our users. On the website www.distributieoltenia.ro we provide real-time information to consumers, such as the Electricity Outage Map (<https://www.distributieoltenia.ro/en/support/map-interruptions.html>) which is updated every 2 hours. This allows consumers to see if there is already a recorded outage in their area, and find out the resolution time without going to CRC or calling us.

Also, through online communication, we try to educate consumers through educational postings (e.g. what are the duties of a distributor) and information campaigns (Switching Energy Supplier or Smart Metering).

We frequently send out press releases/information on various topics (about investments, special weather conditions, projects initiated, ongoing or completed by Distribuție Oltenia).

We report outages both during periods of bad weather codes to the authorities and on a daily basis by publishing them on the website.

Through monthly satisfaction surveys (NPS - Net Promoter Score) we identify their problems and needs and try to adapt accordingly, helping to increase the level of satisfaction of our consumers/users.

We achieve non-discriminatory access to the distribution network by promoting:

- network reinforcement works to ensure that new users can be connected to the network;
- network extension works ;
- works for the connection of equipment;
- monitoring/automation works of the RED1 connection process.

All these actions reduce the time for consumers/users to connect to the grid and ensure reliable solutions/ conditions for their connection. The total number of new users connected in 2023 was **8451**.

The investment programme promoted network reinforcement works worth RON 23,492.92 thousand, benefiting approximately **324** users.

Electricity distribution is regulated both through primary legislation (Law no. 123/2012) and secondary legislation in accordance with ANRE obligations, budgeted investment programmes related to expansion and electrification for the purpose of energy supply to residential users - works carried out in collaboration with local authorities.

Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime

The situation of disconnections for non-payment of outstanding invoices in 2023 is as follows:		The situation of reconnections after payment of outstanding invoices in 2023 is as follows:	
Disconnection period	No. of users	Reconnection period	No. of users
< 48 hours	6823	< 24 hours	12532
48 hours_1 week	1948	24 hours_1 week	886
1 week_1 month	1769	> 1 week	36
1 month_1 year	7865		
> 1 year	216		

Power outage frequency

In 2023, SAIFI for DEO area:

- Total SAIFI 2,133 = Planned SAIFI 0,948 + Unplanned SAIFI 1,185.

Average power outage duration

In 2023, SAIDI for DEO area:

- Total SAIDI 270,13 = Planned SAIDI 160,12 + Unplanned SAIDI 110,01.

1 - RED - Electricity Distribution Network

DEO specific topic - Opening new UCCs

Number of consumers present in each UCC

In 2023, the company also resumed operations in the User Relationships Centres closed during the pandemic: Bechet, Filiași, Baia de Aramă, Vânu Mare, Orșova, Corabia, Călimănești and Horezu:

- 22 User Relations Centres, evenly distributed throughout the entire area of activity of Distribuție Oltenia;
- 2 e-mail addresses: relatiiclienti@distributieoltenia.ro and distributieoltenia@distributieoltenia.ro;
- 29 telephone extensions, distributed in all user relations centres;
- website: www.distributieoltenia.ro.

During the reporting period, there were 125,936 registered users accessing our User Relations Centres, distributed as follows:

SEQ. NO.	CRC	NO. OF USERS	SEQ. NO.	CRC	NO. OF USERS
2023	CRAIOVA	19130	13	SLATINA	10354
2	BĂILEȘTI	91	14	CARACAL	4716
3	BECHET	70	15	ALEXANDRIA	10033
4	FILIAȘI	105	16	ROȘIORII DE VEDE	2322
5	PITEȘTI	25396	17	VIDELE	63
6	CÂMPULUNG	121	18	RM VÂLCEA	13876
7	CURTEA DE ARGEȘ	1096	19	DRĂGĂȘANI	3443
8	TÂRGU JIU	15546	20	HOREZU	63
9	BAIA DE ARAMĂ	63	21	CĂLIMĂNEȘTI	101
10	DROBETA TURNU-SEVERIN	12284	22	CORABIA	102
11	ORȘOVA	49			
12	VÎNJU MARE	14			

DEO specific topic - Developing the company's sites and IT applications

Number of visits to www.distributieoltenia.ro

The total number of visits in 2023 to www.distributieoltenia.ro was 604,630.

Number of visitors to www.distributieoltenia.ro

The total number of visitors in 2023 to www.distributieoltenia.ro was 178,915.

Relevant disclosures on communication with customers:

- Number of requests/complaints received at: relatiiclienti@distributieoltenia.ro;
- Number of telephone enquiries/complaints received by the customer/user relations service department;
- Total number of telephone calls;
- Total number of unanswered telephone calls;
- Average time to answer phone calls (seconds);
- Number of telephone calls not answered within 30 seconds of call initiation;
- Number of telephone calls answered more than 20 minutes after the call was received;
- Number of written enquiries/complaints/claims not replied to within the standard time limit.

DEO specific topic - Developing the company's sites and IT applications

Nr	Disclosure	User type*	Voltage level	Q1	Q2	Q3	Q4	Year total
1	Number of complaints received about the quality of the voltage curve	all	MV	2	8	13	4	27
2	Number of complaints received about the quality of the voltage curve	all	LV	563	535	618	563	2279
3	Number of complaints received about the quality of the voltage curve	all	HV	2	0	0	0	2
4	Number of complaints about the quality of the voltage curve that could not be resolved	all	all	0	0	0	0	0
5	Number of complaints about the quality of the voltage curve that could not be resolved	all	MV	0	0	0	0	0
6	Number of complaints about the quality of the voltage curve that could not be resolved	all	LV	0	0	0	0	0
7	Number of requests/complaints/claims, or written requests on subjects other than those explicitly covered by this standard	all	HV	0	0	0	0	0
8	Number of requests/complaints/claims, or written requests on subjects other than those explicitly covered by this standard	all	LV	11508	10634	11382	10479	44003
9	Number of requests/complaints/claims, or written requests on subjects other than those explicitly covered by this standard	all	MV	429	391	505	674	1999
10	Number of written complaints on topics other than those explicitly referred to in this standard that could not be resolved	all	HV	22	17	18	33	90
11	Number of complaints about measured data	all	all	0	0	0	0	0
12	Number of complaints about measured data	all	MV	81	107	163	156	507
13	Number of complaints about measured data	all	LV	2066	1565	1796	1778	7205
14	Total number of telephone calls****	all	HV	6	2	0	0	8
15	Total number of unanswered telephone calls	all	all	72990	76148	126111	86677	361926
16	Average** time to answer telephone calls (seconds)	all	all	7742	9261	24741	7903	49647
17	Number of telephone calls not answered within 30 seconds of call initiation	all	all	27	25	43	28	32
18	Number of telephone calls answered by exceeding 20 minutes after the call has been received	all	all	0	0	0	0	0
19	Number of written queries/complaints/claims not replied to within the standard time limit	all	all	0	0	0	0	0
20	Numărul solicitărilor/sesizărilor/reclamațiilor scrise la care nu s-a răspuns în termenul prevăzut în standard	all	all	1	0	0	0	1

DEO specific topic - Improving the training of UCC and Call Center personnel

Level of satisfaction with communication channels.

Compared to the previous year, the **2023 DEO NPS2 score is up** (+9 points, from 26 to 35 points), the best NPS score since 2019.

The main sources of satisfaction are based on **increasing satisfaction with the Call Centre** (+23) and with the management of the **grid connection process** (+13).

Social media communication (+9) and communication on **DEO website** (+8 points) are other important aspects appreciated by DEO consumers.

The most important source of dissatisfaction, in relation to all the assessed aspects, is the **variation of electricity voltage** especially in some rural areas.

2 - The **NPS survey** measures loyalty at the level of overall brand interaction and identifies brand retention power; NPS DEO survey consisted of **168** online questionnaires completed by **domestic and legal users and authorities**; the survey was conducted with internal resources from October to November 2023.



Similarly, the **NPS DEO Transactional 2** survey, that assessed customer loyalty to DEO following the most recent interaction in one of its User Relations Centres, found that:

- **reported user satisfaction with overall interaction in DEO CRCs over the past 6 months is up from 7.7 to 8.6 points** (+0.9 points) compared to H1 2023;
- **the NPS loyalty score for interaction in DEO CRCs over the last 6 months** shows an increase from 31 to 53 points (+21 points) compared to H1 2023.
- **waiting time** in general (for processing applications, waiting time between online appointment and CRC visit, CRC waiting times) **remains the main source of user dissatisfaction.**

DEO specific topic - Better promotion of company services and products

The press briefings covered various topics ranging from operational activities, investments and maintenance works, to informing the public about safety rules around electricity grids, communication channels of the distribution operator, its involvement in social responsibility projects, actions to prevent electricity theft, details of Distribuție Oltenia's User Relations Centres schedule, etc.

Registered distributor values: 41

- 2 briefings on actions to combat electricity theft;
- 39 - other information of interest (investments made in the network, investments for the benefit of the local community, digitalisation projects co-financed by European funds, details of DEO staff and its service providers, rules on burning dry vegetation, actions to be avoided around electrical installations, checking the functionality of metering equipment, reactive information following incidents in the network, etc.).

Of which CSR recorded values: 8 (briefings on the results of social responsibility projects implemented by DEO - Electrician Apprentice, awards obtained by the distribution operator, partnerships, etc.)

3 - **Studiul NPS** Tranzactional masoara gradul de loialitate al consumatorilor fata de DEO in functie de cele mai recente interactiuni in unul dintre Centrele sale de Relatii cu Utilizatorii

Number of reports of scheduled power outages 24 hours a day, 7 days a week;

We send published outage schedules in all 7 counties in the operational area of the distribution operator (Argeş, Dolj, Gorj, Mehedinţi, Olt, Teleorman and Vâlcea):

- 1 email/week/county - schedule - local publication;
- 1 email/when appropriate/county/change - local publication;
- 1 email/week/county - schedule - local authorities;
- 1 email/when appropriate/county/change - local authorities;
- 1 email/week/schedule - in-house;
- 1 email/daily/changes - in-house.

Customer information programmes/campaigns/actions

We constantly communicate useful information to consumers, both through press releases and social media. From information on how they can report a power outage, to information on how to make an online reservation in the CRC, details on connections, information of interest to them.

In 2023, we also ran two new information campaigns for DEO customers, one on the topic of Switching Energy Suppliers and the second on Smart Metering.

In November, we also created a **Facebook page dedicated to Distribuție Oltenia** to bring together our customer community.

We detail below the number of posts on Social Media related to DEO:

- CEZ Romania main Facebook page: 123;
- DEO on Facebook: 27;
- LinkedIn: 83;
- DEO on LinkedIn: 13;
- Twitter/ X: 13;
- Instagram: 47;
- TikTok: 12.





OUR EMPLOYEES

Employment

- GRI 3-3 Management of material topic
- GRI 2-30 Collective bargaining agreements
- GRI 401-1 New employee hires and employee turnover
- GRI 401-2 Benefits exclusive to full-time employees, not offered to temporary or part-time employees
- GRI 401-3 Parental leave
- EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

Occupational Health and Safety

- GRI 3-3 Management of material topic
- GRI 403-1 Occupational health and safety management system
- GRI 403-2 Hazard identification, risk assessment and incident investigation
- GRI 403-3 Occupational health services
- GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
- GRI 403-5 Worker training on occupational health and safety
- GRI 403-6 Promotion of worker health

- GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- GRI 403-8 Workers covered by an occupational health and safety management system
- GRI 403-9 Work-related injuries
- GRI 403-10 Work-related ill health
- EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training

Training and Education

- GRI 3-3 Management of material topic
- GRI 404-1 Average hours of training per year per employee
- GRI 404-2 Programs for upgrading employee skills and transition assistance programs
- GRI 404-3 Percentage of employees receiving regular performance and career development reviews

Employment

Management of material topic

The „Employment” topic directly affects investors, management and employees internally, and users, local authorities and local communities externally.

Our priority has been to continue to provide optimal working conditions and to implement a system of occupational health and safety. We use fair practices and do not accept any form of discrimination, harassment, forced labour and child labour. We provide our colleagues with the opportunity to be promoted at work and ensure the same level of opportunity regardless of gender, sexual orientation, genetic characteristics, age, nationality, race, colour, ethnicity, religion, political choice, social origin, family status or responsibility, trade union membership or activity, or other matters defined by law.

Employment and promotion decisions are made exclusively on the basis of the following criteria:

- vocational training,
- achievements,
- individual behaviour in accordance with the legislation in force.

We adopt a fair remuneration policy based on the assessment of professional skills and individual job performance of employees, and provide employees at all levels with the opportunity to develop their knowledge and skills relevant to their job performance.

We evaluate our actions through internal audit processes, and collaborate with state institutions to take all the necessary steps in the field of labour, work relations and the health and safety of our colleagues.

Collective bargaining agreements

In 2023, all DEO employees were covered by a company-wide collective agreement negotiated with the trade unions.

New employee hires and employee turnover

Total number and rate of new employees in the reporting period by age group, gender and region for 2023:

GENDER	< 30 years	> 50 years	30 - 50 years	Total
Men	38	12	36	86
Argeş	3	1	1	5
Bucharest			1	1
Dolj	16	4	16	36
Gorj	5	2	2	9
Mehedinţi	2	1	2	5
Olt	4		11	15
Teleorman	5	2	3	10
Vâlcea	3	2		5
Women	13	3	10	26
Argeş	2	1	3	6
Bucharest				
Dolj	6		6	12
Gorj	2			2
Mehedinţi			1	1
Olt	2	1		3
Teleorman		1		1
Vâlcea	1			1
Total	51	15	46	112

GENDER	< 30 years	> 50 years	30 - 50 years	Total
Men	2,6%	0,8%	2,5%	5,9%
Argeş	0,2%	0,1%	0,1%	0,3%
Bucharest	0,0%	0,0%	0,1%	0,1%
Dolj	1,1%	0,3%	1,1%	2,5%
Gorj	0,3%	0,1%	0,1%	0,6%
Mehedinţi	0,1%	0,1%	0,1%	0,3%
Olt	0,3%	0,0%	0,8%	1,0%
Teleorman	0,3%	0,1%	0,2%	0,7%
Vâlcea	0,2%	0,1%	0,0%	0,3%
Women	0,9%	0,2%	0,7%	1,8%
Argeş	0,1%	0,1%	0,2%	0,4%
Bucharest	0,0%	0,0%	0,0%	0,0%
Dolj	0,4%	0,0%	0,4%	0,8%
Gorj	0,1%	0,0%	0,0%	0,1%
Mehedinţi	0,0%	0,0%	0,1%	0,1%
Olt	0,1%	0,1%	0,0%	0,2%
Teleorman	0,0%	0,1%	0,0%	0,1%
Vâlcea	0,1%	0,0%	0,0%	0,1%
Total	3,5%	1,0%	3,2%	7,7%

Total number and turnover of employees during the reporting period by age group, gender and region in 2023:

GENDER	< 30 years	> 50 years	30 - 50 years	Total
Men	17	29	24	70
Argeş	6	7	4	17
Bucharest			1	1
Dolj	3	7	5	15
Gorj	4	1	2	7
Mehedinţi	1	4		5
Olt	1	4	2	7
Teleorman	1	4	5	10
Vâlcea	1	2	5	8
Women	2	8	1	11
Argeş	0	1	1	2
Bucharest			0	0
Dolj	0	6	0	6
Gorj	0			0
Mehedinţi	1			1
Olt	1	1		2
Vâlcea	0			0
Total	19	37	25	81

GENDER	< 30 years	> 50 years	30 - 50 years	Total
Men	1,2%	2,0%	1,6%	4,8%
Argeş	0,4%	0,5%	0,3%	1,2%
Bucharest	0,0%	0,0%	0,1%	0,1%
Dolj	0,2%	0,5%	0,3%	1,0%
Gorj	0,3%	0,1%	0,1%	0,5%
Mehedinţi	0,1%	0,3%	0,0%	0,3%
Olt	0,1%	0,3%	0,1%	0,5%
Teleorman	0,1%	0,3%	0,3%	0,7%
Vâlcea	0,1%	0,1%	0,3%	0,5%
Women	0,1%	0,5%	0,1%	0,8%
Argeş	0,0%	0,1%	0,1%	0,1%
Bucharest	0,0%	0,0%	0,0%	0,0%
Dolj	0,0%	0,4%	0,0%	0,4%
Gorj	0,0%	0,0%	0,0%	0,0%
Mehedinţi	0,1%	0,0%	0,0%	0,1%
Olt	0,1%	0,1%	0,0%	0,1%
Vâlcea	0,0%	0,0%	0,0%	0,0%
Total	1,3%	2,5%	1,7%	5,6%

Benefits offered to full-time employees that are not offered to temporary or part-time employees

All permanent, temporary, part-time and full-time employees have the same benefits provided in the bargaining agreement signed at company level.

In 2023, an employer-sponsored health insurance scheme has been implemented for all employees at no additional cost to the employee, which can be taken out by family members of employees for a fee.

In accordance with the legal provisions on maternity protection at the workplace, Distribuție Energie Oltenia carries out risk assessments at the workplace and takes additional measures for the protection and safety of employees during the maternity period, by modifying the workplace and working conditions in case of high risk.

Parental leave

Total number of employees, who received parental leave in 2023, by gender:

Men	2
Women	6
Total	8

Total number of employees, who returned to work during the reporting period after the end of parental leave by gender:

Men	2
Women	2
Total	4

Total number of employees in 2023 who returned to work after the end of parental leave and were still employed 12 months after returning to work, by gender:

Men	2
Women	2
Total	4

Ratele de revenire la locul de muncă

Return to work and retention rates of employees who took parental leave, by gender, in 2023:

Return rate:

Men	2	100%
Women	2	100%

Rata de retenție:

Men	2	100%
Women	2	100%

Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

Over the next 5 years

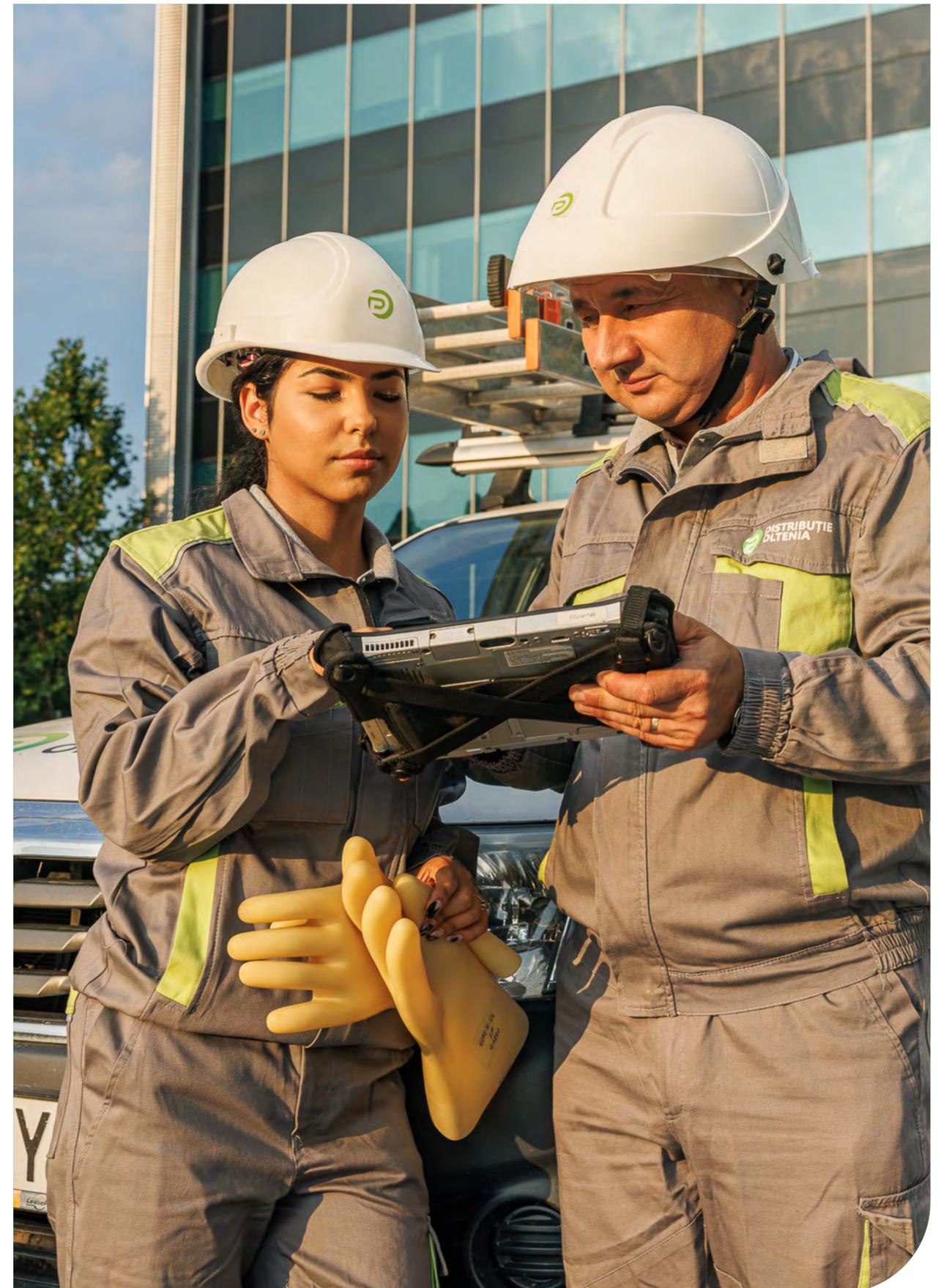
County	Management	Operational	Total
Argeș	1	3	4
Bucharest			
Dolj	2	13	15
Gorj		5	5
Mehedinți		3	3
Olt		8	8
Teleorman		4	4
Vâlcea		3	3
Total	3	39	42

County	Management	Operational	Total
Argeș	0,07%	0,21%	0,27%
Bucharest	0,00%	0,00%	0,00%
Dolj	0,14%	0,89%	1,03%
Gorj	0,00%	0,34%	0,34%
Mehedinți	0,00%	0,21%	0,21%
Olt	0,00%	0,55%	0,55%
Teleorman	0,00%	0,27%	0,27%
Vâlcea	0,00%	0,21%	0,21%
Total	0,21%	2,68%	2,89%

Over the next 10 years

County	Management	Operational	Total
Argeș	3	36	39
Dolj	15	87	102
Gorj	2	30	32
Mehedinți	1	33	34
Olt	1	33	34
Teleorman	3	30	33
Valcea	1	20	21
Total	26	269	295

County	Management	Operational	Total
Argeș	0,21%	2,47%	2,68%
Dolj	1,03%	5,98%	7,01%
Gorj	0,14%	2,06%	2,20%
Mehedinți	0,07%	2,27%	2,34%
Olt	0,07%	2,27%	2,34%
Teleorman	0,21%	2,06%	2,27%
Valcea	0,07%	1,37%	1,44%
Total	1,79%	18,49%	20,27%



Occupational Health and Safety

Management of material topic

In Romania, the field of “Occupational Health and Safety” is fully legislated, with specific and detailed requirements on how the obligations of both employers and workers should be understood and applied.

In addition to DEO’s commitment to comply with the legal obligations and to provide the necessary resources to implement such obligations, the company has aligned itself with the requirements of ISO 45001/2018, which replaces the previous ISO 18001 standard. We also have regular meetings with both internal teams and contractors to stress the importance of occupational safety issues and to share both lessons learned and to align with company goals.

The impact of ‘Occupational Health and Safety’ is both internally and externally the company. Internally, employees, management representatives and investors are affected. Outside the organisation, the impact on suppliers and subcontractors is reflected on central regulators.

To achieve the goals we have set ourselves, we have focused on:

- Ensuring the health and safety protection of employees;
- Preventing occupational risks;
- Informing, training and consulting employees in all aspects of occupational health and safety;
- Avoiding accidents and incidents;
- “0” tolerance for non-compliance with the occupational health and safety rules

It has been identified as follows:

Positive impact:

- **social:** by using the advanced distribution management system for monitoring the electrical distribution network and remote control of remotely operated equipment (switches, reclosers, load breakers), the trips and risks to which the employees of the company are subjected are reduced; improvement of the physical and mental condition of employees by popularising a healthy lifestyle (various information materials, lifestyle education programmes (Personal Energy); development of OHS culture within the local communities in the operational areas by increasing the degree of protection of the employees of service providers/reducing the risk of injury through specific contractual provisions, specialised training, monitoring and control of their work, monitoring of constant non-compliances. ISO 45001 certification and Quality, Environmental, Occupational Health and Safety Management. Increasing activity as an employer by improving the professional performance of workers through theoretical and practical training in the polygon and by authorising personnel both from the point of view of occupational health and safety and ANRE.
- **Socio and economic:** to enhance DEO’s reputation as an employer providing examples of good practice and to develop an OHS culture within local communities in operational areas by providing safe and healthy workplaces, assessing risks of occupational injury and illness and implementing measures to eliminate or mitigate risks. Healthy employees actively participate in the life of the local community.

DEO has implemented an **Occupational Health and Safety Policy** with the following commitments:

- eliminating hazards and mitigating OHS risks of;
- ensuring safe and healthy working conditions to prevent work-related injuries and illnesses;
- consulting and involving workers;
- the compliance of the organisation with legislation, regulations, occupational health and safety obligations and all requirements that the organisation has adopted.

Distribuție Energie Oltenia has set itself a series of general and specific objectives in order to achieve its commitments:

General objectives:

- increasing capacity, awareness, empowerment and motivation of staff;
- continuous improvement of working conditions and mitigation of risk;
- compliance with legal requirements, occupational health and safety obligations and other requirements to which the organisation subscribes.

Specific objectives:

- Increasing performance in the field of occupational health and safety and emergency situations;
- Increasing performance in the field of occupational health and safety and emergency situations by maintaining the number of controls on compliance with specific regulations;
- Evaluating emergency preparedness by reviewing the exercises carried out;
- Maintaining the effectiveness of OHS training action from 75% in 2022 to 75% in 2023 of employees with scores above 8.00;
- Increasing the effectiveness of the training action by developing the concepts of “training by watching” - training videos (as is correct);
- Increasing the competence of staff in the knowledge and implementation of the legal provisions on occupational health and safety (the percentage of employees who undergo the DEO authorisation process with scores > 8.00 should represent 70% of the total number);
- Training and awareness on injury and biohazards, reporting of dangerous and less dangerous incidents/situations;
- Equipping staff with certified PPE and PM(ET) according to the Prevention and Protection Plans;
- Preventing risks by monitoring the health condition of employees;
- Continuously evaluating the work task, the actions of the performer, the work environment;
- Correctly identifying the workload;
- Modality of completion of work formalities by the issuer/applicant/work manager*;
- Maintaining the working conditions existing at the time of the risk assessment;
- Keeping the number of incidents/accidents/near misses at “0” level;
- Increasing the capacity of intervening in emergency situations through exercises;
- Complying with applicable legal requirements and obligations on HSE;
- KPIs (key performance indicators) are set for all goals and reported on a half-yearly/annual basis.

Actions taken:

- equipping with high-performance protective equipment and devices.
- identifying and eliminating risk areas: eliminating as many as possible and keeping under control those that cannot be eliminated;
- “0” tolerance for non-compliance with the occupational health and safety rules;
- 100% monitoring and compliance with the legislation;
- regular monitoring of the health condition of staff;

- maintaining certification of OHS management system (SR EN ISO 45001);
- testing and implementing new technologies (extension of “live working”, working with drones, etc.);
- continuity of projects “Electrician Apprentice”, “Junior Apprentice”, Internship for university graduates, internship agreements with Universities;
- continuous training adapted to the requirements of change through specialised training;
- increasing the efficiency of the training action through the use of video tutorials and the use of training polygons - training “by doing” (7 MT&JT polygons + 1 training centre for PRAM, dispatchers, measurement, station operation and NTL);
- well-defined training topics and intervals for all categories of staff;
- developing digital skills: using the e-learning platform;
- continuing and developing the concepts of “professional training with attracted trainers” (integrated specialised training);
- new methods to raise awareness among own employees and contractors/suppliers on compliance with the occupational health and safety requirements.

Occupational health and safety management system

Distribuție Energie Oltenia S.A., through its top management, has established and communicated the Quality-Environment-OHS Policy. OHS policy is in line with SR EN ISO 45001 and legal requirements. The implementation of SR EN ISO 45001 is not a legal requirement, but the desire of the company to implement a system in order to provide employees with safe and healthy working environments and to prevent accidents and occupational diseases.

It is available as documented information and has been shared with all internal and external stakeholders. We regularly assess the functionality of the integrated management system through internal and third party audits, controls and verifications. Following this, action plans are drawn up in order to prevent the recurrence of identified non-compliances. The action plans thus established are monitored and followed up in order to implement improvement measures.

Distribuție Energie Oltenia SA is active in the field of electricity distribution for users in seven counties: Arges, Dolj, Gorj, Mehedinți, Olt, Valcea and Teleorman. The implemented management system covers all activities of the distribution service (operation, maintenance and development of electrical equipment in order to distribute electricity from generators to consumers in conditions of safe operation of electrical facilities, safe operation, ensuring quality parameters and reducing maintenance and repair costs).

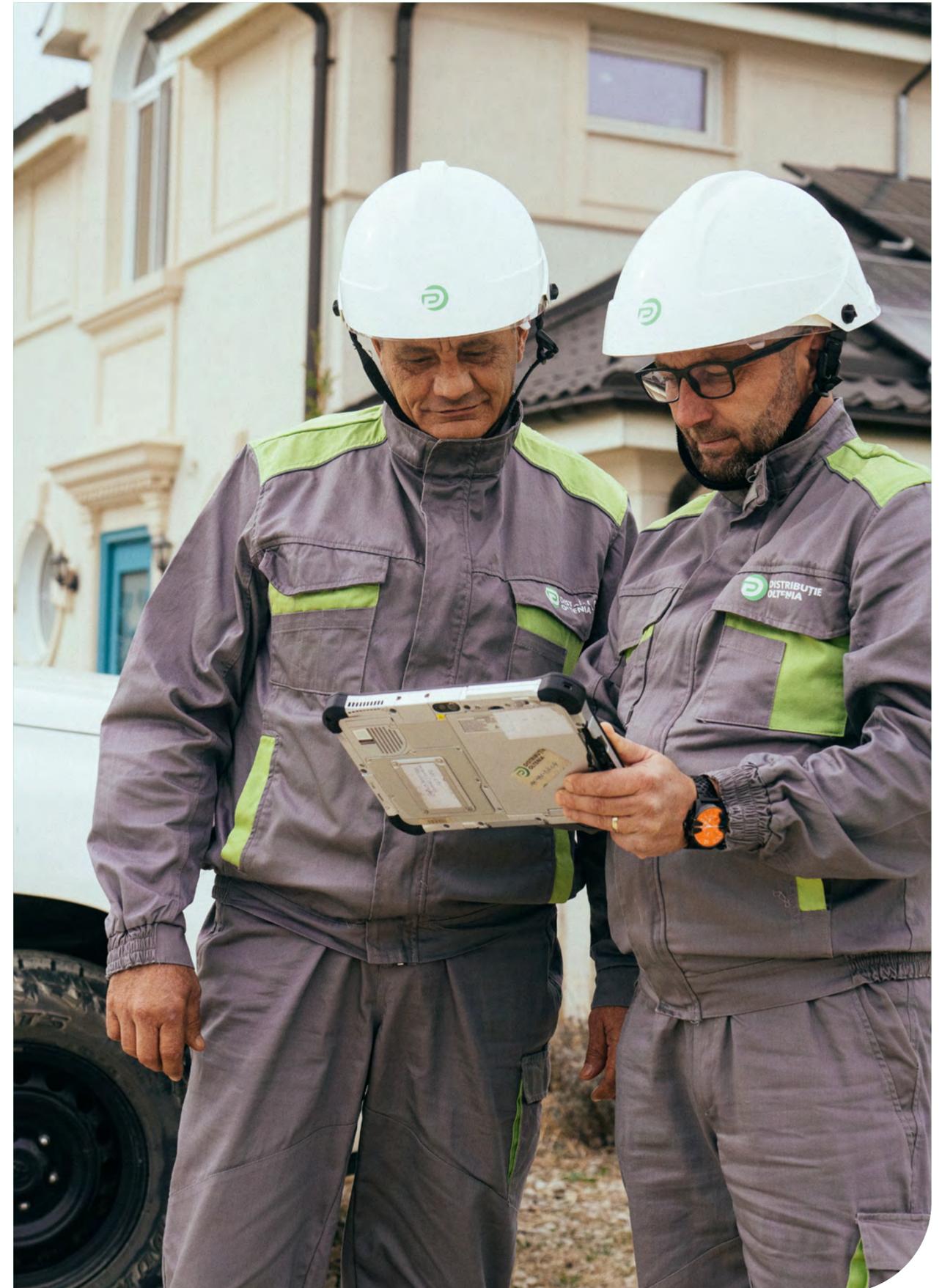
Hazard identification, risk assessment and incident investigation

On the basis of the legislation in force, the organisation has drawn up a series of its own (IPSM), specific (ISSM) and technical instructions on occupational safety (ITI-PM). DEO works on the basis of 20 IPSM, 4 ISSM, 1 ITL, 1 EIP and EIL equipping regulation, 76 ITI-PM, 6 ITI-PM GIS, 10 ITI-PM LST.

In accordance with their own OHS instructions, staff are required to prevent or stop any action that could lead to injury to themselves and/or others. Personnel are required to take measures to prevent accidents, within the limits of their competence, if they find any deviations from the instructions or defects in electrical facilities which could endanger the safety of persons, and to report these findings to their direct supervisor or direct manager.

The organisation has established a unitary system on:

- communication, investigation, recording, reporting and record-keeping of incidents leading to injury, occupational illness or death (accidents at work);
- communication, investigation, recording, reporting and record-keeping of incidents without consequences or dangerous situations.



Knowledge of, compliance with and application of the provisions of this instruction is mandatory for all employees working at DEO.

The identification and assessment of risks of occupational injury and illness is carried out according to the INCDPM method. This method consists in the analysis of each workplace by a team made up of risk assessors, occupational health physician, employees' representative, specialists in the reviewed activity. The components of the work system shall be identified and described, expressly specifying the workload and working environment conditions. On-site observation of the way the work is carried out, discussions with people involved in the work, measurements of noxious substances, noise, vibrations, electromagnetic fields, etc. are carried out. In accordance with the four components of the work system, i.e. the worker, the work task, the working environment and the means of work, all risk factors for the workplace in question are identified and, on the basis of pre-established checklists, the size of the risk is quantified on the basis of the combination of the severity and frequency of the maximum foreseeable consequence. This results in the workplace assessment sheet with the overall risk level of the reviewed workplace. The workplace assessment sheet is the basis for drawing up the prevention and protection plan which sets out the organisational and technical measures for eliminating or mitigating risks, the persons in charge of implementing the measures and the deadlines for completion and reporting. The result of the reassessment of the risk level and the prevention and protection plan are processed with the entire staff and recorded in the occupational safety training sheet.

Workers are required to report any hazard or situation they consider dangerous during the course of their work, by informing their line manager, the designated worker directly, by Whatsapp or SMS on the dedicated phone number or electronically via the dedicated email address or by logging in the MWM.

Any work that presents a risk of injury shall not be carried out even if it may result in damage to property.

During regular training, staff are informed of the possibility of withdrawal from hazardous situations.

The investigation of incidents (events) is based on the provisions of the Law on Occupational Health and Safety 319/2006 and the Detailed Provisions for its enforcement Government Decision no. 1425/2006, with the amendments and supplementations made by Government Decision no. 955/2010 and Government Decision no. 1242/2011.

Depending on the consequences of the events, according to the legislation in force, the events shall be investigated by the employer of the worker involved in the event, the Territorial Labour Inspectorate and the Labour Inspectorate. The investigation is carried out by a committee appointed by decision of the management of the company, which examines all the aspects that led to the occurrence. Following the review, the circumstances in which the event occurred, the causes that led to its occurrence, the violated occupational safety rules and the persons responsible for the occurrence of the event are determined, then the measures to be taken to avoid the occurrence of other events of this kind, the persons responsible and the deadlines for implementing and reporting such measures are established. The material resulting from the review is processed with the entire staff of the company and communicated to other stakeholders.

Following any accident at work, a reassessment of the risks of injury and occupational disease for the workplace in question shall be carried out, and the employee shall be reintegrated into the workplace in accordance with the "Regulations for the return to work of DEO staff following an accident at work".

Any work-related events and accidents occurring both at DEO and to delegated staff are reviewed and processed with all the parties involved. At DEO, these constitute additional training and are recorded in the individual training sheet.

Occupational health services

The organisation has an Occupational Health and Safety, Fire Prevention and Fire Fighting and Emergency Situations Department made up of highly trained specialists and an Occupational Health and Safety Committee with employee and management representatives. The Occupational Health and Safety Department is responsible for the management and implementation of general occupational health and safety policies and procedures within the organisation. Inspectors who are part of OHS department monitor the work of both own workers and contractors. During inspections at all workplaces, compliance with the measures laid down in the risk assessments, the existence of new hazards and the establishment of measures to eliminate them are ascertained. Our own staff is trained on a regular basis and whenever new events occur. Personnel belonging to contractors shall be trained on the specific conditions in DEO facilities in which they are to work prior to the commencement

of any work by designated DEO personnel and the training shall be recorded on the Collective Training Sheet. Following the controls, measures are proposed to eliminate non-conformities, to improve the activity, and responsibilities and deadlines for completion and reporting are established. In the case of contractors, a number of provisions are laid down as early as the procurement phase: if, during inspections and controls carried out during the execution phase of the works, serious or very serious occupational safety violations are detected (list of serious and very serious OHS violations enclosed to the works contract) by the contractor or their employees, it is assessed which of the following actions will be taken against the contractor: application of penalties, suspension of works, termination of the contract for violation of occupational health and safety legislation.

These processes are continuously measured and monitored. Internal audit and third party audit programmes are established in order to monitor the components of the implemented management system. Compliance with legal requirements is continuously monitored. The quality of such processes is ensured by allocating the necessary resources to carry out the processes, using highly qualified staff, and providing theoretical and practical training to the staff involved.

Worker participation, consultation, and communication on occupational health and safety

An Occupational Health and Safety Committee, a joint body comprising designated employee and management representatives, is set up at organisation level. Workers are involved in this activity through regular consultation on occupational health and safety issues by filling in questionnaires in which they can express their opinions and submit proposals for improvement.

The representatives of the workers are part of the occupational health and safety committee together with management representatives. They receive comments and proposals for improvement on occupational health and safety activity from workers and report back to CSSM meetings. CSSM meetings are held on a quarterly basis and whenever necessary to discuss issues related to the health and safety at work.

The tasks of CSSM are:

- Reviewing and making proposals on the occupational health and safety policy and the prevention and protection plan in accordance with the internal rules or the organisational and operational rules;
- Monitoring the implementation of the prevention and protection plan, including the allocation of the necessary means to carry out its provisions and their effectiveness in terms of improving working conditions;
- Analysing the implementation of new technologies, the choice of equipment, taking into account the consequences for the health and safety of workers, and making proposals if certain deficiencies are found;
- Analysing the choice, purchase, maintenance and use of work equipment, collective and individual protective equipment;
- Proposing measures for the layout of the workplaces, taking into account the presence of groups sensitive to specific risks;
- Examining requests made by workers concerning working conditions and the way in which the designated persons carry out their duties;
- Monitoring the application of and compliance with legal regulations on occupational health and safety, measures ordered by the labour and health inspector;
- Analysing the proposals made by workers for the prevention of occupational injuries and illnesses and for the improvement of working conditions, and proposing their inclusion in the prevention and protection plan;
- Analysing the causes of occupational injuries, professional illnesses and occurrences and may propose technical measures to supplement the measures ordered following the investigation;
- Conducting own checks on the application of own and working instructions, and preparing a written report on the findings.

Worker training on occupational health and safety

Theoretical and practical training in the field of occupational health and safety is provided for all workers regardless of their activity. Occupational health and safety training is carried out upon hiring, on a regular basis and whenever necessary. Regular training takes place during working hours, according to a training programme containing clearly defined topics and intervals for each category of employee, drawn up by the Occupational Health and Safety Department, and it is the obligation of each worker to attend. The OHS training programme includes, among other things, specific and technical instructions on occupational health and safety, assessment of specific risk factors, measures to control risks, first aid measures in the event of an accident, occupational health and safety legislation, as well as the subject of practical training - "by doing", etc. The theoretical training ends with a test of the acquired knowledge and is supplemented by practical exercises in training areas. The frequency and length of periodic training varies according to the carried out activity and the provisions of the legislation in force. Additional training is carried out in the event of changes in legislation, when working conditions or technologies change, after an accident at work, following a reassessment of the level of risk.

Delegated personnel (who belong to other employers but carry out work in DEO facilities) are trained before the commencement of any work on the specific conditions in the facility where they are to carry out work, identified risks, etc. Such training is carried out by designated personnel within the organisation and recorded on the Collective Training Sheet.

Promotion of worker health

Distribuție Energie Oltenia pays particular attention to monitoring the health condition of staff. As a result DEO has a contract for medical services (medical examination upon hiring, regular medical examination, special surveillance (for employees with increased susceptibility, at-risk groups, pregnant or breastfeeding women, directly supervised chronically ill persons), flu vaccination, COVID 19 testing) signed with an external provider.

Workers undergo medical examinations upon hiring and on a regular (annual) basis in accordance with current legislation. This takes place during office hours and they are informed in advance of the appointment.

In addition to the medical examination in accordance with the legal requirements, staff benefit from an annual set of free tests and ultrasound examinations, as well as discounts from the healthcare provider with whom the company collaborates for a number of additional investigations they wish to have carried out there.

Under this programme, members of the employee's family also benefit from a discount on some medical services.

As of 2023, DEO has contracted free private health insurance for employees, which comes with multiple benefits: outpatient services, medical rehabilitation treatment, preventive investigations, hospitalisation services, allowances for serious illnesses, day hospitalisation, discounts on certain dental services, etc. Family members can also benefit from this insurance under certain conditions.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Electricity distribution systems consist of overhead power lines, underground power lines, transformer stations and substations. Approaching this equipment and touching it under normal conditions, but especially in damaged conditions, constitutes a danger to any person. In order to avoid the occurrence of hazardous events, the organisation makes both internal and external stakeholders aware of the risks by means of information, marking of facilities on the risks, protective fencing, warnings on the limits of the protection and safety corridors of the facilities, information in the press, etc.

A study has been carried out on the assessment of occupational exposure (of workers) to low-frequency electromagnetic fields and of the general public to such fields in the vicinity of electrical distribution installations (transformer substations).



The review of the results obtained from the measurements shows the following:

Magnetic field levels in facilities rated at 110 kV are well below the accepted limits for public exposure;

- The non-uniformity of the electric field in the investigated stations varies between very wide limits. The exposure level, calculated in points of maximum electric field value, as the average of the values recorded at three different heights above the ground, shall not exceed, at any point, the value of 5 kV/m (accepted limit for public exposure).
- Measurements at transformer substations did not reveal any areas where the electric or magnetic field limits for occupational exposure could be exceeded;
- Measurements carried out outside transformer substations in the wall building or around overhead (pole-mounted) substations did not reveal any areas where the electric or magnetic field limits for public exposure could be exceeded, as these areas are accessible to the public.

Conclusions: Both DEO personnel working in the distribution facilities and the general public are not subject to electric and magnetic fields capable of reaching or exceeding the action trigger values provided by Romanian and European legislation.

Workers covered by an occupational health and safety management system

The Occupational Health and Safety management system implemented by the organisation is in compliance with SR EN ISO 45001 and applicable legislation. All the workers of the organisation, the workplaces, the activities carried out are subject to the Occupational Health and Safety Management System. There is an internal audit department within the company and it reviews activities on the basis of an annual programme. Every year, the company undergoes a third party audit by the external certification body - SRAC.

All subcontractors/service providers of Distribuție Energie Oltenia are required to ensure similar occupational health and safety conditions as early as the contracting phase (requirements specified in the tender documents).

An average monthly number of 1437 own employees and 1242 employees of contractors working on a monthly basis on the territory of DEO are directly involved in the compliance and implementation of the integrated management system.

For those who work in the Distribuție Energie Oltenia facilities through the OHS, Emergency Situations and Environment works and/or operating agreements, the company has regulated the occupational health and safety responsibilities of its contractors. They lay down the obligations and liabilities arising in relations between parties concerning health and safety at work, environmental protection, fire protection, civil protection with a view to preventing accidents, occupational illnesses, environmental pollution and fire prevention, as well as taking measures to eliminate their consequences in accordance with the legal provisions in force.

Work-related injuries

During the reporting period, 1 fatal work accident was recorded for Distribuție Energie Oltenia staff. It occurred as a result of a fall from height and was due to a failure to comply with the worker's own safety instructions for working at height.

The accident investigation report was circulated and processed to all employees and recorded in the individual occupational health and safety training sheet. Following the event, the risk level was reassessed for the medium and low voltage electrician workplace, the prevention and protection plan was revised, the monitoring and control of own employees and contractors was intensified.

- Number of hours worked during the reporting period: 2,623,330;
- Fatality rate = 0.38;
- Rate of serious consequences = 0;
- Rate of recorded accidents at work = 0.

For staff who are not employees of DEO, but perform work for DEO, there has been one fatality. The accident was caused by a fall from height.

- Number of hours worked by employees of suppliers during the reporting period: 1,896,328;
- Fatality rate = 0.53;
- Rate of serious consequences = 0;
- Rate of recorded accidents at work = 1.83.

Work-related ill health

At the level of Distribuție Energie Oltenia no occupational illnesses or illnesses related to the profession were recorded during the reporting period.

Percentage of contractor and subcontractor employees that have undergone relevant health and safety training

The training of the staff of contractors, in terms of occupational health and safety is carried out in accordance with the legislation in force (Law no. 319/2006 updated and the implementing rules for the Government Decision no. 1425/2006 with amendments and supplementations) and declared by them when drawing up the contracts. The staff of contractors are trained on the risks and conditions in DEO facilities where they work before the commencement of the work and this is recorded in the "collective training sheet" according to Government Decision no. 1425/2006, Annex 12. The training topics cover the provisions of occupational health and safety regulations relating to specific DEO activities: IPSM 1 chapter 3.1, chapter 5.1, chapter 5.3, chapter 5.6., information on the risks of occupational injury and illness specific to the work, first aid measures: IPSM 7- Own first aid instruction, documents related to the work: work agreement, Government Emergency Ordinance no. 195/2002 on traffic on public roads.

The staff of contractors is 100% trained.

Training and Education

Management of material topic

In a competitive economy, training is a strategic business objective, so harnessing the potential of employees is one of the priorities of the management.

Our role was and still is to equip people to succeed in the mission of the company to reinvent itself and to succeed in creating the right framework for the vision - to be at the heart of change - to be achievable.

Our approach covers all organisational levels. To this end, year after year, we make a sustained effort to understand the development needs of our employees, linking them to our short, medium and long-term strategic objectives and investing significant amounts in their training.

We constantly improve the experience of our employees by:

- Gathering deeper information about the organisation in order to address and anticipate real needs;
- Building a learning environment that supports transformation;
- Development of new skills with a focus on digital skills.

Projects that make people grow

The **Succession Plan** is a programme through which we have facilitated the creation of an organisational framework for the selection and development of key talent in order to ensure the continuity of critical roles.

The program was designed to be focused on roles vital to the competitiveness and continuity of the organisation, the succession planning process to be more about developing succession as a process, and succession to be more about selecting and developing key talent, meaning that for critical roles, the best and highest potential employees were and will be selected and developed, with the goal of the project being to establish successors for key positions at both management and executive levels.

Potential successors, depending on their level of development, have accessed different training programmes:

- Assessment & Development Centers;
- The Leadership Journey;
- The Management Journey.

Development Center (developed and adapted to internal needs) - dedicated to people with development potential in the organisation, a starting point in their career development or training for specific roles.

In 2023, the organisation aims to support them through initiatives and development programmes that complement their skills and develop their potential taking into account their individual development plans as follows:

AC DC – Grow strategically – is a programme designed to strategically increase the skills of managers with development potential in the areas of:

- Contribution to and membership in a dynamic organisation;
- Management of teams and performance towards evolution;
- Situational and empathic leadership;
- Promoting the values of the organisation.

AC DC - Grow as a Leader - a programme aimed at implementing an integrated management and leadership development approach for experts within the company, with a focus on developing competencies associated with company values:

- Cooperation and teamwork;
- Contribution and membership;
- Management of teams and performance;
- Coordination and efficiency;
- Promoting the values of the organisation.

Throughout these programmes, participants were accompanied by a mentor.

A quarterly feedback framework was also provided (in online/written sessions):

- Feedback for the assessment of the progress of participants, being addressed to managers;
- Intermediate feedback addressed to participants;
- Top management was involved in the project through face-to-face discussions with participants, answering questions and providing support for projects initiated by participants.

THE MANAGEMENT JOURNEY is a programme that addresses and develops managerial skills such as: assertive communication with the team, providing feedback, motivating people through several levers such as delegation or empowerment, building a growth mindset in the team.

THE LEADERSHIP JOURNEY is a programme that works on the mindset level. Each module of the program addresses a critical element that helps leaders understand the impact of a clear vision and mission, understand their role in unlocking the potential of people, in decision-making processes or in managing transformational processes.

In 2023, 27 DEO employees graduated from one of the four development programmes.

Average hours of training per year per employee

Average number of training hours per year per employee (Total hours of training_	Male	Female	Total
Management	2.728	266	2.994
Operational	7.551	3.488	11.039
Total	10.279	3.754	14.033

No. of employees who attended at least one training course in the reporting year 2023	Male	Female	Total
Management	43	6	49
Operational	255	137	392
Total	298	143	441

Average no. of training hours per category	Male	Female	Total
Management	63	44	61
Operational	30	25	28
Total	34	26	32





Programs for upgrading employee skills and transition assistance programs

For the implementation of training actions, the total costs in 2023 were RON 427,828.00.

Training actions were carried out in the following areas:

- Increased managerial and leadership skills;
- Acquiring knowledge for project management;
- Developing skills in online training and using communication platforms;
- Improving digital skills to keep up with the latest technologies;
- Improving skills in using Microsoft Office, ZWCAD etc;
- Improving language skills;
- Improving time management skills;
- In the field of public procurement;
- Acquiring new knowledge to prevent and combat fraud and to optimally implement compliance policies;
- Obtaining the necessary permits to carry out the activity, according to the Romanian legislation in force (electrician, project verifier, forklift operator, etc.);
- Acquiring skills in energy auditing;
- Increasing skills in the field by studying video tutorials describing operations in operating stations, PRAM stations, LEA MT&JT, LES MT&JT, PTCZ, etc;
- Acquiring/updating first aid knowledge according to the legislation in force;
- Risk assessor and auditor in the field of occupational health and safety;
- Improving and updating knowledge on legislative changes by attending various seminars and conferences in the field of electricity;
- Updating knowledge of first aid according to current legislation.

Through internal training and employee awareness actions, the carried out programmes also covered the following areas:

- Developing a culture of compliance and ethics: anti-corruption, anti-fraud, conflicts of interest, ethics/conduct, trade secrecy, REMIT;
- Training and raising users' awareness of cyber security risks - Cyberready platform (Security Awareness training);
- Antitrust and competition policy;
- GDPR.

The efforts of the company are focused on developing the professional and personal skills of employees, and in 2023, DEO did not reorganise its business, so there was no need to run any transition assistance programmes.

Percentage of employees receiving regular performance and career development reviews

In 2023, 100% of staff (male/female management/operational, respectively) were regularly evaluated for professional performance.

In 2023, we set up a "Career Plan" programme to identify the criteria and requirements applicable to each position, necessary to define career paths, based on job analysis and evaluation.



ENERGY COMES FROM PEOPLE



Local communities

- GRI 3-3 Management of material topic
- GRI 413-1 Operations with local community engagement, impact assessments, and development programs
- GRI 413-2 Operations with significant actual and potential negative impacts on local communities

Local communities

Management of material topic

“Energy for Good” is the umbrella under which we run all our social responsibility projects in line with our strategic directions: health and wellbeing, education, environmental conservation and regional development.

For Distribuție Oltenia, the community is the core of our business. In 2023, we continued to act in order to meet the needs of the people we serve. As in previous years, we have encouraged colleagues to volunteer, get involved in various activities and support social missions, from strengthening health and education systems to one-off interventions to meet the immediate needs of children, young people and the elderly. We also focused on promoting career education, digitalisation, green energy and energy efficiency.

The PR, CI & CSR department within the People and Brand Division is responsible for the implementation of the internal social responsibility policy and the enforcement of the strategy. The team ensures that projects are tailored to local specifics and that employees are involved in corporate volunteering activities. We also conduct satisfaction surveys and collect feedback from key stakeholders to better understand the needs and impact of our actions.

All social responsibility projects can be tracked on our dedicated platform, Energy for Good, and on our social media channels. The results of the projects are publicly communicated through press releases, customer newsletters, participation in events and recurring campaigns. Local communities can apply for funding via a special form available on our website or by email.

Our projects are selected on the basis of non-discriminatory, non-political and transparent criteria, in close cooperation with local authorities and organisations. We hold regular meetings with community members to identify common priorities and develop long-term solutions. We consult with local authorities to coordinate investment in community development in our area of operation.

So far, we have not developed an integrated system for assessing the impact of our actions in communities, but we carry out regular evaluations through internal and external satisfaction surveys and project reviews. Internally, our employees are informed about the projects and investments of the company through various communication channels, such as direct meetings with management, newsletters, internal magazine and intranet.

Operations with local community engagement, impact assessments, and development programs

In 2023, the investments of the company in community programs and projects have yielded significant results:

Oltenia Marathon, now at its 11th edition, was a major sports competition, promoting a healthy lifestyle. Over the years, Oltenia Marathon has urged us to be Citizens of the Land of the Marathon, to show that we have the marathon gene or to come back as Winners in Zavoi Park after the pandemic. This year, we challenged participants to be **one with sport, nature and community**, as well as join the Sports for Nature community. The event attracted 875 participants, of which 773 ran physically and 102 virtually, while 170 children took part in the children’s race. 7% of participants were registered for the disability race. Throughout the editions, every runner or bike race participant has been part of supporting local social causes. In 2023, the amounts collected from entry fees were doubled by CEZ and donated to the beneficiaries of the previous edition, totalling EUR 40,050.00 donated to the local community.

- EUR 13,350.00 for the Emergency County Hospital from Ramnicu Valcea - Neonatology Department;
- EUR 13,350.00 for AVA Association in Ramnicu Valcea;
- EUR 13,350.00 for the Science Fund of Valcea Community Foundation.

The **Generators of Good project** continued in 2023 supporting the local community. Kindness was the common element in every initiative selected for this project, succeeding in bringing a positive change around. The 2023 budget has doubled to EUR 90,000.00, and the 9 winning projects have been implemented.

With each initiative, we have proven our ability to bring tangible and lasting changes. “Generators of Good” is not just a project, but a movement for community transformation:

- Arges: “From small sources, we receive unparalleled energy” - the opening of a community education centre for pre-school children at Curtea de Arges.
- Caras-Severin: “Developing STEM education” - promoting the concept in 6 cities and 2 municipalities and organising a Science Festival.
- Constanta: “Energisation via digitalisation” - upgrading the computer lab and setting up the robotics club of Fantanele Secondary School.
- Dolj: “Stop illiteracy as a legacy” - improving the quality of the educational process at Afumați Primary School.
- Gorj: “EDU Power” - encouraging pupils in rural areas to adopt new learning methods.
- Mehedinti: “Education is not a privilege, but a right for all” - the upgrade of the computer lab at Prunisor Secondary School.
- Olt: “Jump to Health” - transforming the Jump Track into a place for students to meet and develop their skills.
- Teleorman: “A healthy heart is the life of the body” - equipping Caritas Hospital in Rosiorii de Vede with a heart probe.
- Valcea: “Digital coaching and positive mindset” - setting up a digital space at Anton Pann Secondary School and equipping Matei Basarab National High School with mobile digital tools.

The **“Electrician Apprentice” programme**, launched by Distribuție Energie Oltenia, continued to provide students with the opportunity to join the world of electricians. For young men and women just starting out, it is essential that they find role models around them who reflect the values and benefits of a profession such as that of electrician.

Through the Practice Club - 3rd Edition, the company aims to train future energy specialists, focusing on the circular economy and offering monthly awards for performance.

Together with the Progress Foundation, we started by introducing the apprentices for the first time to the world of electronics, automation and programming by introducing them to Arduino boards.

What have we offered the apprentices through the Practice Club?

- The opportunity to work together in teams of 4-6 students on green energy projects of their choice;
- Digital development provided via two components: an electrical and electronic circuit part and an automation part through basic programming;
- Support for the development of technical skills from Progress Foundation experts: Making electrical circuits according to a diagram, writing code in Arduino, etc.;
- Support for the development of social skills: planning and organising teamwork, problem-solving skills, making videos presenting technical projects, improving communication skills, including presenting projects in front of an audience, etc.;
- A toolkit given to each team to put dozens of ideas into practice.

Personal development workshops were also held, focusing on collaboration, attitude and confidence, communication, adaptability and flexibility.

The “Circuit of Ideas” initiative continued to provide students with the opportunity to learn from specialists within Distribuție Oltenia, benefiting from advice and experience in the energy field.



Also in 2023, 10 graduates of the Electrician Apprentices Programme started their paid internship experience, Junior Electrician, with Distribuție Oltenia and its partners for a period of 6 months:

- Distribuție Oltenia: received 7 graduates from Târgu Jiu Energetic High School, Ferdinand High School in Râmnicu Vâlcea, and Auto Transport High School in Drobeta-Turnu Severin;
- ADREM and EnergoBit: as traditional partners in the Junior Electrician program, they took on 3 graduates from Argeş and Gorj counties.

At the end of the six month period, participants can practice a job that is essential for society, with benefits that are commensurate: a source of income immediately after high school, working conditions adapted to the times we live in, training and professional development. Furthermore, graduates with potential and who have demonstrated skills specific to the position of electrician may be hired, depending on available vacancies.

Following the **10 to Energy** competition, we have added a new landmark to the Map of Green Institutions. Pupils and teachers of "Matei Basarab" Secondary School in Pitesti were the winners of the competition and benefited from the installation of a high-performance photovoltaic panel system. The new photovoltaic panel system will provide clean, sustainable energy for **1,700 students and teachers**, and many future generations.

Every major holiday of the year is a new opportunity to get together with business partners and thank them for their collaboration in a different way. On International Women's Day, Easter and Christmas, we support a local cause.

In 2023 the three campaigns materialised as follows:

- **8 March:** Every year we celebrate 8 March, International Women's Day, as a sign of appreciation for the many roles that women play in society and for their involvement in social and economic life. Together with lele Sânziene Foundation we supported 400 teenage girls from vulnerable backgrounds to (re)find their feminine energy #EnergiaLaFeminin. The focus this time was again on those who bring joy and help build a future every day: young women who tomorrow will be successful women in different fields and who have been given the necessary resources for a fair start in life;
- **Easter campaign:** Together with the Medical and Health Association of Targu Jiu County Emergency Hospital, we covered the costs of 4 operations to fit pacemakers for people diagnosed with serious illnesses.

We also supported the local community by purchasing 1,000 handmade products, made by children with autism from the Dreams and Hopes Association in the city of Craiova, and by purchasing 1,000 boxes of handmade sweets prepared by a local producer from Crasna, Gorj county.

- **Christmas campaign:** Together with Progress Foundation we renovated and equipped the library of Comani Secondary School, Olt County with an investment of EUR 15,000.00. Our energetic volunteers played a crucial role in transforming the library, helping to enhance the space. They transformed the old library into a revitalized space by installing new flooring, modern panelling, assembling new bookshelves and shelves, and creating a comfortable seating area equipped with colourful armchairs to encourage reading and personal

development for students. Because technology could not be missing, the library was equipped with an audio system, a modern PC system, a portable smart screen and a multi-functional, thus providing students with an enhanced educational experience.

Also, together with the Romanian producers, we prepared for our partners over **1,000 gifts** that gave a festive atmosphere. We have chosen to be joined by producers who fulfil social missions. So, we partnered with BinePrimit, an online store that brings together products from several producers who share the mission of sustainability and social protection.

The impact of social responsibility projects has been appreciated by professionals in the field given the results obtained in the competition:

2023 ELECTRICIAN'S TROPHY

- Junior Electrician category - 1st, 2nd and 3rd place winners;

COMMUNITY INDEX

- Oltenia Marathon - Gold Recognition;
- Electrician Apprentices - Gold Recognition.

The Energy CEO Forum & Awards

- Engineering Solution Of The Year – ADMS project;

FEL Awards Gala

- Oltenia Marathon - best social responsibility project;

IAB MIXX Awards

- Turn Back Time for Nature - First Prize in the Sustainability category.

Webstock

- Turn Back Time for Nature - Bronze Award.

Financial Intelligence Awards

- Award for high quality standards and innovation in the energy sector.

In the future, we remain involved in the community as agents of change in the areas of health and wellbeing, education, environment and regional development.

Operations with significant actual and potential negative impacts on local communities

So far, we have not developed an integrated system for assessing the negative impact of our actions in communities.



CARE FOR THE ENVIRONMENT

Energy

- GRI 3-3 Management of material topic
- EU 12 - Transmission and distribution losses as a percentage of total energy
- GRI 302-1 Energy consumption within the organization
- GRI 302-3 Energy intensity

Emissions

- GRI 3-3 Management of material topic
- GRI 305-1 Direct GHG emissions (Scope 1)
- GRI 305-6 Emissions of ozone-depleting substances (ODS)
- GRI 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions
- GRI 305-2 Energy indirect GHG emissions (Scope 2)
- GRI 305-3 Other indirect GHG emissions (Scope 3)
- GRI 305-4 GHG emissions intensity
- GRI 305-5 Reduction of GHG emissions

Waste

- GRI 3-3 Management of material topic

- GRI 306-1 Waste generation and significant waste-related impacts
- GRI 306-2 Management of significant waste-related impacts
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 306-5 Waste directed to disposal

Investing in Green Energy

- GRI 3-3 Management of material topic
- DEO specific topic - Investments in the new Green Power Plant
- DEO specific topic - Support for prosumers
- DEO specific topic - Investment in the electric car's recharging infrastructure

Taxonomy

- Methodology for calculating the percentage of eligible and aligned turnover
- Methodology for calculating of the eligible and aligned CapEx percentage
- Methodology for calculating the percentage of eligible and aligned OPEX

Results

Energy

Management of material topic

Energy efficiency

Energy efficiency is part of the first pillar of Distribuție Energie Oltenia's sustainability strategy, aiming to achieve responsible management of resources and the most sustainable approach to business activities in the current context of climate change and environmental concerns.

DEO's Management of material topic is focused on reducing its own energy consumption, and this brings tangible benefits in terms of reducing operational costs, while also helping reduce environmental impact.

DEO's energy consumption consists mainly of its own technological consumption (technical and commercial), electricity used by technical and administrative buildings and fossil fuels used for vehicle transport.

In order to implement best practices in the decarbonisation process, first and foremost, we look at reducing our own energy consumption from all sources.

In 2023 we replaced some of the cars in the fleet with new and more fuel-efficient ones. The detailed table under the GRI 302-1 disclosure shows our energy consumption by sources.

Environmental care remains a topic of high interest, as it can have a direct impact on the communities we live in, but also on DEO's savings.

The main energy consumers within the company are administrative offices, substations and transformer stations or surface/underground power lines. Therefore, the topic 'Energy' has direct effects on internal stakeholders (investors, management and employees) and external stakeholders (authorities and local communities).

The company's Directorate for Own Technological Consumption (CPT) is in charge of electricity consumption management, including that required to cover grid losses, while the ACAIS Service - Management of Fixed Assets Buildings, Rental of Poles within the Strategy and Asset Development Directorate - is directly involved in monitoring consumption recorded in the administrative offices.

The CPT Directorate is in charge of loss reduction initiatives **management**:

- Analysis of energy balances, evolution of CPT, identification of causes, proposals of measures;
- Setting and monitoring actions with an impact on reducing CPT;
- Involvement in CPT reduction projects/initiatives;
- Monitoring technical/commercial non-compliance with impact on losses;
- Awareness and information campaigns;
- 'Moderator' of joint actions involving several departments;
- Identification, prioritisation of initiatives, monitoring and reporting;
- Strong analytical role focused on actual actions to reduce losses;
- Involvement in optimising investment assignment based on real CPT reduction;
- Preparation and submission of reports and briefings to top management;
- Creation and verification of balances on transformer stations;
- Preparation of the CPT reduction strategy, improvement of CPT management tools;
- Field verification of suspected unauthorised interventions.

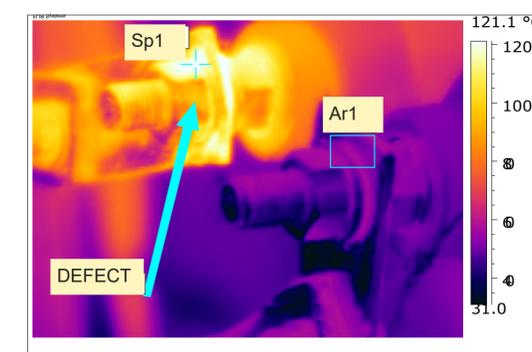


Fig.1 Imperfect contact identification and thermodiagram

CPT reduction is achieved through the following measures:

- Clearings along overhead low voltage power line (LV) routes with own means;
- Clearances along low voltage LV routes with external providers;
- Thermovision and revision of connections detected by thermovision in the medium and low voltage grid;
- Thermovision and revision of connections detected by thermovision in stations and 110kV lines;
- Repairs to secure connections at the property boundary;
- Implementation of smart metering systems;
- Replacement of single-phase and three-phase meters;
- Upgrading network and connections following the balances made in the TP;
- Upgrade connections by fitting FDCP/BMP at property boundary;
- Modernization of MV lines;
- TP modernization by installing low loss transformers.

The projected **CPT budget** for the period 2024-2028 is:

	2,024	2,025	2,026	2,027	2,028
CPT (MWh)	655,192.850	648,979.427	642,349.446	636,522.866	631,461.893

Every month, we monitor and analyse electricity consumption and take the necessary measures to reduce it. Annually, we produce a management programme setting out key performance indicators, including for reducing energy consumption.

How future generations will live is influenced by our actions today. Only we can help them benefit from a balanced ecosystem, a clean environment, but also rich in natural resources. We need to manage these resources carefully, both at home and in the office. Preserving natural resources, protecting the environment, reducing energy consumption and emissions is not only our strategic direction, it is also proof of our medium and long-term commitment.

Transmission and distribution losses as a percentage of total energy

In 2023 transmission and distribution losses as a percentage of total energy were:

- Technical CPT: 614.628 GWh; 93.49%;
- Commercial CPT: 2.819 GWh; 6.51%;
- Total CPT: 657.446 GWh; 7.17%.

Total losses are broken down into technical and non-technical losses using technical loss calculation methods. The calculation of technical losses of active energy is based on the processing of information on the volume of installations and energy flows in the grid.

Energy consumption within the organisation

Denomination	Source	2021			2022			2023					
		Quantity	m.u.	Coeff.	Quantity (GJ)	Quantity	m.u.	Coeff.	Quantity (GJ)	Quantity	m.u.	Coeff.	Quantity (GJ)
a. Total energy consumption from non-renewable sources	Natural gas	422.8	MWh	3.6	1,522.1	500.5	MWh	3.6	1,801.8	217.3	MWh	3.6	782.4
	Petrol	1,962.8	l	0.0396	77.7	29,780.4	l	0.0396	1,179.3	63,955.3	l	0.0396	2,532.6
	Diesel	688,591.4	l	0.0324	22,310.4	773,034.9	l	0.0324	25,046.3	686,838.3	l	0.0324	22,253.6
	LPG	0.0	l	0.0216	0.0	13,910.7	l	0.0216	300.5	97,915.3	l	0.0216	2,115.0
	Electricity	780,816.0	MWh	3.6	2,810,937.6	688,022.4	MWh	3.6	2,476,880.6	669,755.9	MWh	3.6	2,411,121.2
	District heating	154.4	Gcal	4.1832	645.9	218	Gcal	4.1832	911.9	344.46	Gcal	4.1832	1,440.9
Total				2,835,493.7				2,506,120.5				2,440,245.7	
b. Total energy consumption from non-renewable sources	Produced electricity*	0	MWh	3.6	0	192.2	MWh	3.6	691.9	147.00	MWh	3.6	529.2
	Total				0.0			691.9				1,463.5	
c1. Electricity consumption	Total				2,810,937.6			2,477,572.6				2,412,584.7	
c2. Energy consumption for heating	Total				2168.0			2,713.8				2,223.3	
e. Total energy consumption within the organisation (GJ)					2,835,493.7			2,506,812.4				2,441,709.1	

The conversion factors used in our calculations are:

Type	Unit	MWh	MWh in GJ	GJ in Tep
Natural gas	Kwh	0,001	3.60	0.0238
Diesel	Litres	0,009	3.60	0.0238
Petrol	Litres	0,011	3.60	0.0238
LPG gas	Litres	0,006	3.60	0.0238
Electricity Consumed RS (MWh)	MWh	1	3.60	0.0238
Electricity Consumed non-RS (kWh)	kWh	0,001	3.60	0.0238
RS produced electricity (MWh)	MWh	1	3.60	0.0238
District heating (Gcal)	Gcal	1,162	3.60	0.0238
Hot water (litres)	Litres	0.0006	3.60	0.0238

Energy intensity

Denomination	2021		2022		2023	
	Quantity	m.u.	Quantity	m.u.	Quantity	m.u.
a. Total energy consumption within the organisation	2,835,493.7	GJ	2,506,812.4	GJ	2,441,709.1	GJ
b. Total amount of energy transmitted	6,855,000.0	MWh	6,524,587.0	MWh	6,397,100.0	MWh
c. Energy intensity	0.41	GJ/MWh	0.38	GJ/MWh	0.38	GJ/MWh

Emissions

Management of material topic

Decarbonisation

As we defined our vision and CEZ Group's mission in Romania in 2021, we believe that the world and energy are changing and our companies are part of this change.

Compared to other industries, electricity distribution in Romania does not generate significant amounts of Scope 1 and Scope 2 emissions.

However, we understand that our company's work is central to the decarbonisation process as it ensures the implementation of effective carbon footprint reduction measures such as electrification and green energy integration. One potential negative effect we want to manage is to prevent the release into the atmosphere of technical gases, such as sulphur hexafluoride, which have a significant greenhouse effect.

Decarbonisation of the energy sector is an essential target in the fight against climate change and in the transition towards a more sustainable and environmentally friendly economy. In this context we have started to measure our carbon footprint in line with the corporate GHG (Greenhouse Gas) Protocol standard which standardises how companies inventory their greenhouse gas emissions. This standard developed by the World Business Concept for Sustainable Development together with the World Resources Institute has been implemented globally and provides the information needed for organisations to quantify their GHG impact on the environment and to develop an emissions reduction strategy, as well as for authorities to create a consistent and transparent accounting and reporting framework.

According to the recommendations of the GHG Protocol, generally accepted principles are intended to underpin and guide the practice of accounting and reporting greenhouse gases in an accurate and realistic manner:

RELEVANCE - Ensuring that the GHG inventory adequately reflects the organisation's GHG emissions and serves the decision-making needs of users - both internal and external to the organisation.

COMPLETENESS - Accounting and reporting of all sources of GHG emissions and activities within the activities chosen for the inventory. Presentation and justification of any specific exclusions.

CONSISTENCY - Use consistent methodologies to allow meaningful comparisons of emissions over time. Transparent documentation of all changes in dates, inventory limits, methods or any other relevant factors in the time series.

TRANSPARENCY - Address all relevant issues in a factual and coherent manner, based on the audit. Disclosure of all relevant assumptions, appropriate references to accounting calculation methodologies and data sources used.

ACCURACY - The quantification of GHG emissions is systematically neither above nor below the level of actual emissions, as far as can be estimated, and that uncertainties are reduced as much as possible. Achieving sufficient accuracy to allow users to make decisions with reasonable assurance as to the integrity of the information reported.

Organisational boundaries have been established in accordance with the methodology described in The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard ¹(revised edition).

The GHG Protocol allows for two distinct approaches to enhancing GHG emissions: the capital share approach and the control (financial or operational) approach.

The years for which we took measurements are: 2019, 2022 and 2023. The reference year was considered 2019 and the measured data was verified by an external consultant.

For 2019 and 2022 the measurements were done annually and for 2023 the measurements were done quarterly.

¹ Corporate Standard | GHG Protocol

Because of the way companies are organised, the organisational boundary used was operational control (see table below):

Company	Activity	Area covered	Organisational limit
			Control approach
			Based on the operational control
Distribuție Energie Oltenia S.A.	The main activity of the company is to provide the electricity transmission service to household and non-household consumers in both the public and private sectors.	7 counties from Oltenia region: Dolj, Argeș, Olt, Gorj, Vâlcea, Mehedinți and Teleorman	100% of GHG emissions

Operational limits

In setting operational limits, DEO management took into account the GHG protocol guidelines and classified emissions into direct and indirect, and further by 'Scope' as follows:

- Direct emissions are emissions from sources that are owned or controlled by the reporting company. These emissions are classified under Scope;
- Indirect emissions are emissions arising as a consequence of the activity of the reporting company, but occur in sources owned or controlled by another company, either within the CEZ Group in Romania or by third parties. This includes Goal 2 and Goal 3 emissions. Scope 2 includes emissions from electricity, heat or steam purchased or acquired and consumed by the reporting company. Scope 3 emissions include upstream and downstream value chain emissions for which the company management has applied the Corporate Standard option not to be included in Scope 1.

For the purpose of identifying the sources of emissions in Scope 1, the following relevant areas have been considered:

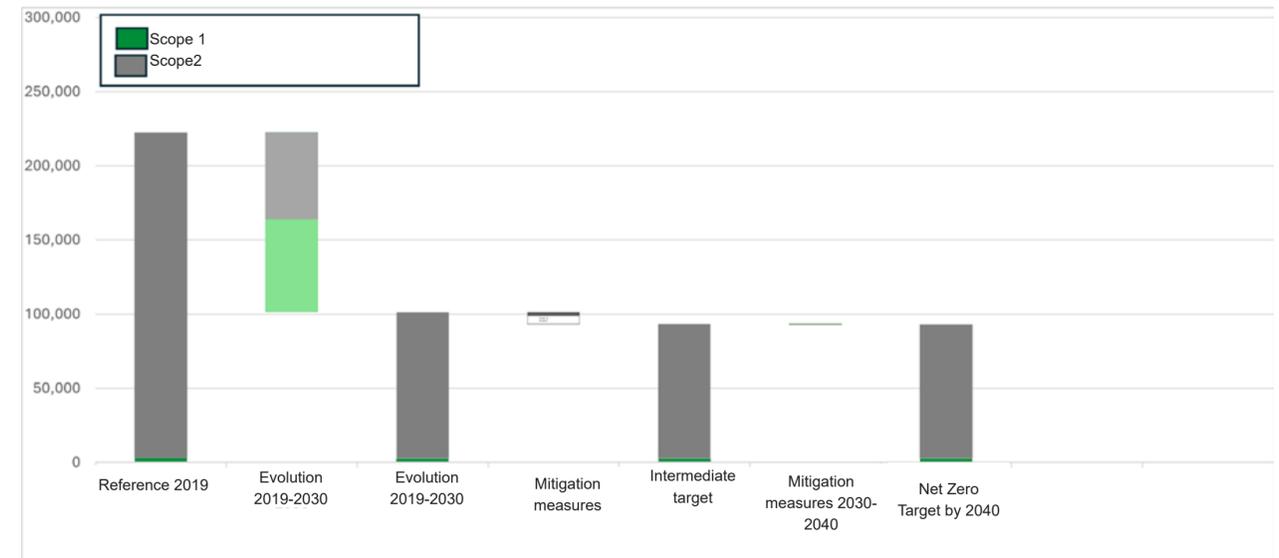
- Stationary combustion: combustion of fuels in stationary equipment such as boilers, burners, heaters, engines, generators, tools;
- Mobile combustion: combustion of fuels in transport devices such as cars, trucks, buses, commercial vehicles, etc;
- Process emissions: not identified;
- Fugitive emissions: intentional and unintentional releases such as equipment leaks from joints, seals, gaskets and fugitive emissions from wastewater treatment, pits, hydro tanks.

In order to identify the sources of Scope 2 emissions, the following guidelines contained in the GHG Protocol's Scope 2 measurement guidance were considered:

'The calculation of Goal 2 emissions requires identification of the type of energy purchased by businesses: electricity, steam, heat and/or cooling and whether the market-based method is applied to any operation. Otherwise, the location-based method will be used. Where energy is produced and consumed by the same entity, Scope 2 emissions are not reported as any emissions that occur during energy production are already reported in Scope 1.'

So far there are no significant changes in the carbon footprint calculation such that a recalculation of the base year is necessary.

In addition to measuring our carbon footprint, we have committed to a decarbonisation target, NET ZERO, translated into a decarbonisation plan that is aligned with the scenario of preventing global temperature rise of more than 1.5°C set out in the Paris Treaty, as well as the guidelines of the Science Based Target Initiative (SBTi) also aligned with this scenario. Thus, the DEO aims to reach the NET ZERO target for Scope 1 and Scope 2 in 2040, and by 2030 we will reduce our carbon footprint by 50% compared to the baseline year of 2019 (for the same emission categories). The decarbonisation plan was drawn up and approved in 2023, and the measures included in it cover energy efficiency measures, electricity procurement, transport electrification, biofuel use and energy storage.



Distribuție Energie Oltenia was on target for 2023. The main factors that led to the decrease in the company's carbon footprint were:

- Decarbonisation of the national energy system;
- Green energy procurement for office buildings;
- Partial replacement of the car fleet from diesel to petrol/LPG.

Scope 1 – 2,731.82 tonnes CO2e, Scope 1 emissions are mainly made up of CO2 resulting from the combustion of fuels used in the car fleet, accounting for about 78% of total Scope 1 emissions.

Scope 2 - 150,681.1 tonnes CO2e, Scope 2 emissions are mainly made up of CO2 resulting from the combustion of fossil fuels in the process of generating the electricity consumed by the company in providing the distribution service, accounting for about 99% of total Scope 2 emissions and 98% of total emissions.

Scope 3 Indirect emissions in this category have not been calculated, but we intend to start this process in the next period.

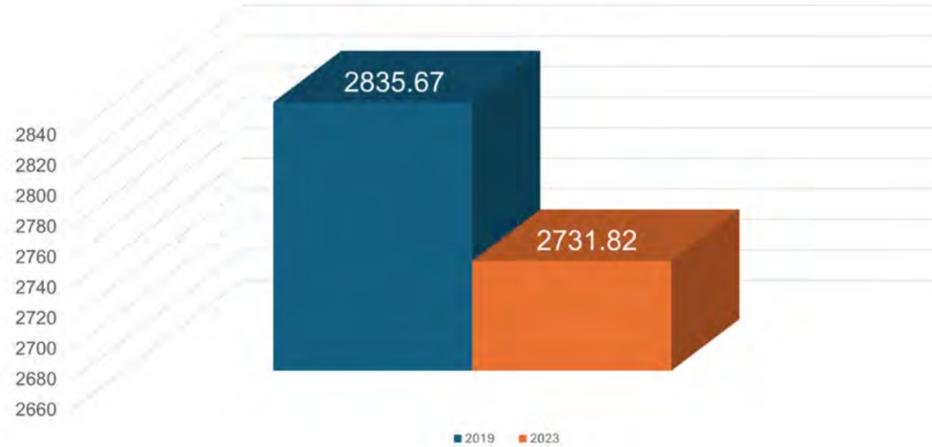
Direct GHG emissions (Scope 1)

Emissions of ozone-depleting substances (ODS)

Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions

Source of emissions		Description	2019 t CO2e	2022 t CO2e	2023 t CO2e
GHG Scope 1	Office build-ings	CO2 emissions from the combustion of natural gas for heating systems in office buildings or rented company premises	125.86	80.75	39.39
	Fleet	Emissions of CO2, CH4 (GWP=28), N2O (GWP=265) from combustion of diesel, petrol and LPG in company fleet vehicles.	2278.81	2179.08	2130.76
	Other	Losses SF6 (GWP=23,500) in power plant insula-tion systems ¹ .	431	424	561.67
		Refrigerant gases (HFCs) used in air conditioners ²	0	0	0
		NF3 emissions	0	0	0
		PFC emissions	0	0	0
		Biogenic CH4 emissions (GWP=28) from storage ponds of storage plants ³ .	0	0	0
Total emissions in Scope 1			2835.67	2683.83	2731.82

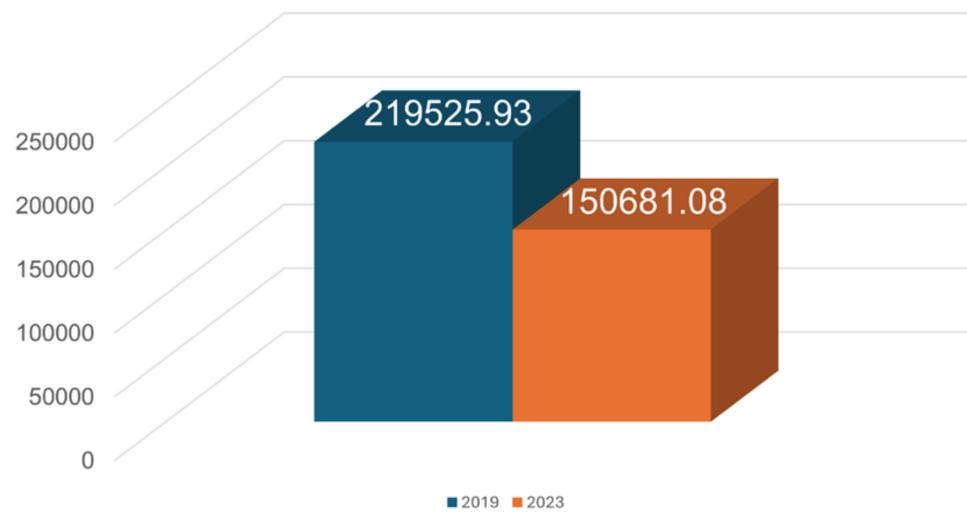
Total emissions from Scope 1 tCO2e



Energy indirect GHG emissions (Scope 2)

Source of emissions	Description	2019 t CO2e	2022 t CO2e	2023 t CO2e
GHG Scope 2	Purchased electricity GHG emissions from purchased electricity consumption from the grid (determined by location): GHG emissions from electricity purchased from the grid (market-based)	214456	146320	144640
		4986	10617	5858
Heating agent	GHG emissions related to the heating of office space from various sources (district or central heating of of-fice buildings)	83.93	218	183.08
Total emissions in Scope 2	219525.93	157155	150681.08	150681.08

Total emissions from Scope 2 tCO2e



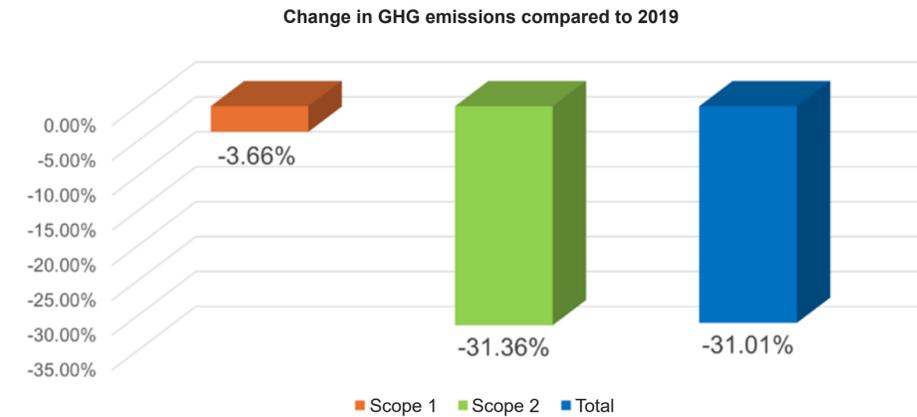
Other indirect GHG emissions (Scope 3)

In 2023 we focused our efforts on measuring and mitigating Scope 1 and Scope 2 emissions, and in the following period we will extend the process to Indirect Emissions (Scope 3).

GHG emissions intensity

Denomination	2019		2023	
	Quantity	m.u.	Quantity	m.u.
a. Company's carbon footprint	222.4	Ktonnes	153.4	Ktonnes
b. Total amount of energy transmitted	6,810.0	GWh	6,397.0	GWh
c. Carbon footprint intensity relative to transmitted energy	32.7	g/kWh	24.0	g/kWh

Reduction of GHG emissions



Waste

Management of material topic

The activities carried out by the company generate waste and the national and European legislation in force lays down specific rules for its management. With this in mind, the company considered waste management to be a material issue, which was validated through stakeholder consultation.

Waste generation is mainly caused by maintenance and investment activities and a smaller amount of waste is generated by activities in administrative offices.

The company has identified the legal requirements for waste management from generation to recovery/disposal and has put in place a waste traceability verification system.

The tender documents for services/works that generate waste (e.g. maintenance, investments) contain a separate chapter addressing waste management.

The entire waste management flow from generation to recovery/disposal is set out in the 'Operational Procedure - Waste Management'

In order to comply with the specific legal requirements regarding waste management, Distribuție Energie Oltenia has designated, by the persons in charge of waste management in all the 7 counties (Argeș, Dolj, Gorj, Mehedinți, Vâlcea, Olt, Teleorman). Waste managers in each area are trained according to the provisions of Law 17/2023 for the approval of GEO 92/2021 on waste management.

The storage of energy equipment removed from installations is carried out on concrete platforms equipped with hydrocarbon separators.

Distribuție Energie Oltenia owns 12 platforms in the 7 counties, and for the collection of waste generated in the counties of Argeș, Dolj, Gorj, Mehedinți, Olt, Teleorman and Vâlcea, the company has concluded a contract with a single external service provider authorized by law.

An annual environmental report is produced, which centralises the quantities of waste generated and recovered.

A waste audit is also carried out annually to check how the waste generated has been managed. Following this audit, compliance with environmental legislation on waste management was confirmed and no noncompliance was recorded.

Based upon these reports and audits, programmes of measures, management programmes and waste minimisation programmes are drawn up and monitored by stakeholders involved in the waste management process.

Waste generation and significant waste-related impacts

The DEO activity also produces hazardous waste (e.g. insulating and heat transmission oils, lead batteries, scrap equipment - with hazardous components) which is managed according to the legislation in force.

All necessary measures are taken to minimise the impact of this type of waste (e.g. provision of absorbent material, containers for separate collection).

Waste-generating activities within DEO are represented by investment works, maintenance works as well as activities carried out in administrative offices.

As there is a well-defined process for waste management within DEO we consider that waste generating activities do not have a significant impact on the environment.

Waste generation and significant waste-related impacts

The DEO has taken action to reduce the amount of waste generated, which is included in an annual waste minimisation plan. As actions carried out, we can mention the encouragement of the reuse of materials/equipment/spare parts resulting from maintenance/investment works.

As the amount of waste generated depends on the number and extent of planned investment/maintenance works it is not possible to make a comparison between the amounts generated each year, as the frequency and number of investment/maintenance works varies from year to year.

The waste generated from the DEO activity in the area of operation is managed by a single external provider, authorised according to the legislation in force. The agreement and specifications for waste management include requirements and obligations that are in line with specific legislation. Indicators for the external provider are also specified in the agreement and the DEO may audit the external provider to verify compliance with legal requirements relating to waste.

The process of collecting data on waste generated/recovered is done according to legal requirements as follows:

- Generation - the waste management record sheet is drawn up according to GD 856/2002;
- Delivery of waste - scale receipt, annex 1,2,3 according to GD 1061/2008, waybill, invoice;
- Recovery/disposal - a centralised statement of the waste collected and the recovery/disposal after collection is required annually as per the waste sale agreement.

The annual waste audit checks, by survey, how waste traceability is carried out according to agreement requirements and legal provisions.

Materials and equipment purchased by the company are procured taking into account their lifespan, with priority given to equipment with a longer lifespan in order to reduce the amount of waste generated over a period of time.

Waste resulting from investment and maintenance work is managed by external contractors who carry out these activities.

There are specific requirements for waste management in the specifications for contracting these works.

Waste generated

The waste resulting from the activity carried out by the company includes both non-hazardous and hazardous waste.

Non-hazardous waste is mainly represented by code 17 waste according to environmental legislation, as follows:

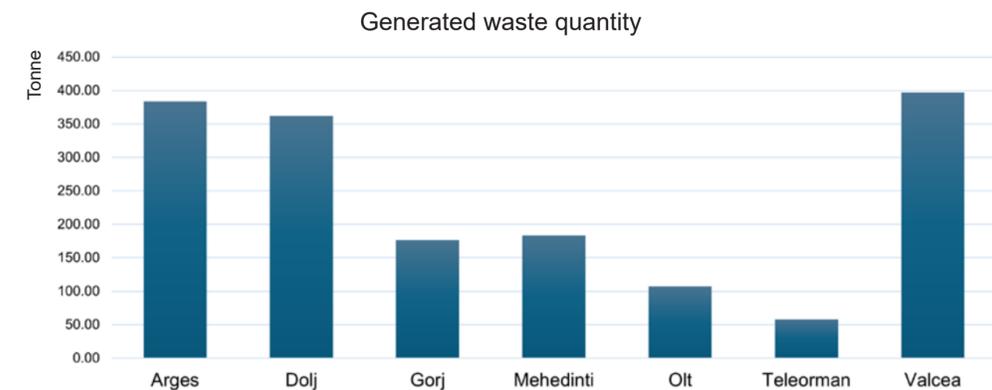
- ferrous and non-ferrous scrap metal;
- construction and demolition waste;
- scrap metal mixtures (cables).

Hazardous waste consists mainly of insulating and heat transmission oil waste resulting from maintenance activity as well as from the scrapping of energy equipment.

The delivery of the waste is made to a single external service provider authorised in accordance with the legal provisions and in compliance with the delivery requirements (preparation of Annex 1, Annex 2, Annex 3, weighing slip, waybill, invoice).

Monthly, the waste management records are kept, and the report on how the waste has been managed (according to the provisions of GEO 92/2021) is prepared annually and sent to EPA (Environmental Protection Agency).

The quantitative statement of waste generated/recovered is extracted from the waste record sheets and a cross-check is made with the statement in SAP.



The total amount of waste generated was 1665 tonnes, of which:

- Non-hazardous waste – 1449 tonnes;
- Hazardous waste – 216 tonnes.

C.N.	County	Generated waste quantity [tonne]	Recovered quantity [tonne]	Recovery operation according to GEO 92/2021
1	Argeş	383,372	383,372	R12
2	Dolj	361,520	361,520	R12
3	Gorj	176,134	176,134	R12
4	Mehedinți	183,129	183,129	R12
5	Olt	107,145	107,145	R12
6	Teleorman	57,584	57,584	R12
7	Vâlcea	397,110	397,110	R12
8	TOTAL	1665,994	1665,994	

Waste diverted from disposal

The total amount of waste generated in 2023 was 1,665 tonnes.

Total amount of hazardous waste: 216 tonnes.

Hazardous waste consists of:

- insulating and heat transmission oils (code 13 03 07*) - 69 tonnes;
- batteries and accumulators (code 16 06 01*) - 7 tonnes;
- scrap equipment with hazardous components (code 16 02 13*) - 137 tonnes;
- asbestos (code 17 06 05*) - 3 tonnes.

Total amount of non-hazardous waste: 1449 tonnes.

The majority of non-hazardous waste is of the class 16 and 17, approximately 90% of the total amount of non-hazardous waste, according to GD 856/2002, and these two classes 16 and 17 are listed as follows:

- discarded equipment (meters, code 16 02 14);
- mixtures of concrete, bricks, tiles and ceramics (code 17 01 07);
- wood (code 17 02 01);
- glass (code 17 02 02);
- plastics (code 17 02 03);
- aluminium (code 17 04 02);
- iron and steel (code 17 04 05);
- cables (code 17 04 11).

The entire quantity, 1665 tonnes of waste, was handed over to an external provider, environmentally authorised according to the legislation in force, and the recovery/disposal operations were carried out off-site.

The recovery operation, according to L17/2023 for the approval of GEO 92/2021 on the waste regime is R 12 - other recovery operations, for all the waste delivered (hazardous and non-hazardous).

The quantitative statement of waste generated/recovered is extracted from the waste records and cross-checked with the situation in SAP.

Waste directed to disposal

According to Law 17/2003 approving GEO 92/2021, the waste delivered to the external provider is recovered through operation R12 taking into account that all waste generated is recoverable.

Investing in Green Energy

Management of material topic

Following stakeholder consultation, the topic „Investing in Green Energy” was found to be relevant, ‘Green Energy Investment’ does not fall under any topic defined by the GRI Standards.

It has been defined by specific elements:

- Description of the Management of the material topic;
- Topic-specific disclosures (representative indicators),

The topic covers the following impact areas:

- Investments in photovoltaic plants;
- Increasing the number of prosumers,
- Investment in electric vehicle charging station infrastructure.

In the current context, the interest of energy consumers to become prosumers is growing, the main goal being to reduce electricity costs and to protect the environment at the same time. ‘Green energy investment’ has a direct impact internally on investors, company management and employees, and externally on customers, providers, central and local authorities, subcontractors and local communities.

Within Oltenia Energy Distribution, we managed to connect 11,642 prosumers of which 3,353 through the program provided by AFM. The first step was to identify all selected AFM installers in our area and invite them to the discussion, given the more than 3,000 applications that were to be registered. We standardised the documents and information they had to submit, staggered the connection requests so that we could meet the deadlines and held weekly status meetings, thus resolving any issues that arose along the way in a timely manner. The strategy adopted by Distribuție Oltenia has been adapted as to ensure that prosumers/producers are connected to the electricity transmission grids according to the legal provisions stipulated in the Energy Law and secondary legislation issued by the National Energy Regulatory Authority.

DEO specific topic - Investments in new Green Energy Plant

Disclosure	2023 results
<ul style="list-style-type: none"> Number of photovoltaic power plants commissioned in Oltenia Distribuție stations for CPT coverage; Total installed power of renewable energy plants; Total power produced by renewable energy plants; The percentage of CPT covered by total power produced by renewable energy plants. 	<p>In 2023, 22 photovoltaic stations were commissioned within transformer stations</p> <p>Distribuție Oltenia with a total installed capacity of 1,858 MW. During 2024, works will be completed on the installation of new PPPs in two other DEO stations, namely in Balș and Bărbătești, where an additional capacity to produce 0.8 MW will be installed.</p> <p>The photovoltaic parks in Bărbătești and Hârlești, installed before 2023 produced around 147 MWh in 2023.</p>

DEO specific topic - Support for prosumers

Disclosure	2023 results
<ul style="list-style-type: none"> In 2023, 22 photovoltaic stations were commissioned within transformer stations Distribuție Oltenia with a total installed capacity of 1,858 MW. During 2024, works will be completed on the installation of new PPPs in two other DEO stations, namely in Balș and Bărbătești, where an additional capacity to produce 0.8 MW will be installed. The photovoltaic parks in Bărbătești and Hârlești, installed before 2023 produced around 147 MWh in 2023. 	<p>In 2023, 11,642 prosumer connection certificates were recorded, of which 3,353 through the programme provided by AFM.</p> <p>The installed power for prosumers in 2023 was 246.57 MW, of which the installed power for prosumers through AFM 15.34 MW.</p> <p>Concerning green energy producers connected to the DEO network in 2023, 9 producers were connected, with an installed power of 24.3 MW.</p> <p>The evaluation of management activities and actions is carried out both internally and externally. Internally, by monitoring the achievement of performance indicators. Externally, through customer satisfaction surveys followed by analysis reports and action plans to increase satisfaction.</p>

DEO specific topic - Investment in the electric car’s recharging infrastructure

Disclosure	2023 results
<ul style="list-style-type: none"> Number of works completed to supply or create conditions for connecting electric vehicle charging stations (LPA - Local Public Authority). 	<p>Grid extension/power supply works for 19 electric vehicle charging stations.</p>

Taxonomy

Given climate change, the EU has set itself the goal of becoming climate neutral by 2050, there is a need to direct investment towards activities that enable a future within the 1.5°C threshold, as set out in the Paris Agreement. In order to define activities and projects that facilitate this target, the European Union has implemented a system for classifying companies to determine whether their activities are environmentally sustainable in order to determine the degree to which an investment is sustainable, called the EU Taxonomy.

Distribuție Energie Oltenia has been monitoring the sustainability impacts of its activities since 2017, and with the entry into force of the European legislation on the taxonomy it has constantly checked both the eligibility and the alignment of activities with the taxonomy.

The situation of eligible (2021) and aligned (2022) activities according to the legal provisions is shown in the table below:

No. N.	Year	Eligible activity	Turnover [RON]	OPEX [RON]	CAPEX [RON]
1	2021	Electricity transmission CAEN 3513	944,125,222	681,702,639	215,923,581
		Total DEO activities	1,011,232,760	760,225,798	240,320,098
		Percentage of eligible activities	93.36%	89.67%	89.85%
2	2022	Electricity transmission CAEN 3513	1.112.779.831	1.015.332.905	200.233.162
		Total DEO activities	1.174.357.814	1.087.854.383	241.948.408
		Percentage of eligible activities	93.36%	93.33%	82.76%

The above data is available in the sustainability report for 2021 and 2022 respectively at the following addresses:

- **Report 2021** → <https://shorturl.at/fozUV> (page 27);
- **Report 2022** → <https://shorturl.at/JKOW4> (page 17).

Description of the activities carried out by Distribuție Energie Oltenia and their eligibility in accordance with Regulation (EU) 2020/852 on the EU taxonomy

The main economic activity of Distribuție Energie Oltenia is electricity transmission, CAEN (NACE) code 3513, classified as eligible in terms of taxonomy under code 4.9 - Transmission and distribution of electricity.

The eligibility check of Distribuție Energie Oltenia's activities was based on the following financial indicators:

- Turnover;
- CAPEX (capital expenditure - investments)
- OPEX (operational expenditure).

Assessment of the alignment of economic activities with the EU taxonomy

To decide whether an activity is environmentally sustainable, the EU Taxonomy Regulation has established a list of 6 environmental targets. The technical examination criteria for four of these were only published in the second part of 2023. The EU Taxonomy Regulation and its delegated acts now cover the targets:

- climate change mitigation;
- adapting to climate change;
- sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- protecting and restoring biodiversity and ecosystems.

An economic activity pursuing the environmental target of climate change mitigation should make a substantial contribution to stabilising greenhouse gas emissions by avoiding or reducing them or by increasing the absorption of greenhouse gases.

The electricity transmission activity contributes substantially to the **climate change mitigation** target by being a **facilitating** activity according to Article 10 paragraph (1) letter (i) of Regulation (EU) 2020/852 and DEO's distribution infrastructure and equipment is part of the European interconnected system (EU Regulation 2021/2139).

For each environmental target, the European Union has established criteria to identify whether economic activities contribute substantially to said target. An element of the uniform criteria includes the avoidance of significant damage brought to any of the environmental targets set out in this Regulation. This is to avoid investments qualifying as environmentally sustainable in cases where the economic activities benefiting from these investments cause environmental damage to an extent that exceeds their contribution to an environmental target.

For activities to be considered environmentally sustainable in addition to contributing to at least one of the environmental targets, they must not harm any of the other 5 environmental targets. Distribuție Energie Oltenia started an analysis of 3 of these targets during 2023. It has been taken into account that the target on sustainable use and protection of water and marine resources is not taxonomically significant to the specific activity of electricity transmission and distribution.

In terms of contribution to achieving the second target - adaptation to climate change - the verification of the technical criteria showed that the electricity distribution activity does not make a significant contribution to this target, but at the same time does not significantly affect the environmental target.

By analysing the impact of the activities carried out in relation to the target of **transition to a circular economy**, we can confidently state that Distribuție Energie Oltenia does not significantly affect this target by its actions.

Distribuție Energie Oltenia efficiently uses natural resources (energy, natural gas, etc.), it recovers (recycles, reuses) waste from its own activities and has a waste minimisation plan.

When carrying out investment/refurbishment works on electricity grids/transformer stations or equipment, Distribuție Energie Oltenia takes into account the principle of waste hierarchy and reuses the equipment or, where appropriate, recovers the resulting waste through environmentally authorized external providers. Where it is not technically and economically feasible to reuse the equipment, the waste shall be disposed of in accordance with the legal provisions in force (for more details see disclosure **GRI 306: Waste 2020**).

Analysing the impact of the activities carried out in relation to the target - pollution prevention and control - we can confidently state that Distribuție Energie Oltenia does not significantly affect this target.

Distribuție Energie Oltenia take all measures to prevent pollution in its area of operation as follows:

- Regular servicing of equipment that may be leaking substances, thus potentially affecting environmental factors (e.g. insulating and heat transmission oils);
- Regular technical inspection of the vehicle fleet;
- Provide absorbent materials for situations where there are oil leaks;
- Agreements with external providers for equipment maintenance.

By analysing the impact of the activities carried out in relation to the target of protection and restoration of biodiversity and ecosystems, we can confidently state that Distribuție Energie Oltenia does not significantly affect this target by its actions.

Distribuție Energie Oltenia take all necessary measures to protect biodiversity where technically and economically feasible, as follows:

- Installation of metal support brackets for storks;
- Installation of electrically insulating sheaths on medium voltage lines.

Other actions to protect biodiversity are being considered, but the technical analysis has not yet been finalised to allow the inclusion of other biodiversity protection equipment in electricity grids.

According to Directive 2011/92/EU the activities carried out by Distribuție Energie Oltenia fall under Annex II item 3 (b), and for each investment project an assessment is made by the competent national authority. In 2023 there were no investment projects requiring an environmental impact assessment.

Compliance with the taxonomy legislation also includes a check on Minimum Guarantees in accordance with Article 18 (EU) 2020/852.

Minimum safeguards refer to the procedures put in place by an enterprise carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Distribuție Energie Oltenia has verified our alignment with the 10 UN principles on business activities and human rights and we can firmly state that we have procedures in place to ensure that we comply with social and ethical standards.

DEO has an internal system to ensure respect for human rights which are laid down in its internal rules, code of ethics, code of business conduct and collective labour agreement.

Furthermore, since 2016 DEO has launched a code of conduct for providers to ensure that the rights of its employees, providers and subcontractors are respected.

Distribuție Energie Oltenia has published its Code of Business Conduct on the company's website: (<https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/valori-etice-distributie-oltenia/codul-de-conduita-in-afaceri-distributie-oltenia.html>), Annex to the Internal Rules and Code of Ethics (<https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/valori-etice-distributie-oltenia/codul-de-etica-al-distributie-oltenia.html>), but also the Code of Conduct for Providers (<https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/codul-de-conduita-pentru-furnizori.html>).

Moreover, the Declaration on customer rights and code of conduct – Distribuție Oltenia defines the rights of its consumers/users and how to enforce them: (<https://www.distributieoltenia.ro/ro/etica-si-integritate/repere-etice-si-de-conformitate/declaratie-privind-drepturile-si-codul-de-conduita-al-clientului-distributie-oltenia.html>).

Policies on Corruption and Bribery have been developed and disseminated to company employees and they are regularly trained on these topics.

DEO has a system for reporting any issues of non-compliance on ethical issues available at: <https://www.distributieoltenia.ro/ro/etica-si-integritate/vorbeste-liber-canale-de-raportare.html>

Also, trade unions are organised within Distribuție Energie Oltenia, to which the company's employees belong, and they are consulted when there are changes in the business.

For more information please read the chapters 'About DEO' and 'Ethical Conduct'.

How to calculate KPI taxonomy

The calculation of key performance indicators follows the specifications set out in Delegated Act (EU) 2021/2178.

Methodology for calculating the percentage of eligible and aligned turnover

The proportion of turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the share of net turnover derived from products or services, including intangible assets, associated with the economic activities aligned to the taxonomy (numerator) divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. In order to determine this KPI, the revenues obtained from the distribution activity have been considered as numerator and the revenues from group 70 of the general chart of accounts have been considered as denominator, according to the Romanian accounting regulations established by Order of the Minister of Public Finance no. 1802/2014.

Methodology for calculating of the eligible and aligned CapEx percentage

The way Capex 2023 is calculated has been changed from previous years as follows: Order no. 98/2022 ANRE, as further amended and supplemented, (ORD. No. 6/2023) -<https://anre.ro/proiect-de-ordin-pentru-completarea-procedurii-privind-fundamentarea-si-aprobarea-planurilor-de-dezvoltare-si-a-planurilor-de-investitii-ale-operatorului-de-transport-si-de-sistem-si-ale-operatorilor/>.

For the calculation of tangible and intangible fixed assets throughout the financial year, impairment, depreciation and any revaluations, including those resulting from revaluations and impairments, for the financial year in question and excluding changes in fair value. This translates into the following main investment categories for DEO:

- network consolidation/development works (on all voltage levels),
- voltage level improvement works (not on low voltage levels),
- loss reduction works (on medium and low voltage levels),
- investments in outdated electrical capacity (at all voltage levels),
- implementing Smart Metering,
- meters for connecting new users and prosumers,
- other mandatory investments such as grid extension and connecting developers,
- facilities needed to provide the transmission service such as new digital systems to digitise processes and activities,
- upgrading/refurbishing existing systems, field equipment, vehicles, etc..

All investments made are for the benefit of DEO's main economic activity, electricity transmission and distribution, therefore the numerator is 100% of the denominator.

Methodology for calculating the percentage of eligible and aligned OPEX

To determine this KPI we considered the OPEX related to the distribution activity which is established and reported to ANRE, according to Order 169/2018.

Taxonomy-eligible OPEX refers to direct and indirect expenses incurred for the activity of electricity transmission, a taxonomy-eligible activity.

The main categories of expenditure included in eligible OPEX are:

- purchase of energy for own technological consumption;
- personnel expenses;
- expenditure on operation and maintenance of the electricity transmission network.

The decrease in the level of eligible expenditure compared to the previous year was mainly due to the decrease in the price of energy for own technological consumption.

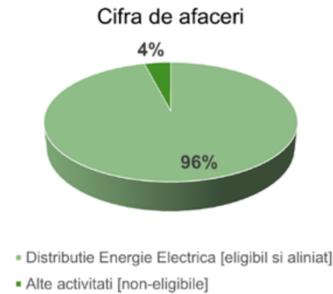
Results

The eligible and taxonomy-aligned activity is electricity transmission and it comprises 96% of total turnover, 100% of CAPEX and 89% of OPEX.

Activities that are not eligible in terms of the taxonomy are mostly represented by the rental of poles and account for 4% of turnover, 0% of CAPEX and 11% of OPEX.

KPI turnover

Eligible and taxonomy-aligned activities accounted for 96% of total turnover at Distribuție Energie Oltenia SA level, an increase of 2% from the previous reporting year (2022).

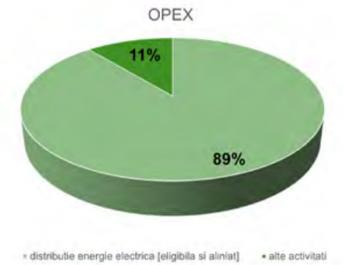


KPI CAPEX

Eligible and taxonomy-aligned activities accounted for 100% of CAPEX, an increase of 17% compared to the previous reporting year (2022), and this increase is primarily due to the new way of calculating CAPEX under ANRE Order 98/2022. In 2021 and 2022 we reported only CAPEX from own sources to show only the company's financial effort for CAPEX related to taxonomy eligible activities. From 2023 onwards we report total CAPEX, regardless of the source of funding (e.g. own sources, European funds, etc.), as these investments were made exclusively for the distribution activity, which is considered eligible from a taxonomy point of view.

KPI OPEX

Eligible and taxonomy-aligned activities accounted for 89% of OPEX down 5% from the previous reporting year (2022).



DEO Business Activities - Alignment																							
No	Economic Activities	NACE Code	Absolute Turnover	Proportion of Turnover	Absolute CapEx	Proportion of CapEx	Absolute OpEx	Proportion of OpEx	Substantial Contribution Criteria					DNSH Criteria (Does Not Significantly Harm)						MSS	Alignment Result		
									Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)			Biodiversity and Ecosystems (16)	Minimum Safeguard (17)
			Currency	%	Currency	%	Currency	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	
A. Business Activities																							
Taxonomy eligible and aligned activities																							
1	A1.Distribution of electricity	3513	1511919702	96%	593490533	100%	760512669	89%	100%	0%						N/A	Yes	N/A	Yes	Yes	Yes	Yes	A.1. aligned
Taxonomy non-eligible activities																							
2	B. Other activities	n/a	59670187	4%	0	0%	95882256	11%															

Turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023																				
Economic Activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria					DNSH Criteria (Does Not Significantly Harm)							Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of turnover, year N (18)	Taxonomy - aligned proportion of turnover, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
A1.Distribution of electricity	3513	1511919702	96%	100%	0%					N/A	Y	N/A	Y	Y	Y	Y	96%	95%	E	

Turnover B – Non eligible

CAPEX

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023																				
Economic Activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria						DNSH Criteria (Does Not Significantly Harm)						Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of CapEx, year N (18)	Taxonomy - aligned proportion of CapEx, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
A1.Distribution of electricity	3513	593490533	100%	100%	0%					N/A	Y	N/A	Y	Y	Y	Y	100%	93%	E	

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023																					
Economic Activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria						DNSH Criteria (Does Not Significantly Harm)						Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of CapEx, year N (18)	Taxonomy - aligned proportion of CapEx, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)						
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)				%	%	%											%				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																					
N/A	N/A	N/A	0%																		

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023																					
Economic Activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria						DNSH Criteria (Does Not Significantly Harm)						Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of CapEx, year N (18)	Taxonomy - aligned proportion of CapEx, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)						
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T	
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A2)																					
TOTAL (A.1 + A.2)	3513	593490533	100%														100%	93%	E	N/A	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)			n/a	n/a	0%																
Total (A + B)			3513	593490533	100%																

OPEX

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic Activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH Criteria (Does Not Significantly Harm)						Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of OpEx , year N (18)	Taxonomy - aligned proportion of OpEx, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T
A. TAXONOMY - ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
Activity 1 *1	760512669		89%	100%	0%					N/A	Y	N/A	Y	Y	Y	Y	89%	82%	E	
Please add rows for additional activities above																				

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic Activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH Criteria (Does Not Significantly Harm)						Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of OpEx , year N (18)	Taxonomy - aligned proportion of OpEx, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
			%	%	%												N/A	N/A	N/A	N/A
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
N/A	N/A	N/A	%																	

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic Activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH Criteria (Does Not Significantly Harm)						Minimum Safeguard (17)	Taxonomy - aligned (A.1) proportion of OpEx , year N (18)	Taxonomy - aligned proportion of OpEx, year N-1(19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)	Climate Change Adaption (6)	Water and Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water and Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	PERCENT	PERCENT	E	T
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A2)																				
	n/a	n/a	0%																	
TOTAL (A.1 + A.2)																				
	3513	760512669	89%														89%	82%	E	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)																				
	n/a	95882256	11%																	
Total (A + B)																				
		856394924	100%																	

ANNEX 1

GRI CONTENT INDEX

Statement of use	Distribuție Energie Oltenia has reported in accordance with the GRI Standards for the period 1st of January 2023 - 31st of December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.
The service was performed on the English version of the report.



Standard GRI/ Other source	Disclosure	LOCATION	OMISSION/REASON FOR OMISSION			UN SDGs
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	6	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	6				
	2-3 Reporting period, frequency and contact point	29				
	2-4 Restatements of information	29				
	2-5 External assurance	29				
	2-6 Activities, value chain and other business relationships	6				
	2-7 Employees	6				8.5; 10.3
	2-8 Workers who are not employees	7				8.5
	2-9 Governance structure and composition	21				5.5; 16.7
	2-10 Nomination and selection of the highest governance body	21				5.5; 16.7
	2-11 Chair of the highest governance body	21				16.6
	2-12 Role of the highest governance body in overseeing the management of impacts	21				16.7
	2-13 Delegation of responsibility for managing impacts	21				
	2-14 Role of the highest governance body in sustainability reporting	22				
	2-15 Conflicts of interest	22, 23				16.6
	2-16 Communication of critical concerns	23				
	2-17 Collective knowledge of the highest governance body	23				
	2-18 Evaluation of the performance of the highest governance body	-	Omission	Confidentiality constraints	There are confidentiality clauses in the contract of employment/mandate	
	2-19 Remuneration policies	-	Omission	Confidentiality constraints	There are confidentiality clauses in the contract of employment/mandate	
	2-20 Process to determine remuneration	-	Omission	Confidentiality constraints	There are confidentiality clauses in the contract of employment/mandate	
	2-21 Annual total compensation ratio	-	Omission	Confidentiality constraints	There are confidentiality clauses in the contract of employment/mandate	
	2-22 Statement on sustainable development strategy	3				
	2-23 Policy commitments	15, 16				16.3
	2-24 Embedding policy commitments	16, 17				
	2-25 Processes to remediate negative impacts	17, 18				
	2-26 Mechanisms for seeking advice and raising concerns	18				16.3
	2-27 Compliance with laws and regulations	18				
	2-28 Membership associations	7				
	2-29 Approach to stakeholder engagement	29-31				
	2-30 Collective bargaining agreements	44				8.8

Standard GRI/ Other source	Disclosure	LOCATION	OMISSION/REASON FOR OMISSION			UN SDGs
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI G4: Electric Utilities Sector Disclosures	EU3 NUMBER OF RESIDENTIAL, INDUSTRIAL, INSTITUTIONAL AND COMMERCIAL CUSTOMER ACCOUNTS	7				
GRI G4: Electric Utilities Sector Disclosures	EU4 LENGTH OF ABOVE AND UNDERGROUND TRANSMISSION AND DISTRIBUTION LINES BY REGULATORY REGIME	7, 8				
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	29, 31-34	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	34, 35				
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	8				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	8				8.1; 9.1; 9.4
	201-2 Financial implications and other risks and opportunities due to climate change	9				13.1
	201-4 Financial assistance received from government	9				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	23				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	23, 24				16.3
	205-2 Communication and training about anti-corruption policies and procedures	24, 25				16.5
	205-3 Confirmed incidents of corruption and actions taken	25				16.5
Availability and Reliability						
GRI 3: Material Topics 2021	3-3 Management of material topics	9,10				
GRI G4: Electric Utilities Sector Disclosures	EU10 PLANNED CAPACITY AGAINST PROJECTED ELECTRICITY DEMAND OVER THE LONG TERM, BROKEN DOWN BY ENERGY SOURCE AND REGULATORY REGIME	10				7.1
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	59				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	60				7.2; 7.3; 8.4; 12.2; 13.1
	302-3 Energy intensity	60				7.3; 8.4; 12.2; 13.1
GRI G4: Electric Utilities Sector Disclosures	EU 12- Transmission and distribution losses as a percentage of total energy	59				7.3; 8.4; 12.2; 13.1; 14.3
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	60,61				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	61, 62				3.9; 12.4; 13.1; 14.3; 15.2
	305-2 Energy indirect (Scope 2) GHG emissions	62				3.9; 12.4; 13.1; 14.3; 15.2
	305-3 Other indirect (Scope 3) GHG emissions	62				3.9; 12.4; 13.1; 14.3; 15.2
	305-4 GHG emissions intensity	62				13.1; 14.3; 15.2
	305-5 Reduction of GHG emissions	62				13.1; 14.3; 15.2
	305-6 Emissions of ozone-depleting substances (ODS)	61				3.9; 12.4
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	61				3.9; 12.4; 14.3; 15.2

Standard GRI/ Other source	Disclosure	LOCATION	OMISSION/REASON FOR OMISSION			UN SDGs
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 63				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	63				3.9; 6.3; 6.6; 11.6; 12.4; 12.5
	306-2 Management of significant waste-related impacts	63				3.9; 6.3; 8.4; 11.6; 12.4; 12.5;
	306-3 Waste generated	63				3.9; 6.6; 11.6; 12.4; 12.5; 15.1;
	306-4 Waste diverted from disposal	64				3.9; 11.6; 12.4; 12.5;
	306-5 Waste directed to disposal	64				3.9; 6.6; 11.6; 12.4; 12.5; 15.1
Investing in Green Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	64				
DEO specific Topic: Investing in Green Energy	DEO specific Topic: Investment in new Green Energy Plant	64				7.2; 8.4
	DEO specific Topic: Support for prosumers	64				7.2; 8.4
	DEO specific Topic: Investment in the electric car's recharging infrastructure	64				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	44				5.1; 8.5; 8.6; 10.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44, 45				3.2; 5.4; 8.5
	401-3 Parental leave	45				5.1; 5.4; 8.5
GRI G4: Electric Utilities Sector Disclosures	EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	45				8.5
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	46, 47				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	47				8.8
	403-2 Hazard identification, risk assessment, and incident investigation	47, 48				
	403-3 Occupational health services	48				8.8
	403-4 Worker participation, consultation, and communication on occupational health and safety	48				8.8; 16.7
	403-5 Worker training on occupational health and safety	49				8.8;
	403-6 Promotion of worker health	49				3.3; 3.5; 3.7; 3.8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49				8.8
	403-8 Workers covered by an occupational health and safety management system	49, 50				8.8
	403-9 Work-related injuries	50				3.6; 3.9; 8.8; 16.1;
	403-10 Work-related ill health	50				3.3; 3.4; 3.9; 8.8; 16.1
GRI G4: Electric Utilities Sector Disclosures	EU 18-Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	50				

Standard GRI/ Other source	Disclosure	LOCATION	OMISSION/REASON FOR OMISSION			UN SDGs
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	50, 51				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	51				4.3; 4.4; 4.5; 5.1; 8.2; 8.5; 10.3
	404-2 Programs for upgrading employee skills and transition assistance programs	52				8.2; 8.5
	404-3 Percentage of employees receiving regular performance and career development reviews	52				5.1; 8.5; 10.3
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	55				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	55, 56				
	413-2 Operations with significant actual and potential negative impacts on local communities	56				1.3; 2.3
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	38				
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	38				16.3
GRI G4: Electric Utilities Sector Disclosures	EU 25-NUMBER OF INJURIES AND FATALITIES TO THE PUBLIC INVOLVING COMPANY ASSETS, INCLUDING LEGAL JUDGMENTS, SETTLEMENTS AND PENDING LEGAL CASES OF DISEASES	38				
Customer Privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	38				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38				16.3; 16.7
Access						
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 39				
GRI G4: Electric Utilities Sector Disclosures	EU 27-NUMBER OF RESIDENTIAL DISCONNECTIONS FOR NON-PAYMENT, BROKEN DOWN BY DURATION OF DISCONNECTION AND BY REGULATORY REGIME	39				1.4; 7.1
	EU 28-POWER OUTAGE FREQUENCY	39				1.4; 7.1
	EU 29-AVERAGE POWER OUTAGE DURATION	39				1.4; 7.1
Communication with customers						
GRI 3: Material Topics 2021	3-3 Management of material topics	39				
DEO specific Topic: Communication with customers	DEO specific Topic: Opening new UCCs	40				7.1; 12.8
	DEO specific Topic: Developing the company's sites and IT applications	40				7.1; 12.8
	DEO specific Topic: Improving the training of CRU and Call Center personnel	40, 41				
	DEO specific Topic: Better promotion of company services and products	41				7.1; 12.8
Ethical Conduct						
GRI 3: Material Topics 2021	3-3 Management of material topics	25, 26				
DEO specific Topic: Ethical Conduct	DEO specific Topic: Number of grievances registered within the whistleblowing system, the status of grievances and how they were finalised; number of trainings and topics of the ethical business conduct,	26				5.1; 5.5; 8.7; 16.5;
	DEO specific Topic: Number of trainings and topics of the ethical business conduct	26				5.1; 5.5; 8.7; 16.5;

ANNEX 2

TERMS AND DEFINITIONS

Abreviation	Title	Definition
ACAI	Management of Fixed Assets Buildings, Pole Rental Service	
ACUE	Federation of Associations of Energy Utility Companies	The ACUE Federation is a representative employers' federation at the level of the electricity, oil, gas and energy mining sector, representing the interests of important companies in the field of production, distribution, supply of electricity and natural gas and services related to these activities.
ADMS	Advanced Distribution Management System	Advanced Distribution Management System (ADMS) is the software platform that supports the entire distribution management and optimization suite. An ADMS includes functions that automate the restoration of interruptions and optimize the performance of the distribution network.
AFM	Environment Fund Administration	The Environmental Fund Administration is a public institution in Romania that functions as a specialized body of the central public administration, with legal personality, under the coordination of the Ministry of Environment and Forests
ANRE	Romanian Energy Regulatory Authority	
	Topic	Topic from the economic, environmental or social categories.
	Material topic	Topic that reflects the significant impact of the reporting organization on the economic, environmental and social fields or that substantially influences the assessments and decisions of stakeholders.
AML	Anti-Money Laundering	Actions to prevent and combat money laundering.
AMS	Asset management System	The asset management system is an effective means of fiscal control over the department's assets, providing information on the current state of the department's key equipment.
CEO	Chief Executive Officer	Executive Manager.
	Household customer	The consumers who have concluded a supply contract for electricity or natural gas for their own household consumption, excluding the consumption for commercial or professional activities.
	Non-Household end customer	Any legal entity that buys electricity that is not for its own household consumption; this category also includes electricity producers, network operators and wholesale customers.
	Industrial customer	The non-household end consumer whose estimated annual consumption of natural gas/electricity at the place of consumption, based on the type and flows of the installed gas appliances, is at least 450,000 MWh; exception are high-efficiency cogeneration plants with an installed capacity of more than 10 MW, which produce heat for SACET, considered industrial customers, regardless of their consumption level.
	Non-Household customer	The consumer buying electricity/natural gas that is not intended for his own household consumption, but for an economic activity.
	Vulnerable customer	The end consumer belonging to a category of household consumers who, for reasons of age, health or low income, are at risk of social marginalization and who, to prevent that risk, benefit from social protection measures, including financial protection. Social protection measures, as well as the eligibility criteria for them, shall be established by normative acts.
	Domestic customer	Consumers who use electricity for their own purposes only for lighting and for home appliances.
	Industrial consumer	The consumer who uses electricity mainly in the field of extraction of raw materials, the manufacture of materials or the processing of raw materials, agricultural materials or products into means of production or consumer goods. By assimilation, construction sites, pumping stations, including those for irrigation, rail, road, sea and air transport units and similar are considered industrial consumers.
	Smart meter	A power meter with built-in electronic processor and network connection capabilities that combines electronic metering with a programmable communication terminal and can interact with multiple networks and devices.
CCM	Collective labor agreement	The collective labor agreement is the agreement concluded in writing between the employer or the employers' organization, on the one hand, and the employees, represented by trade unions or otherwise provided by the law, on the other hand, establishing terms on working conditions, salary, as well as other rights and obligations arising from employment relationships.
CIGRE PARIS	International Council on Large Electric Systems	It is a global collaborative community dedicated to the most important knowledge development program for creating and sharing energy expertise.
CIM	Individual labor agreement	The individual labor agreement is an agreement under which a natural person, called employee, undertakes to provide the work for and under the authority of an employer, natural person or legal entity, against a remuneration called wage.
CPT (OTC)	Own Technological Consumption	The difference between the incoming electricity and the electricity coming out of the electricity network, representing the loss of electricity in the component elements of the network (lines, transformers, capacitors, coils and electrical equipment in the network-related stations), as well as electricity taken from the network but not invoiced due to non-registration by the measurement groups (faulty meters, illegal connections, etc.).
CRU (CSC)	Customer Service Centers	
CSR	Corporate Social Responsibility	
CSRD	Corporate Sustainability Reporting Directive	https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32022L2464
CSSM	Occupational health and security committee	It aims to ensure the involvement of employees in the elaboration and application of decisions in the field of occupational safety.

Abreviation	Title	Definition
DCPT (OTCD)	Own Technological Consumption Directorate	It is designed to plan, implement and monitor the electricity loss reduction programme, to manage the electricity entered, transited and consumed in the Oltenia Distribution meter.
DPO	Data Protection Officer	Data Protection Officer who ensures the compliance with the provisions of the GDPR within the organization
DEO	Distribuție Energie Oltenia (former CEZ Distribuție S.A.)	Power distribution operator.
	Power distributor/distribution system operator	Any person who owns, under any title, an electricity distribution network and who is responsible for the operation, maintenance and, if necessary, the development of the distribution network in a given area and, where appropriate, its interconnections with other systems, as well as for ensuring the long-term capacity of the network to meet a reasonable level of demand for electricity distribution.
	Green energy	Electricity obtained from renewable and non-polluting energy sources.
PPE	Personal protection equipment	Personal protection equipment (PPE) means any equipment intended to protect the worker in the work he carries out during the working hours against any risks which may endanger his health and even his life.
EDSO	European Distribution System Operators	The European Distribution System Operators (E.DSO) promote and enable the authorization of customers and increase in the use of clean energy sources through electrification, development of smart and digital network technologies in real-world situations, new market models and regulations.
EURELECTRIC	EURELECTRIC	Eurelectric is the sectoral association representing the common interests of the electricity industry at European level, plus its affiliates and associates on several other continents.
	Circular economy	The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended
	Focus group	The focus group is a qualitative research technique, which consists of establishing a discussion on a given topic with a group usually consisting of 8-10 participants, for 1-2 hours.
	Supplier	Carries out the activity of energy/natural gas supply.
GIS	Geographic Information System	A geographic information System (GIS) is a system used to create, store, analyze, and process information spatially distributed using computers.
GRI	Global Reporting Initiative	It is an independent, international reference framework that helps companies, government or other organizations understand and report on their impact in areas such as global warming, human rights or corruption.
GRESB	Global Real Estate Sustainability Benchmark	Created in 2009, GRESB is the global ESG benchmark for financial markets, composed of an independent foundation and a benefit corporation (B Corp certified).
GRI standards		GRI Sustainability Reporting Standards (https://www.globalreporting.org/)
	Impact	Unless otherwise stated, the term "impact" refers to a significant effect that a company has or could have on the economy, the environment and people, including their rights, which may be: positive, negative, real, potential, short-term, long-term, direct, indirect, with or without intention.
HV	High-voltage power line(s)	
LV	Low voltage power line(s)	
LEA (OPL)	Overhead power line	Outdoor installation used for the transmission and distribution of electricity and consists of conductors, insulators, clamps, fittings, poles, foundations and earth-binding facilities.
LES (UPL)	Underground power lines	
KYC	Know Your Customer	Customer due diligence/know-your-customer measures.
KPI	Key Performance Indicators	KPIs are defined as those key indicators to measure the performance of a company, a specific department within the company or each employee/ process.
	Supply chain	The chain of companies that ensures the electricity flow from the producer to the end consumer.
	Value Chain	The value chain is a strategic analysis tool that helps determine the competitive advantage of the company, and it aims at generating competitive advantages, and its study also applies to other activities such as supply chain and distribution networks.
	Place of consumption	The premises or area where the electricity supplied through one or more connection installations is consumed, through a single installation of use. A consumer may have several places of consumption, as applicable, in different premises or areas or in the same premises or area.
MV	Medium voltage power line(s)	
MoP	Means of protection	Individual means for the protection of a single worker and which is carried by him.

Abreviation	Title	Definition
ODD (SDG)	Sustainable development goals	The Sustainable Development Goals or Global Goals are a collection of 17 interconnected goals designed to serve as "a common blueprint for peace and prosperity for people and planet, now and in the future".
TP	Transformer point	Elements of the SEN (National Energy System) that ensure the change of the electricity voltage level from MV (20 and 6 kV) to 0.4 kV for the supply of consumers (households, buildings, small industrial consumers, public lighting, etc.).
	Transformer station	A transformer station is a small, downside transformer station with a power of up to 2500 kVA, designed for low voltage (up to 1 kV inclusive) supply to consumers.
SAIDI	System Average Interruption Duration Index	Is the index for the average network outages (system) for a user. This is the average time of outages of users at the distribution operator level.
SAIFI	System Average Interruption Frequency Index	"Is the index for the average network outages frequency (system) for a user. This is the average number of outages supported by users connected to the network of a distribution system operator." "
SBTi	Science Based Targets Initiative	Scientific data-driven goals are an important part of your climate or Net Zero strategy – regardless of industry or sector. In recent years, SBTi has released several guidelines on how to align climate actions to achieve Net Zero, as well as special criteria for financial institutions and other sectors. Several standards are already published, including the FLAG standard (forestry, land use and agriculture), other sector-specific guidelines, as well as Net Zero guidelines. Further guidance is currently being developed.
SCADA	Supervisory Control and Data Acquisition	IT system for monitoring, command and data acquisition of a technological process/installation.
SSM (OHS)	Occupational Health and Security	Ensemble of activities aimed at ensuring optimal conditions in the work process, defending the health, bodily integrity and life of workers and other persons involved in the work process.
SSM & PSI (OHS & FP)	Occupational Safety & Health & Firefighting and Prevention	
SRAC		SRAC CERT is a certification body in Romania.
	Stakeholders	Entities or persons who may reasonably be significantly affected by the organization's activities, products and services and whose actions may reasonably affect the organization's ability to successfully implement its strategies and achieve its objectives. This includes entities or individuals whose rights under international law or conventions give them the opportunity to make legitimate claims against the organization. Stakeholders include both the roles vested by the organization (such as employees, shareholders, suppliers), as well as those who have other relationships with the organization (such as vulnerable groups within local communities, civil society, etc.).
	Subject	Used within the GRI Standards to define any possible sustainability topic.
	Operating area	The geographical area in which an energy distributor has leased the distribution of electricity by ANRE.
	Speak Up	Online system for non-compliance notices from employees and any interested third party. It is a secure and anonymous means of communication made available by the organization to receive reports on any action/behavior/incident related to fraud, violation of the law, collective labor agreement, Code of Ethics and other internal company policies.
CAPEX	Capital Expenditure	It represents the capital expenditures incurred by a company for the purpose of investing in the acquisition or modernization of fixed assets, such as buildings, factories or equipment, that participate in several production cycles.
OPEX	Operating Expenses	OPEX, or operating expenses, covers recurring costs associated with a company's day-to-day operations, such as wages and raw materials.
	Commercial customer/consumer	Economic agent.
	Industrial customer/consumer	Public institution.
	Residential customer/consumer.	Domestic.
	Sustainable/durable development	Sustainable/durable development is the development that seeks to meet the nowadays needs, without compromising the possibility for future generations to meet their own needs.
GHG	Greenhouse Gases	Greenhouse gas is a gas that absorbs and emits radiant energy in the thermal infrared range. The increase in greenhouse gas emissions is causing a greenhouse effect and the global warming of the Earth's atmosphere. The main greenhouse gases in Earth's atmosphere are water vapours, carbon dioxide, methane, nitrous oxide and ozone
RI (IR)	Internal regulation	The internal regulation is a legally binding document for any business. It contains essential details, such as the rules applied in the company, the rights and obligations of employees, the performance evaluation criteria.
INCDPM		National Institute for Research and Development in Environmental Protection
ISO14001		Certification of the environmental management system.
ISO9001		The ISO9001 standard specifies the general requirements for the development, implementation and improvement of quality management systems to meet customer requirements.

Abreviation	Title	Definition
ISO 45001/2018		It is an international standard used by organizations that wish to reduce/manage occupational health and safety risks through the implementation and certification of the management system.
	Leadership	Leader position.
LST (WUV)	Working under voltage	
	Newsletter	The newsletter is a tool used to regularly communicate with your subscribers, delivering the information you want to their inboxes.
VoE	Voice of Employee	Is how people communicate their views to the employer and influence issues that affect them at work.
NPS	Net Promoter Score	It is the method of measuring the customer satisfaction based on a simple questionnaire in which they are asked on a scale of 0 to 10 whether they would recommend the products/services of the company to other acquaintances.
Transactional NPS	Transactional Net Promoter Score	The transactional NPS survey measures consumer's loyalty to the company based on the latest interactions in one of its User Service Centers.
VOC	Voice of Customer	Voice of customer (VOC) is the customer experience component that focuses on customer needs, wishes, expectations, and preferences. It is the process of collecting and analyzing customer feedback to improve their experience and overall business performance.
NLT	Non-technical losses	Commercial losses representing the electricity consumed but not recorded (electricity absconding, incorrectly estimated electricity in case of faulty meter, error in operation of measurement groups).
OECD	Organization for Economic Co-operation and Development	The Organization for Economic Cooperation and Development is an intergovernmental forum that aims at identifying, disseminating and evaluating the implementation of optimal public policies to ensure economic growth, prosperity and sustainable development among Member States, as well as globally. (https://www.oecd.org/)
UN	United Nations	The United Nations is the most important international organization in the world. Founded on 24 October 1945, after World War II, it now has 193 member states.
PRAM	Relay protection, automation and measurement	
PTCZ	Transformer point into a built-in cabin	
	Whistle-blowing policy	An organization's policy to enable any person (called an whistleblower) to inform, anonymously or not, of immoral or illegal activities in a department or organization. Information about illegal activities that are provided by an whistleblower can be of several types: violation of the law, violation of a company's rules or regulations, a threat to the public interest or public security, as well as fraud or other forms of corruption.
	Prosumer	The final customer who owns electricity generation facilities, including cogeneration, whose specific activity is not electricity generation, who consumes and can store and sell renewable electricity produced in his building, including an apartment block, a residential area, a shared, commercial or industrial site or in the same closed distribution system, provided that, in the case of non-household renewable autonomous consumers, such activities are not their primary commercial or professional activity.
	SMART transformation	It aims at achieving a superior quality of the distribution service, described by continuity in the power supply, fault isolation and limitation of technical and non-technical losses, reduced response time in connection, disconnection, reconnection, troubleshooting, maintenance activities and, last but not least, increased energy efficiency.
	Soft skills	Personal and social skills.
	Sustainability	The ability of an anthropogenic activity to take place without depleting available resources and without destroying the environment, thus without compromising the ability to meet the needs of future generations.
	REMIT	Regulation on the wholesale energy market integrity and transparency
	Taxonomy	The EU Taxonomy is a classification system that defines what activities are sustainable ("green") and provides a methodology to calculate how green the turnover is, namely CAPEX and OPEX for a company.