

A full-page background image of a male worker in profile, facing left. He is wearing a white hard hat with a clear, curved face shield. His uniform is red and navy blue. On the left chest of his jacket, there is a logo that reads 'ADREM INVEST' with 'EXPERIENCE' and 'PROGRESS' below it. He is holding a silver wrench and working on a brass-colored metal fitting. The background is a clear blue sky. At the bottom, there is a grey geometric shape containing the ADREM logo and name.

SUSTAINABILITY REPORT

2017 - 2018



ADREM

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DEAR READER,

THE FACT THAT YOU HAVE ARRIVED HERE IS A JOY TO US, BECAUSE THIS IMPLIES THAT WE SHARE THE SAME CARE FOR THE ENVIRONMENT, SOCIETY, EMPLOYEES AND NOT LEAST, FOR THE SUSTAINABLE DEVELOPMENT OF ROMANIA.

Dear Readers,

Sustainability has always been an important pillar in the way we carry out our activity and the development of the company and the close collaboration with our stakeholders have represented the motivation behind this new report. We appreciate the contribution of our employees, customers, suppliers and all partners who contributed to this report. It presents the strategies, actions and plans of the Adrem Group in a formal, but at the same time clear, structured and organised manner.

Adrem is made up of three Romanian based companies that have been offering products, solutions and services dedicated to the energy field for 26 years throughout the country. Regarding the development of the company, we registered approximately 40 million euros in turnover last year, an increase of 37% compared to 2017. Given the current context where we need to primarily focus on energy efficiency, we are already developing products and services dedicated to final consumers. The services are structured towards directions such as energy management for smart cities and smart lighting solutions, and starting with 2020, we aim to have a solid growth in these segments and to invest in projects that support the use of renewable energy sources.

We would like to contribute more to the development of our people and entrepreneurs, to the education of young specialists, without which it would be difficult to increase our business and to engage in the economy's progress. We believe that by capitalizing on ideas and by valuing people, we can innovate and bring a significant improvement to the community we live in.

We aim to strengthen our national geographical coverage, to increase our client portfolio while maintaining the satisfaction of our current ones and to be a trusted partner for the communities we operate in.

I invite you to read the second Adrem Group Sustainability Report and learn more about our business strategy and our commitment to the field we operate in.

Corneliu Bodea,
CEO Adrem Group



1. INTRODUCTION

GRI: 102-40, 102-42, 102-43, 102-44, 102-12, 102-13



OUR BELIEF IS TO CONTRIBUTE TO THE DEVELOPMENT OF A SUSTAINABLE BUSINESS ENVIRONMENT AND TO INCREASE THE INVOLVEMENT OF COMPANIES IN THE COMMUNITIES WHERE THEY OPERATE.

1. INTRODUCTION

GRI: 102-40, 102-42, 102-43, 102-44, 102-12, 102-13

1.1 ABOUT OUR REPORT

This is the second Adrem Group Sustainability Report, which mainly includes non-financial information from 1 January 2017 - 31 December 2018. This Report is prepared in accordance with the Global Reporting Initiatives (GRI) and complies with the requirements of the EU Directive on non-financial reporting 2014/95/EU and of its transposition into national law through the Order of the Minister of Public Finance no. 1938/2016. The information in this report has been aligned with the reporting requirements of GRI standards and is subject to internal analysis and control.

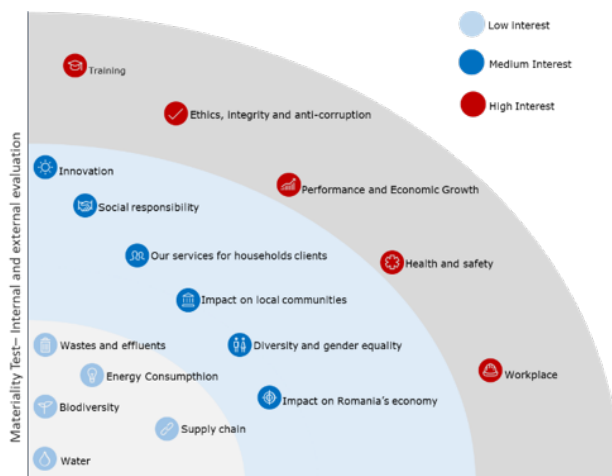
The first Sustainability and Transparency Report was published in 2016, which provides coherent information on the activities of the three business lines to all stakeholders, as well as the fundamental values and main achievements of 2016.

1.2.1.1 MATERIAL THEMES

The materiality assessment was used to understand which environmental, social and economic aspects were considered most important for the relevant stakeholders of the Group and for its activity.

Following the stakeholder consultations based on the questionnaires sent, a series of three indicators were determined: employees, social and economic indicators. Following the assessment of relevant material aspects at Group level, "Workplace" and "Professional training" proved to be the most important topics. Moreover, "Ethics, Integrity and Anti-corruption", "Economic Performance and Growth" and "Health and Safety at work" are also essential topics for the stakeholders.

1.3 MATERIALITY ASSESSMENT



1.4 STAKEHOLDER ENGAGEMENT

Adrem Group focuses on communicating with the stakeholders, in line with a strategic plan, tailored to the specific expectations and needs of the different categories of stakeholders. The engagement with our business partners is based on the principles of coherence, clarity and transparency. Commitment to our partners is built on the belief that a trustworthy relationship is essential for further development of the Group's business activities. The following stakeholders influence our operations:

- Our employees, whom we treat as our family members;
- Our clients and partners, for whom we are not merely a provider of technology and services, but a valuable and long-term partner;
- The local authorities of the counties we operate in, because we believe in a transparent collaboration between the public and private sectors;
- The communities we operate in, because we are aware of the importance of social responsibility;
- The trade unions, as we respect the rights of our employees and encourage a relationship of trust and fairness;
- The financial entities we collaborate with, because they are a key player in the development of any business;

1. INTRODUCTION

GRI: 102-40, 102-42, 102-43, 102-44, 102-12, 102-13

- The industry organizations and institutions we work with, as we develop strategic partnerships in the long term;
- Media representatives, which promote transparency and objective information.

Shareholders represent a special category of stakeholders and we consider them an important resource for the success of the company. They have extensive rights for the Group's strategy, operations, organizational structure and budget.

1.5 AFFILIATIONS

Romanian Energy Center (CRE)

The professional association Romanian Energy Center has become the main platform for dialogue between the Romanian institutions and the active companies in the national energy sector and their European counterparts.

Adrem is part of the CRE Association, out of a total of 24 members. Corneliu Bodea, CEO of Adrem, has been president of CRE since 2014. At the end of 2017, he was re-elected president, with unanimous votes, for a new term of 3 years. Through its specialists, Adrem actively participates within the CRE, contributing in general meetings, organization and leading conferences. Moreover, Adrem also contributes to the CRE position papers on important documents and legislative changes, such as Romania's Energy Strategy Project 2019-2030, the Integrated National Plan for Energy and Climate Change, Emergency Government Ordinance 114/2018 and the Preparation of the Romanian Presidency for the Council of the European Union.



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

Corneliu Bodea, Adrem CEO, is a member of the CNR-CME board. This non-governmental organization is a member of the World Energy Council. CNR-CME is a strategic partner for the Sustainable Energy Development of Romania and for the use of all energy sources.



ARPEE (Romanian Association for the Promotion of Energy Efficiency)

Adrem Invest is member of ARPEE, a non-governmental association with objectives in the field of promoting energy efficiency and energy savings throughout the energy chain. It supports the reduction of Romanian energy dependence, emphasising energy efficiency and energy economy as key priorities of the energy strategy, the thermal rehabilitation of buildings and, not least, the fight against climate change.



1.6 IDENTIFYING SUSTAINABLE DEVELOPMENT GOALS

The sustainable development goals adopted by the United Nations in 2015 included 17 targets designed to meet the major challenges facing humanity globally. We are one of the largest energy service companies in Romania, and the key areas where we have a major impact are mainly associated with 5 of the 17 objectives:

Quality Education, Gender Equality, Affordable and Clean Energy, Decent Work and Economic Growth and Responsible Consumption and Production.



1. INTRODUCTION

GRI: 102-40, 102-42, 102-43, 102-44, 102-12, 102-13

WE SUPPORT THE FOLLOWING SUSTAINABLE GOALS:

4



QUALITY EDUCATION

Access to quality education generates long-term positive effects on the society. We contribute to the development of educational programs, preparation for the labor market, encouraging initiatives and innovation, and lifelong learning through professional training opportunities for our employees.

- We support local communities by investing in educational projects;
- We support new talents;
- We develop our relationship with employees.

5



GENDER EQUALITY

Gender equality is a fundamental principle of developed democratic societies, based on rights and equal access to resources. Gender differences should not in any way influence access to professional roles, pay mechanism or represent a basis for discriminatory treatment of individuals. Adrem respects the dignity and quality of our employees' lives and implements this principle at organizational culture level.

- We aim to maintain a balance between the number of women and men employed;
- We support women's employment in management structures.

7



AFFORDABLE AND CLEAN ENERGY

By encouraging renewable energy and innovation, our company maintains its technological progress and, at the same time, mitigates the effects of climate change.

- Diversified service offer, including the promotion of renewable energy sources;
- We support technological progress and investments.

8



DECENT WORK AND ECONOMIC GROWTH

Promoting sustained, open and sustainable economic growth, full and productive employment and decent work conditions.

- Ethics and responsibility;
- Corporate governance;
- Employee development.

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RESPONSIBLE CONSUMPTION AND PRODUCTION

Interaction with the environment is important for us given the role we would like to play in our society. Hence, we respect the environmental protection norms and establish sustainable patterns of consumption.

- We are actively involved in reducing the environmental footprint.



“Adrem means 26 years of industry, energy and innovation. A story we are proud of and continue to write with passion and responsibility towards employees, partners and the industry.”

Corneliu Bodea, CEO Adrem

ANY DREAM IS AN IDEA

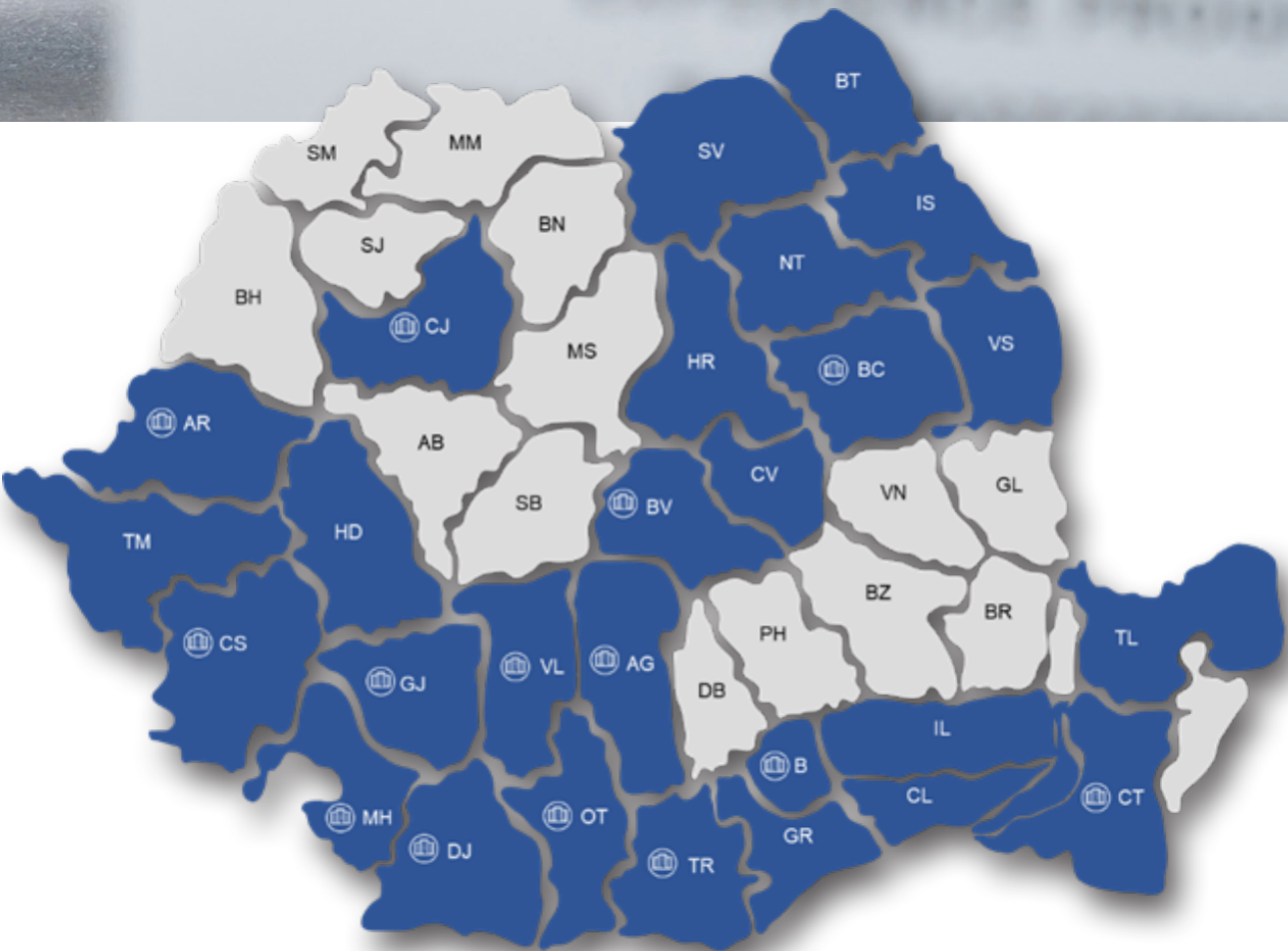
WE ARE PRIMARILY A SOLUTION PROVIDER, A TEAM OF ENGINEERING EXPERTS, AUTOMATIC, ENERGY AND NOT ONLY. WE BELIEVE THAT EVERYTHING IS ACHIEVABLE AND WE OFFER INNOVATIVE AND PROFITABLE SOLUTIONS EVEN FOR THE MOST VISIONARY IDEAS.

2.1 ABOUT US

Adrem Group is currently the largest group of Romanian private energy services companies and the only one that collaborates with all major energy distribution operators in the country. About 1,000 employees help us offer products, services and solutions dedicated to the energy field throughout Romania. We started in 1992, as a family business founded by brothers Adrian and Corneliu Bodea, who understood that the Romanian industry needed technological innovation. ADREM focuses on developing new services and products "in house", adapted to the customers' needs. These innovations have led in time to the expansion of the portfolio and the company: currently, the Adrem Group has 14 offices throughout the country, offering its services in 27 counties.

2. OUR **GROUP**

GRI: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8



Office locations

2. OUR GROUP

GRI: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8

Adrem Group includes three companies: Adrem Invest, Adrem Engineering and Adrem Link, each company being specialized in certain services dedicated to the energy sector.



Founded in 1992, it is the first of the three companies under the umbrella of Adrem Group. Today, Adrem Invest offers integrated energy services both in the field of electricity distribution, natural gas and energy obtained from renewable sources. The company is specialized in services for utility networks - such as managing measurement groups, maintaining electricity infrastructure and operating power distribution networks. At this moment, Adrem Invest is the largest provider of energy services in Romania.



Founded in 2016, Adrem Engineering is the successor of the company that developed from Adrem Invest's SCADA and Automation division. After 15 years of research, development and implementation of SCADA solutions and process automation, the company has become a leader in the local industrial automation market. With the expansion of its portfolio, Adrem Engineering has begun to develop and implement complete solutions for energy infrastructure, from general contracting works to equipment developed within the company.



The newest company of the Adrem Group, has been promoting energy efficiency, operational optimization, automation and control solutions since May 2016. These services are dedicated to both large energy consumers and the residential segment. As it is a company oriented towards customer needs, the strategy and focus of Adrem Link will be directed towards the development of services and products for energy consumers (B2C).

Our financial performance is an accurate representation of the company's financial health. We strive to remain a strong business partner and we continue to be an active citizen of our community, whose welfare we support. Our business has grown from year to year (37% increase in turnover), thus the main financial indicators of the Group are:

[RON]	2017	2018
Turnover	140,372,613	192,486,062
Tax contribution	30,873,118	34,423,663
Investment	2,798,506	2,901,455

The economic growth is owed to the development of the Group's activity through signing new contracts and expanding by opening new offices in several regions of the country. Along to the expansion of the business, the company was actively involved in recruiting new professionals at the end of 2018.

2. OUR GROUP

GRI: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8

2.2 STRATEGIC OBJECTIVES AT GROUP LEVEL

Our objectives at Group level are as follows:

- Increasing the customer base for energy services, adding to the portfolio all energy distributors, with an increase in turnover;
- Launching the services structure for the final energy consumers;
- Human resource development.

Objectives at each company's level:



- Recertification of the integrated management system;
- Creating a network of partners throughout the country - at least 2 partners at the level of distributors;
- Maintaining customer satisfaction at min. 80% (minimum 8 according to ANRE methodology).



- Entering foreign markets and concluding at least one external contract;
- Finalization and documentation of processes within the Technical Directorate;
- Maintaining the customer satisfaction monitoring / measurement system (minimum 8 according to ANRE methodology);
- Recertification of the integrated management system.

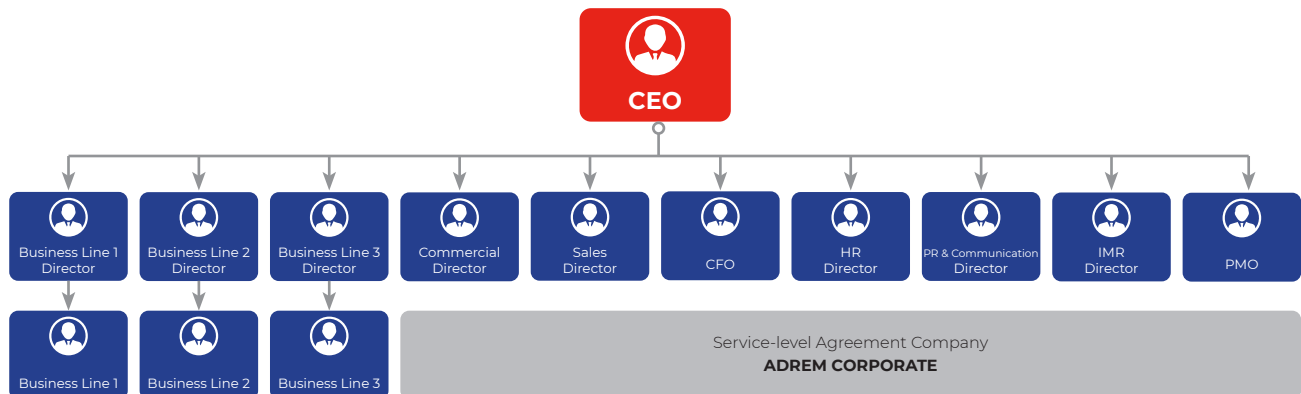


- Development of services and products for energy consumers (BC);
- Increasing customer portfolio and maintaining current customers;
- Optimization of energy efficiency solutions;
- Redefining business objectives;
- Reaching the financial goals: gross profit 10% of turnover; positive operational cash-flow;
- Human resources development.

2. OUR GROUP

GRI: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8

2.3 CORPORATE GOVERNANCE



The Management body of the Adrem Group is the administrator through the permanent representative, who also holds the position of CEO. The Administrator and the Permanent Representative are appointed at the Annual General Meeting of shareholders, through a Shareholders' Decision.

The responsibilities at CEO level are:

- Establishing the main directions of business development;
- Approving annual budgets;
- Evaluating the reports and decisions of the Business Line Directors and Direction Managers.

At each company level there is a Management team, which consists of the Business Line Directors and the Direction Managers. The last ones represent the Operational Management body, with skills in the financial fields, operations and internal processes, human resources, marketing, sales and development.

The administrator delegates responsibility to Business Line Directors and Direction Managers. The CEO coordinates the Management team, which acts as "his right hand", and has an advisory role in the decision-making process of the CEO.

CORPORATE GOVERNANCE PRINCIPLES

LEADERSHIP

CEO leads the company to fulfill the short and long-term business goals.

CAPACITY

The Management team has an adequate mix of skills, experience and independence and allows members to perform their tasks and responsibilities efficiently.

RESPONSIBILITY

The Administrator periodically informs the associations and other stakeholders about the Group's performance in achieving its business objectives and fulfilling its responsibilities.

SUSTAINABILITY

The company follows an ethical business model, which is shared with all stakeholders.

INTEGRITY

The Administrator and the Management team lead the company to conduct its business in a fair and transparent manner, which passes through the stakeholders' control.

3. ETHICS AND RESPONSIBILITY

GRI: 102-11, 102-15, 102-16



BECAUSE OUR SUCCESS DEPENDS ON THE REPUTATION WE CREATE, IT IS IMPORTANT TO ACT WITH INTEGRITY, RIGOR AND RESPECT AT ALL TIMES BECAUSE WE ALL ARE AMBASSADORS OF THE ADREM GROUP.

3.1 OUR VALUES

Rigour

We directly respond to the needs of our customers - according to the meaning of our Latin name "ad-rem" – providing key services and solutions. The success of a project depends on the attention to detail, and every step we take is subject to a thorough examination.

Respect

Respect is a fundamental value in a competitive business environment. At Adrem, we are guided by respect within the company, in our public interactions as well as in any action with our partners.

Involvement

Each project is developed with dedication and involvement - from consulting to implementation and maintenance.

Ambition

Perseverance and ambition define Adrem's working methods. We are consistent in achieving our goals, we set ambitious targets, and we believe that this is one of the reasons for our success.

Responsibility

We know that every action on behalf of Adrem has a direct effect on the company's reputation on the market or the relationships we establish with our customers, suppliers or partners. For this reason, we ask our colleagues to have a sense of implicit responsibility no matter what actions they take and to rigorously handle all projects that involve them. Respecting deadlines, working at the highest standards on a permanent basis and taking responsibility for mistakes is what we mean by "responsibility".

3. ETHICS AND RESPONSIBILITY

GRI: 102-11, 102-15, 102-16

3.2 CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics is a guide that recommends standards for ethical behavior in the professional environment, values and principles that we expect employees to respect in relation to their colleagues, business partners, including clients and public authorities, civil society and the media. We have taken anti-corruption and business ethics measures through a "Code of conduct" published and communicated to employees at the beginning of each year. Corneliu Bodea, CEO of the group, together with the communication team organizes a roadshow throughout the country, to be close to all the employees and to directly convey the mission, the values, the code of conduct and the strategic of the company.

In 2017-2018, there were not reported any cases of bribery or incidents of corruption in relation to our employees or within the Group. Bribery and corruption have always been and will continue to be a focus of attention in the context of any commercial activity. Compliance with the applicable laws and regulations is just as important for the Group as the application of moral and ethical standards.

The Group's management expects each of its companies, as well as each employee, to always abide by the law, to act in accordance with the values of the Group, to not accept gifts or any sort of benefits and to not get involved in acts of corruption.

All professional relationships should be based on the principle of good faith, civilized behavior and mutual respect. Customers should be treated with respect, regardless of context. We expect all employees to show loyalty, responsibility, integrity and professionalism. Regardless of the division they work in, employees must continually improve their skills and not neglect quality.

3.3 CERTIFICATIONS

Due to the company's concern for employees, customers and the environment, we have implemented an integrated management system, supported by the certifications issued by Lloyd's Register Quality Assurance for the Quality Management System - ISO 9001, the Environmental Management System - ISO 14001 and the Management System of Health, Occupational Safety - OHSAS 18001 and SR ISO / IEC 27001 - Information Technology.



Licenses and approvals

BRML License Monting
BRML License Reparation
LIAE
LVM
ANRSC Licence
Laboratory Approval ISC

ANRE certifications / authorizations

Energy Auditor
PDIB, EDIB
C1A, C2A
B
E2, F

Certification ISO

SR EN ISO 9001: 2015
SR EN ISO 14001: 2015
SR EN ISO / IEC 27001
OHSAS 18001: 2008



Licenses and approvals

Railway supplier AFER
AFER

ANRE certifications / authorizations

C1B
ET
E1, E2

Certification ISO

SR EN ISO 9001: 2015
SR EN ISO 14001: 2015
SR EN ISO / IEC 27001
OHSAS 18001: 2008

4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2



ANY OBSTACLE IS A STEP

WE HAVE BOTH THE EXPERIENCE AND THE KNOWLEDGE NECESSARY FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE LATEST TECHNOLOGIES INTO THE PROJECTS OF OUR CLIENTS AND PARTNERS. THEREFORE, WE TURN ANY OBSTACLE INTO A STEP ON THE LADDER OF TECHNOLOGICAL PROGRESS.

8



DECENT WORK AND
ECONOMIC GROWTH

12



RESPONSIBLE CONSUMPTION
AND PRODUCTION

4.1 OUR SERVICES AND SUPPLY CHAIN

**ADREM
INVEST**

Services for utility networks

Meter reading, meter group management, electrical infrastructure maintenance and power distribution network operation.

**ADREM
ENGINEERING**

Energy infrastructure solutions

From complex works of general entrepreneurship to equipment developed within the company.

**ADREM
LINK**

Connected solutions for energy consumers

Solutions for energy efficiency, visibility & information, operational optimization, automation & control, addressed to both industrial and residential consumers.

4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM INVEST

Shortly after its foundation, Adrem Invest became an important supplier of innovative liquid steel vacuum solutions for the metallurgical industry. Subsequently, it established its own SCADA and automation division, which grew into a self-sustained company within the Group, specialized in utility networks. Since 2008, Adrem Invest has diversified its portfolio and currently provides meter reading services for more than 1.4 million domestic consumers

and small businesses. At this moment, Adrem Invest is the largest provider of administration services for measuring and reading groups in Romania, involved in all the smart metering national pilot projects in progress.

The company aims to become a leader in the energy services market in Romania and to increase the energy efficiency level of its clients' and partners' projects.

THROUGH ITS ACTIVITY, ADREM INVEST HAS AN IMPACT ON
1.4 MILLION USERS IN 7 COUNTIES

Adrem Invest offers the following services:

- Meter reading
- Smart metering
- Meter group administration
- Maintenance and works for electrical infrastructure
- Data analysis and control – operational monitoring
- Metrological verification laboratory for power meters
- Meter repair shop
- Electrical testing and analysis laboratory
- Operating services for power distribution networks
- Dispatch

The service quality, the passion and the performance of our teams which created and implemented the products, the services and the solutions for our clients, are just some of the strengths that have made Adrem Invest a reliable partner. Our objective is to provide quality in all our projects.

Industria în care Adrem Invest operează sunt:

ELECTRIC POWER



WATER & SEWERAGE



OIL & GAS



HEATING



CONSTRUCTIONS



INDUSTRIAL PRODUCTION



ELECTRIFIED TRANSPORT



4. OUR **PERFORMANCE**

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM INVEST

SMART METERING

Adrem Invest aims to promote intelligent metering in Romania. To do so, we deliver customized solutions to our customers and constantly invest in the expertise of our staff for the implementation of smart metering services.

To help increase the efficiency of the services provided by electricity distribution operators, Adrem Invest has entered into strategic partnerships with Advanced Metering Management system providers and smart meter providers.

Adrem is part of an extensive plan for the implementation and development of the smart metering system in Moldova region. Currently, the installation of smart meters for 250,000 domestic consumers has been successful. Adrem Invest also provides post-installation services in an integrated concept of Deployment Operations Center, which provides real-time connections with technology providers, field teams and beneficiaries.

MAKING THE METER READING SERVICE MORE EFFICIENT

Our goal is to increase the efficiency of the meter reading process, a service that we have constantly improved over 6 years of collaboration with our main partner.

Our company invests in the continuous development and improvement of the existing fully automated system - myAvis - which eliminates the use of paper in the meter reading process. The information is introduced in the mobile device, further processed and sent to our partners for billing purposes.



4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM ENGINEERING

Adrem Engineering aims to become the leading provider of energy infrastructure solutions in Romania and a major player in the region. The mix of skills and resources required for the implementation of complex services, technological know-how and reliable high performance equipment represents the key to our

success. Whether it is designing, implementing or adding a new function, changing an entire system, migrating to a new system or the first installation of a SCADA system - we have the optimal solution to meet the needs of our customers.

The company's product portfolio is adapted to the concept of "Energy Efficiency through Technology", structured in the following fields:

General Energy Contracting

- Project management;
- Construction, installation and cabling works;
- Development and integration of automated command-control systems;
- Equipment mounting and commissioning of installations and systems;
- Training;
- Service and maintenance;
- Technical and commercial evaluation of solutions for equipment and energy;
- Configuration of the management report.

Engineering

- Configuration and commissioning of protection, automation and control systems for electricity installations (stations, lines, plants);
- PLC, SCADA, HMI programming;
- Configuration and design of process automation systems and utility networks (natural gas, water, urban heating);
- Software development for data collection;
- Development of interfaces with other related applications.

Design

- Feasibility studies;
- Technical specification documents ;
- Technical Projects, Execution Details, As-built;
- Technical and economic consulting for energy projects;
- Design of automation and control systems for electrical energy installations (stations, lines, plants);
- Design of process automation systems and utility networks (natural gas, water, district heating);
- Electrical substation design.

Smart Energy Network Systems

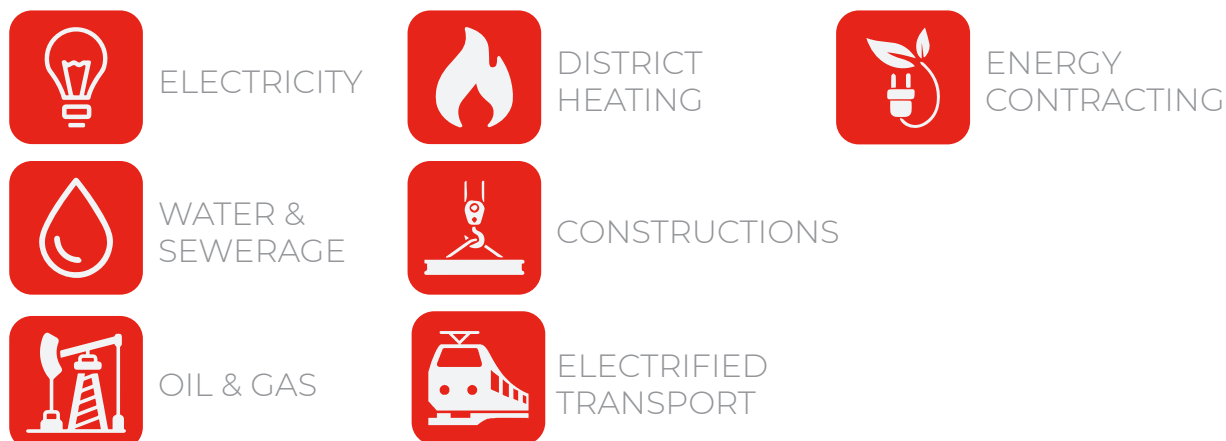
- Advanced Power Distribution Management System (ADMS);
- Outage Management System (OMS);
- Metering data management system (MDM);
- Smart Asset Management System (AMS);
- Advanced metering infrastructure (AMI).

4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM ENGINEERING

Adrem Engineering concentrates on its clients' needs, understands them and offers tailored solutions for each industry in which it operates:



SCADA SYSTEM

Adrem Engineering is a market leader in designing and implementing automation systems for companies in the energy and industrial sector. The advantage of collaborating with our teams consists of perfectly integrating the equipment and customizing projects down to the smallest detail. SCADA stands for Supervisory Control and Data Acquisition and refers to a command center that monitors and controls an entire production area. The control functions of the control center are mostly restricted to decision-making functions or general administration functions. SCADA automations are used to monitor or control chemical, physical or transport processes.

The benefits of a SCADA system designed and implemented by Adrem to fit the needs of the organisations are, among others:

- Ensuring high availability of the network and increasing revenues;
- Making operational decisions in real time;
- Increasing employee safety and equipment safety;
- Reducing engineering costs, durations and risks;
- Optimising human resources and assets;
- Increasing the quality of services by preventing errors;
- Increasing operator efficiency;
- Freedom for operators through mobility solutions.

The SCADA systems developed and implemented by Adrem Engineering have multiple applications:

- Electricity, natural gas, water and district heating;
- Wastewater treatment plants and sewerage networks;
- Communication networks;
- Industrial applications, such as energy management;
- Transport infrastructure applications (tunnels, electrical installations for electrified transport).



4. OUR **PERFORMANCE**

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM LINK

Adrem Link's main objective is to assure the safety and comfort of the final consumers by developing products and solutions for an efficient and intelligent use of energy. We promote solutions for energy efficiency, visibility & information, operational optimization, automation & control. The company is strategically focused on the Internet of Things, Cloud architectures and "as a Service" models and it aims to become an opinion leader in new technology assimilation in Romania and to ensure efficient energy consumption for its clients, through optimized operations and process visibility.

We provide services, solutions and products in the following fields:

- Energy management in smart cities;
- Integrated energy management system;
- Electric vehicle charging stations;
- Smart lighting solutions;
- Building management system;
- Energy management services;
- Energy audit;
- Utility infrastructure maintenance services.

Adrem Link understands its clients' needs and proposes tailored solutions for each industry:



OIL & GAS



RETAIL



FOOD
PRODUCTION



REAL ESTATE



LOGISTIC
CENTERS



ELECTRICITY



CONSTRUCTION
MATERIALS



LOCAL
ADMINISTRATION



CHEMICAL, PHAR-
MACEUTICAL AND
COSMETICS
INDUSTRY



MACHINERY,
TOOLS AND
EQUIPMENT
MANUFACTURING



METALLURGY
AND
IRONWORKS

4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM LINK

ENERGY EFFICIENCY

By achieving our goal of being a leader on the energy services market in Romania, we would like to enhance the energy efficiency of our clients' and partners' projects, while encouraging their sustainable growth. Energy efficiency is a complete process management solution, aimed at optimizing energy use and costs, improving performance, comfort and safety and delivering uninterrupted services, all while respecting the environment.

Adrem Link noted that a 10% to 30% reduction in electricity consumption can be achieved. Energy saving clearly reduces costs and pollution. Comprehensive energy management programs, implemented by Adrem Link, fo-

cus on tracking performance and empowering customers to enable them to make timely and efficient decisions. Adrem Link focuses on two major areas for energy efficiency: buildings and industrial facilities. For buildings, the implemented systems allow building managers to reduce energy and maintenance costs. Adrem Link offers industry, finance and engineering professionals the smart energy control they need to support strategic decisions and establish best energy practices.

BLUE ASSIST

Adrem Link has successfully implemented the Blue Assist concept that offers residential and small office users technical assistance services in the areas of Electricity, Gases, Thermal-Sanitary, Heating and Air Conditioning Ventilation. With a smart home concept, Adrem Link offers complete and integrated solutions that allow residential/household customers to understand and control energy consumption, thus reducing costs.

Products

- Heating Efficiency Pack;
- Electricity Efficiency Pack;
- Home Control Pack;
- Surveillance Pack;
- Home Solar Production.

Services

- Consultancy;
- Installation & Configuration;
- Maintenance;
- 24/7 Helpdesk.

BLUE Benefits

- Improvement of energy consumption behaviour;
- Savings between 10% and 25%;
- Increased control and understanding on expenses;
- Increased comfort;
- Increased security;
- Increased understanding on own energy consumption;
- Scheduling, managing and controlling appliances through the smartphone.
- Identification of power hungry devices;
- Reduction of standby consumption;
- Measuring real time consumption of your appliances;
- Involvement and connection to the green tech world;
- Shifting from user to „prosumer”, for personal and other people's use;
- Increased responsibility -“change the world for the better”.

ADREM

8



DECENT WORK AND ECONOMIC GROWTH

4.2 NEW TECHNOLOGIES AND INVESTMENTS

Generally, the policy of reinvesting the entire profit in the growth of the company, which our Group has maintained since its beginning, has remained valid. In the last 10 years, we invested over 15 million euros in projects such as: the acquisition of a competitor in Switzerland, the construction of a biomass cogeneration plant in Suceava, the purchase of equipment for the maintenance activity, the training of the personnel and the software infrastructure for labor management and others.

Within the company Adrem Engineering, Asset Management services and intelligent energy network management solutions were developed and implemented.

ASSET MANAGEMENT

Starting from 2017, Adrem was the first provider of solutions for the energy industry, which started the active promotion on the Romanian market of Asset Performance Management (APM) applications, aimed at network and energy infrastructure operators. The fundamental purpose of the APM solutions is to provide users at the management and executive levels the necessary IT tool to sustain investment and maintenance decisions, in an area where the efficient exploitation of the assets is the foundation of the business. We consider that the implementation of working processes and tools with a high level of performance in asset management in industry is as important as the aspects related to the implementation of a quality system. The international standardization body recognizes this by adopting the ISO 55001 standard: 2017.

SMART ENERGY NETWORK SYSTEMS

The implementation of a Smart Asset Management solution brings numerous benefits, both direct and indirect:

- It considerably reduces unexpected interruptions;
- It increases the efficiency of the use of assets;
- It reduces maintenance costs;
- It maximises the efficiency of maintenance;
- It increases the profitability index of the assets and it minimises the total costs of holding the assets;
- It increases the life cycle and it optimises the availability of the equipment;
- It reduces inventory costs;
- It ensures availability of spare parts;
- It improves the procurement processes;
- It improves the use of resources;
- It simplifies the work flow, it reduces the administrative surplus.

The main benefits of implementing the Outage Management System:

- Minimising the duration of outages;
- Quickly restarting the power grid by identifying the outage location and prioritising the interventions;
- Reducing the outage frequency by monitoring outage statistics for a better planning of the maintenance and repair works;
- Improving the client satisfaction;
- Reducing the financial impact caused by outages;
- Contributing to improving the performance indicators for the power distribution service
- Contributing to the automation of the system for reporting to regulators;
- Improving the relationship with the regulatory authority and the public space for providing precise information and reducing the number of complaints.

4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

ADREM

4.3 THE RELATIONSHIP WITH OUR BUSINESS PARTNERS

Being a company strongly oriented towards its clients, so we encourage the employees to always have a pro-client attitude. Adrem continuously consolidates its position in the field in which it operates through the products and services we offer to our clients, tailored to their needs and highest standards. Demonstrating flexibility in meeting these needs, we seek to constantly improve our technologies and methods.

The Adrem - Customer relationship aims to be mutually advantageous, which is why we constantly ask our clients for feedback regarding the solutions, products and services we offer. Based on a sincere opinion from our customers, we can improve our solutions so we can evolve and develop our performance. This way, both our customers and we may benefit from this relationship.

ANY CLIENT IS A PARTNER

WE STARTED AS A FAMILY BUSINESS AND GREW BECAUSE WE ADD TO EACH PROJECT EXTRA SERIOUSNESS AND DETERMINATION. WE DO NOT CONSIDER OURSELVES AS MERE SUPPLIERS, BUT PARTNERS WHO FOLLOW THE SUCCESS OF PROJECTS AS MUCH AS THEIR BENEFICIARIES DO.

Our company is aware that the relationship with our suppliers is directly dependent on the one we build with our customers later.

Therefore, mutual respect is imperative for long-term relationships with suppliers, which will result in products and services that are faultless to customers.

Among the clients of the Adrem Group, there are important companies in the field of energy such as

- Distribuție Energie Oltenia SA;
- Energobit SA;
- SDEE Transilvania Sud SA;
- SDEE Muntenia Nord SA;
- Delgaz Grid SA;
- E- Distribuție Dobrogea SA;
- CNTEE Transelectrica SA;
- Thermonet SA;
- IMMO Lodgia SRL;
- MSC Operational SA;
- Electroconstrucția Elecon SA.

No. of suppliers	Adrem Invest	Adrem Engineering
2017	96	76
2018	136	72

No. of clients	Adrem Invest	Adrem Engineering	Adrem Link
2017	55	29	8
2018	69	29	58

ADREM

4.4 PROSPECTS AND DIRECTIONS FOR THE FUTURE

The main business prospects we aim for in the future:

- Development of B2C services in the field of energy and energy efficiency;
- Development of projects in the green energy area (smart metering, installation of photovoltaic panels, charging stations for vehicles);
- Pilot project: Adrem Group plans to start installing photovoltaic systems through the “Green House” program, launched by the Environmental Fund Administration, which is an important step in the development of smart cities;
- Investments in the Group's youngest company, Adrem Link, and in products and solutions dedicated to final consumers, be it industrial customers, municipalities or individuals;
- Human resources development within the company .

4.5 PERFORMANCE MONITORING

By successfully implementing our own projects and by objectively monitoring our performances, we would like to maintain a top position in the energy services market in Romania. Therefore, the upward evolution of the parameter fulfillment degree should be emphasized for the meter reading activity. For the measurement activity, both qualitative and quantitative parameters are monitored.

The following categories of parameters are monitored:

- Accuracy of the readings, verified based on extrapolation sample;
- Accuracy of regularization readings;
- Accuracy of additional readings;
- Fulfillment of periodic reading obligations;
- Compliance with the deadline for check response;
- Accuracy of recorded anomalies;
- Accuracy of recorded anomaly 34 (lack of access) ;
- Picture accuracy;
- Unnotified missing customers from the database;
- Unnotified incorrectly assigned clients;
- Unnotified visible out of order meters.

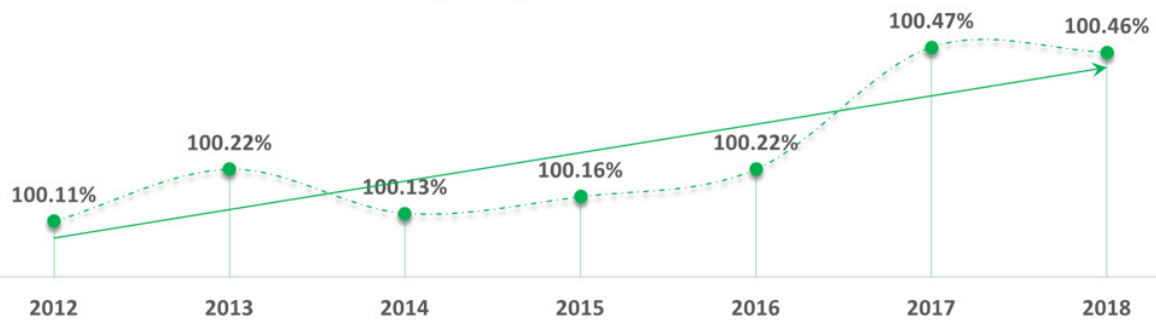


4. OUR PERFORMANCE

GRI: 102-9, 102-10, 102-15, 201-1, 308-1, 308-2, 414-1, 414-2

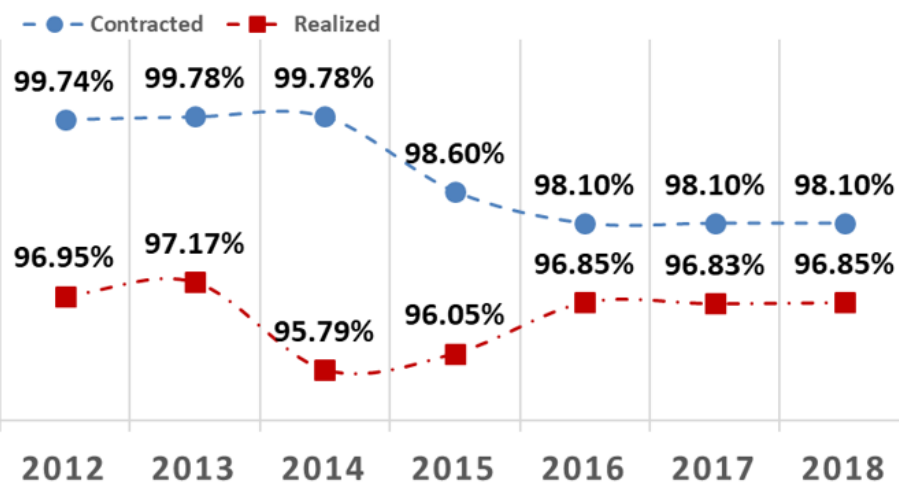
ADREM

Meter reading activity - Parameter Evolution 2012-2018

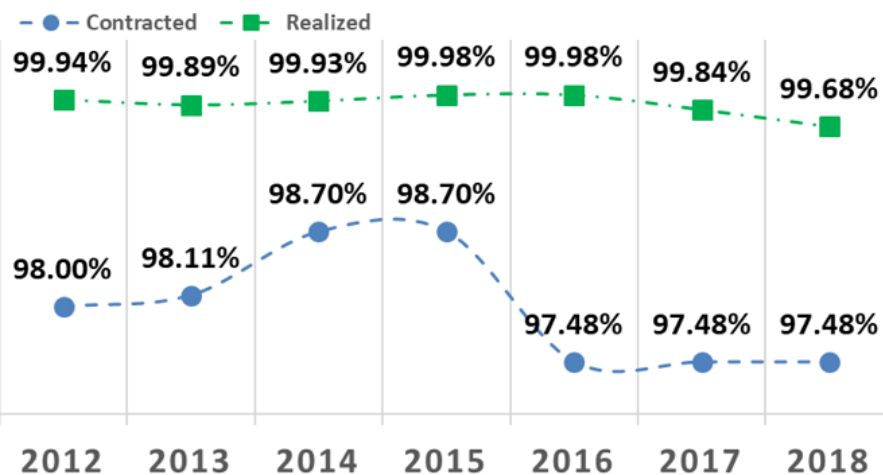


From the point of view of the qualitative indicators, a clear upward trend of our performance is visible during the analyzed period 2012 and 2018. Moreover, the degree of achievement of the stated objectives was never below 100%, which motivates us to continue our activities with the same ambition.

Qualitative Parameters 2012-2018



Quantitative Parameters 2012-2018



5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1



8



DECENT WORK AND
ECONOMIC GROWTH

5.1 THE RELATIONSHIP WITH OUR EMPLOYEES

Adrem Group believes in the loyalty, integrity, motivation, abilities and initiative of its employees. The priority regarding our relationship with the employees is to build and ensure a healthy and safe working environment that stimulates the development of professional skills and a sense of responsibility. We want and encourage the exchange of knowledge, the creation of stable working partnerships and the ability to innovate.

Our employees have different cultural and professional backgrounds, which together contribute to the development of the company and the staff.

Adrem Invest	2017	2018
Number of employees by the end of the year	800	997
Number of new employees	158	410
Personnel fluctuation	14%	19%

Adrem Engineering	2017	2018
Number of employees by the end of the year	87	92
Number of new employees	20	30
Personnel fluctuation	14%	26%

5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1

„Working with people motivates me and gives me energy and passion. I want to get more involved in developing people, entrepreneurs and educating young specialists. I believe that by capitalizing on ideas and valuing people, we can innovate and bring a significant improvement to the community we live in.”

Corneliu Bodea, CEO Adrem Group

5



GENDER EQUALITY

DIVERSITY AND INCLUSION

The Adrem team consists of people with different professional and cultural backgrounds, because we value diversity and we believe it is the only way we can learn from each other. We like teamwork, but we also believe in individual responsibility, meaning that each one of us is in charge of his projects and tasks.

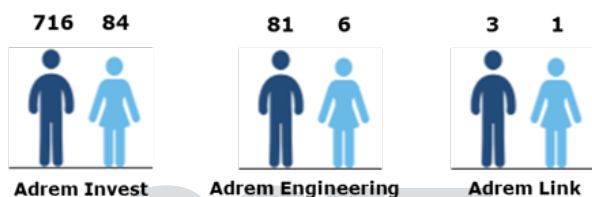
A fundamental principle for us is the total elimination of any kind of discrimination and harassment on ethnic, racial, sexual, political, religious or of any other nature in the processes of employment and promotion. Such abuses should be reported to the Human Resources Department or to the Adrem Group management.

At the Adrem Invest level, the number of employees at the end of the year increased in 2018 compared to 2017 by 25%, and the number of employed women increased by 61% for the same period. The Group would like to maintain a balance between the number of women and men employed, but this share is also influenced by the activity profile. A significant number of women are employed in the management structures, representing 22% of the total number of employees in management positions, and their number doubled within Adrem Invest in 2018.

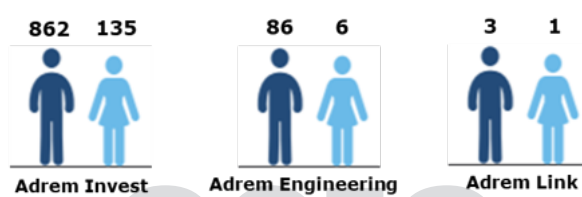
5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1

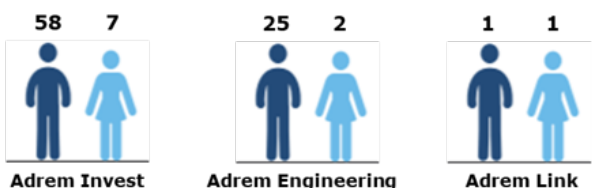
Gender distribution of qualified personnel



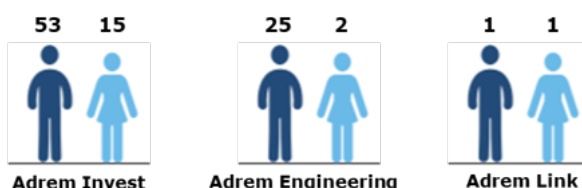
Gender distribution of qualified personnel



Gender distribution of management personnel

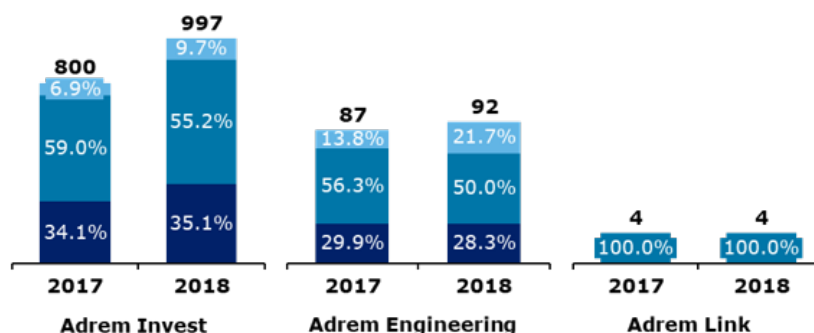


Gender distribution of management personnel



In 2018 at Group level, the staff structure is 13% women and 87% men, out of the total number of employees in execution positions - 55% are between the ages of 30 and 50, 34% are over 50 and 11% are under the age of 30.

Age split – total employees



4



QUALITY EDUCATION

5.2 EMPLOYEE DEVELOPMENT

We appreciate and support performance, especially among company employees. This is the reason why we offer employees the opportunity to become better professionals through annual training courses. These include the following:

- **Professional Certification in Project Management (PMP):** PMP accreditation is the most important certification recognized in the industry for project managers. Recognised and applied globally, PMP demonstrates knowledge, experience and competence to manage and run projects;
- **SCADA Programming:** SCADA is the abbreviation for Supervisory Control and Data Acquisition. The term refers to a broad system of measurement and control. SCADA automation is used to monitor or control chemical, physical or transport processes;
- **Course Primavera:** Enterprise Project Portfolio Management Software. Includes project management, product management, collaboration, control functions, and integrates with other enterprise software programs;
- **Professional training course for Electricians.**

5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1

Thus, we support the professional development of our employees and continue to support them through performance bonuses, which employees can obtain quarterly depending on their results.

Every Adrem employee who achieves and even exceeds his / her goals, who is proactive in terms of the projects assigned to him, which assimilates the company's values and becomes Adrem's ambassador, has the opportunity to be promoted within the company. Therefore, when a position is available within the company, the Adrem management evaluates the employees first to identify the person who has the experience and skills required for that position. Only when no Adrem employee is eligible for that job, the company's management calls for external recruitment.

WE RESPECT OUR PEOPLE AND BELIEVE IN THEIR PERSONAL DEVELOPMENT, THUS ALLOWING THE GROUP TO SERVE EVERY CLIENT WITH THE HIGHEST DEGREE OF PROFESSIONALISM.

SUPPORTING NEW TALENTS

For early career students, we have developed several practice programs over time. Among them, we remember:

- **The FIRST STEP in the CAREER - The project is held every summer together with the University of Craiova – Faculty of Electrical Engineering;**
- **SHIVA (School "Let's get oriented and get ready for an active life") – The project is realized in partnership with the Polytechnic University of Bucharest - Faculty of Automation and Computers;**
- **STUDENT TODAY, PROFESSIONAL TOMORROW – The project is realized in partnership with the University of Craiova, Faculty of Electrical Engineering.**



5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1

Electrician's Trophy

The electrician's trophy, the most important professional competition in the field, brings together both representatives of the electricity distribution and maintenance companies and energy services in Romania, as well as renowned personalities in the field. The topic addresses a wide range of activity-specific problems, including simulations of electric failures situations. Thus, the Electrician's Trophy represents a professional counter-chronometer test and an excellent preparation for difficult times in everyday activity.

Edition 38, July 11-13, 2017, Sinaia, National phase

Present at the 38th edition of the largest competition in the field, Adrem was able to demonstrate once again our well trained team of electricians, obtaining the second prize both individually and in teams. The event was organized by the Muntenia Nord Electricity Distribution Company and marked the 38th anniversary of its launch.



5.3 BENEFITS

We offer a series of benefits, regardless of the type of contract (short term/long term and limited/unlimited contracts), the norm of the employee or the work experience. The wage benefits are established in accordance with the collective labor agreement.

EMPLOYEE BENEFITS:

- Performance bonus;
- Rest days (paid time off), progressively according to seniority in the company;
- Birthday gift vouchers;
- Meal tickets;
- Christmas vouchers for employees' children;
- March 1st gift vouchers for women;
- Easter and Christmas bonus;
- Marriage bonus;
- Third Easter day free;
- Death aid for first-degree relatives;
- Discount on rest and treatment tickets;
- Professional Development.

5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1

8



DECENT WORK AND ECONOMIC GROWTH

5.4 OCCUPATIONAL HEALTH AND SAFETY

We place occupational safety and health (OSH) at the center of all business decisions and processes, truly believing that the most important investment in the Group companies are the people.

The concern for people's safety and health is a fundamental feature of Adrem and will not be compromised in the face of other business aspects. Moreover, caring for OSH is part of the professional ethics of companies and one of the factors that determines the excellent results in business. Wherever we operate, we aim to apply technical and ethical standards for health, workplace and occupational safety for the employees of the Adrem Group.

In this regard, we offer at least once a year free medical examinations at the best medical clinics. We periodically conduct OSH training and organise first-aid courses for awareness of our employees about the dangers and risks they are exposed to.

Preventive measures, the preventive attitude of avoiding incidents and accidents by effectively improving the safety of the work and analyzing the potential risk factors allow us to continuously optimize our indicators of occupational safety.

Occupational safety is the responsibility of the management body. Thus, employees' lives is a priority for us. We don't expect in any case from employees to risk their lives to protect the property of Adrem – physical, information, reputation – in the situation of malicious or criminal acts. However, we expect from our employees to properly protect and use the goods and the information entrusted to them.

WE ATTACH GREAT IMPORTANCE TO THE HEALTH OF OUR EMPLOYEES, THEREFORE, THEIR SAFETY AND SECURITY AND OF ALL PEOPLE PRESENT AT OUR WORK POINTS IS VERY IMPORTANT.

The OSH objectives were the same for all 3 companies for these 2 years, but for Adrem Invest the first and most important objective was not achieved, as 3 work accidents were recorded, one in 2017 (road accident) and two accidents in 2018 (a road accident and one falling from height). None of the three accidents resulted in death. To prevent accidents at work, the following preventive measures have been integrated within the Group:

- review of the Risk Assessment and Occupational Disease, the Prevention and Protection Plan and the OSH Instructions;
- processing of the Research Report with all the employees who drive the company's vehicles and who perform works in the electricity measurement installations;
- Carrying out the training of electricians with the following provisions:
 - ITI-PM-45B: Interruption of electricity supply and / or refueling of consumers supplied by LEA JT;
 - AI-IPSSM-05: Work safety instruction for working at height.

**Adrem Engineering and Adrem Link
registered**



**work accidents resulting in death
during the reported period.**

5. OUR PEOPLE

GRI: 102-41, 401-3, 402-1, 403-1, 403-7, 403-9, 403-10, 404-1, 404-2, 405-1, 405-2, 407-1

OBJECTIVES, ACTIONS AND DEGREE OF IMPLEMENTATION IN THE FIELD OF OSH

Nr. crt.	Objective	Goal	Stage of realization	
			2017	2018
1.	Continuous improvement of working conditions	Ensuring the health and safety status of workers through the allocation of resources / Work-related accidents = 0	Not realized for Adrem Invest: there was an work accident	Not realized for Adrem Invest: two work accidents were registered
2.	Improving performance on occupational safety and health	Non-registration of minor non-conformities regarding the occupational safety and health management system, during external audits / Nc = 0	Realized	Realized
3.	Improving the awareness of workers on OSH	<ul style="list-style-type: none"> • Conducting staff training according to the Professional Training Programs • Conducting regular SSM training for TESA personnel at 6 months • Conducting verification programs for periodical training – min 85/year 	Realized	Realized
4.	Prevention of emergencies	100% coverage of emergency situations identified with prevention and intervention plans <ul style="list-style-type: none"> • <i>Number of plans made / number of identified emergency situations</i> • <i>Number of trained personnel / total number of personnel</i> • <i>Number of tests / intervention plan / year</i> 	Realized	Realized

COLLABORATION WITH THE TRADE UNION

We pay special attention to the relationship with the "Union of Electricity Workers - Oltenia", which makes possible the dialogue, knowledge of employees' expectations, addressing and debating important issues and negotiating appropriate solutions.

In 2017, the union had 537 members, and in 2018, the number of members increased to 652. Arrangements regarding the increase of wages and the payment of additional benefits, as well as organizational changes of the various companies of the Group are subject to negotiations with the Union. In accordance with the provisions of the law of Unions, the decisions and the actions regarding the employment must be agreed with the Unions, who are informed about them at least 30 days in advance.



4  QUALITY EDUCATION

By paying taxes and contributions to local and national budgets, we have a positive impact on the Romanian economy, which allows the financing of budgetary expenditures for social purposes. We also have an important role in the local community, especially in the counties of Oltenia region, through the following:

- We consider ourselves a valuable employer, especially at the community level because we are having a positive impact on the labor market, especially in small towns where the chances of finding a long-term job are rather low.

65,296,781 RON

*This contribution is enough to cover....
allowance of all children in Gorj County
for one year**

*an average monthly pension for the total number of pensioners from Mehedinti county (cca. 59,000**)*

Adrem Group supports 1,090 families, which represents a number of approx. 2,845 people*

Did you know? ...

This number represents approximately:

95% of the total number of employees of Orșova city, Mehedinți county **

or

number of children enrolled in the nursery and kindergarten from Târgu-Jiu ***

or

90% of the total number of teachers in preschool, primary, secondary and high school of Craiova ****

* According to the NIS, the average number of members / family in Romania is 2.61

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THE MAIN PROJECTS AND PROGRAMS WE HAVE CARRIED OUT IN THE FIELD OF SOCIAL RESPONSIBILITY ARE PRESENTED BELOW:

SIER Tineret (Society of Power Engineers in Romania), Conference: "Career in the energy industry"

March 2018,

Politehnica University of Bucharest

We attended this conference as a Bronze partner and held a presentation of the company and the opportunities for professional and personal development.

The event is a biannual one, mainly aimed at young engineers and students in the energy field. The conference aims to provide information on practice programs, jobs and professional development programs for young people within partner companies. Participants can interact directly with the representatives of the business environment and, last but not least, the event hosts trainings where students find out what the jobs, requirements and professional skills their future employers are looking for.

The Quality Academy

August - September 2018,

Politehnica University of Bucharest

The program completed the training of the Romanian students from the Politehnica University of Bucharest with a series of competences necessary for an authentic process of self-knowledge. The theory combined with the internships was supplemented by the life experience of the special guests from Adrem and other partners.

The Quality Academy contributes to the personal development of young students from student organizations throughout the country, adding a non-formal education base to the one already provided by the formal environment.



Leaders Experience, Leaders Foundation

Leaders Experience is the first experience accelerator in Romania, created for young people up to 30 years old. It is their way of giving young people with potential structure, vision and confidence in the action. After a rigorous selection process, young students or newlyweds have a set of exercises applied to the reality in Romania, supervised business simulations, 100% real social projects, thought and implemented by them, self-improvement challenges and working effectively in the community, under the continuous mentoring of experienced trainers and under the positive influence of the model people with whom the participants have the opportunity to enter into dialogue.

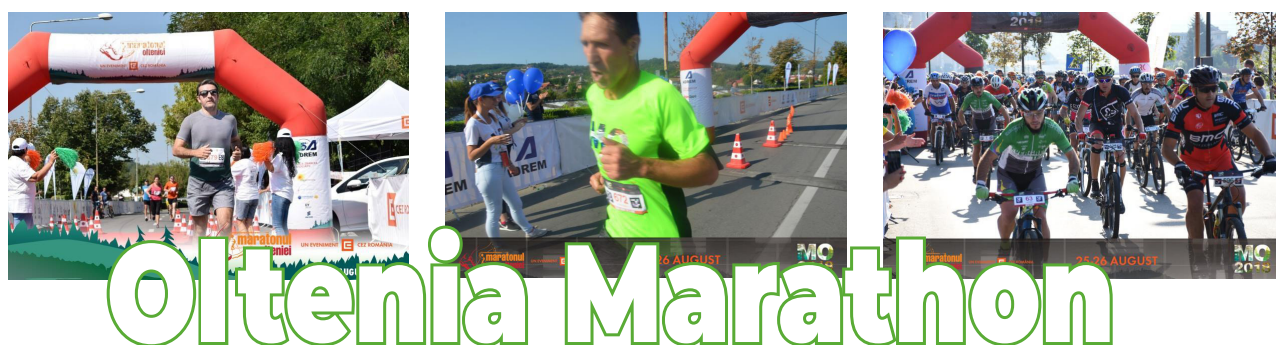
Part of the evolution of these young people is also obtaining funding: they are supported to find sponsors for education or even work to match their program costs.

In the summer of 2018, Adrem supported one of these young people, covering the costs of the programme.

Leaders Explore, Biblioteca Vie, Leaders Foundation

Leaders Explore is a national personal leadership program, 420 graduates/year, 42h Experiential Learning with each group in 3 editions that take place in Bucharest (from the 7 annual), and another 4 in Iasi, Cluj and Timisoara. Young people have the opportunity to discuss values, communication styles, team roles, attend a human library session and meet successful leaders in the economic sector.

The purpose of the Living Library session is to put students in contact with professionals. The specialists from various departments talk to students about their career path, the choices they made and how they influenced their career, what it means to work in a company and what their future might look like and if they will make the same choice. In 2018, from Adrem, Stefan Voicu participated in the Living Library of the Leaders Explore program, organized by the Leaders Foundation.



In 2017, we continued the partnership and supported the 5th edition of the Oltenia Marathon, a sporting and social responsibility event, through a sponsorship of approximately 68,000 RON.

The competition took place in Râmnicu Vâlcea between August 26-27 and gathered at the starting line over 500 competitors from the country and abroad. The noble cause of this edition set in motion the Adrem employees who participated in both the competition and the volunteering activities.

All the funds collected from the participation fees and from the individual donations were directed towards equipping with the best medical equipment of the Blood Transfusion Center Valcea.

In 2018, we also supported the 6th edition of the Oltenia Marathon (August 25-26), which brought together 669 competitors and over 120 volunteers. The participants got involved in promoting a healthy lifestyle and drew attention to the needs of the local community and the importance of involving each of us through actions with a strong social component.

Adrem contributed to the organization of the event with 70,000 RON, money that was used to ensure the participants' hydration area with water, juices and fruits. In addition, from the desire to support the social causes promoted by the organizer of the competition, around 30 Adrem employees participated in the competition tests and volunteered to make the event happen.

6. OUR FOOTPRINT

GRI: 406-1, 413-1

6.2 REDUCING ENVIRONMENTAL FOOTPRINT


12



RESPONSIBLE CONSUMPTION AND PRODUCTION

We consider the interaction with the environment of great importance for the position we assume in society and that is why we are especially attentive to how we use energy resources. We respect the environmental protection norms, comply with the laws and rules of the communities where we operate and expect our employees to do the same, always carefully consuming the resources.

Increasing the total consumption of resources at Group level is the consequence of increasing the level of activity of the society. This growth involves expanding the activity of the Adrem Group in several cities by opening new offices, increasing the number of employees and implicitly the number of cars of the company. Energy consumption was reduced year by year, as the Group's management is involved in making employees aware of resource consumption, but also by investing in electric cars, starting from 2018.

Resource consumption at employee level		Evolution of resource consumption within Group companies:		
2017	2018	Consumption [toe/year]	2017	2018
1,044 toe/employee	1,002 toe/employee	TOTAL	943,550	994,550
		Electricity	13,810	17,010
		Fuel, of which:	929,740	977,530
		Natural Gas	38,230	40,470
		Petrol	1,700	4,930
		Diesel	889,810	932,130

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

Nr. crt.	Environmental objectives	Environmental targets indicators	Actions	Realized
1.	Prevention of soil and water contamination	Elimination of accidental oil and fuel leaks caused by the operation and stationing of the means of transport / number of non-compliances caused by accidental leaks / year	Respect the scheduling of the periodic technical checks of the vehicles	100%
		Disposal of waste oil, tires and accumulators / number of non-compliant caused by environmental impact	Compliance with the contracts concluded with authorized services regarding the maintenance of vehicles	100%
		Maintaining level 0 of the number of environmental incidents caused by the accidental spills of the different types of oils used in the operation of the machines within the implementation sections, by the accidental spills of solutions generated by the deposited waste or by the chemical substances stored / number of incidents of this type / year	Proper arrangement of waste storage sites and chemicals used as raw materials	Permanent

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

Nr. crt.	Environmental objectives	Environmental targets indicators	Actions	Realized
2.	Conservation of natural resources	5% reduction in water consumption / employee consumption	Use of water exclusively in the domestic activity of the company	100%
		5% reduction in fuel consumption	Compliance with the fuel limit rates for each car Respect the scheduling of the periodic technical checks of the vehicles Compliance with legal speed limits Avoiding prolonged stationary with the engine on	
		Reducing the amount of utilities for the headquarters by 5%	Monitoring of gas and electricity consumption Adopt a schedule for resources use	
3.	Prevention of pollution and waste management	Increase in the amount of waste recovered (compared to the previous year) kg waste recovered / year	Collection and delivery to authorized economic units of waste	100%
		Scheduled training / Training completed > 90%	Training of staff on waste storage and collection Monitoring issues with environmental impact through programs	
4.	0 interventions or emergency situations at environmental level (note: targets and actions from objective 1 are added)	100% coverage of emergency situations identified with prevention and intervention plans <ul style="list-style-type: none"> number of plans realized / number of identified emergency situations trained personal number / total personal number number of tests / intervention plan / year 	Updating the emergency response plans - earthquakes, nuclear accident - following the plans testing - if applicable Elaboration of environmental instructions specific to works contracts	100%
			Staff training on newly created intervention plans	100%
			Purchase of equipment against risk	100%

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

Nr. crt.	Environmental objectives	Environmental targets <i>indicators</i>	Actions	Realized
4.	0 interventions or emergency situations at environmental level (note: targets and actions from objective 1 are added)	100% coverage of emergency situations identified with prevention and intervention plans <ul style="list-style-type: none"> number of plans realized / number of identified emergency situations trained personal number / total personal number number of tests / intervention plan / year 	Testing the intervention plans Risk prevention / reduction of environmental damage (simulations for incident cases) - when appropriate	100%
5.	Supplier's awareness for environmental topics	Communicating environmental requirements to all service providers <ul style="list-style-type: none"> <i>number of communications / number of service providers</i> 	Communication of addresses with the legal environmental requirements to be respected by the subcontracted service providers for works performed on the site of our clients	Permanent
			Conclusion of environmental protection agreements with service providers	Permanent

7. ANNEXES

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7.1 DISCLOSURE

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7.2 GLOSSARY

Abbreviation	Meaning
RRA	Romanian Railway Authority
APM	Asset Performance Management
B2B	Business-to-Business
CEO	Chief Executive Officer
CNR-CME	World Energy Council
CRE	Romanian Energy Center
GRI	Global Reporting Initiative
IMR	Integrated Management & Regulations
KPI	Key Performance Indicator
Nc	Non-registration of non-compliances
GEO	Governmental Emergency Ordinary
PMO	Project Management Office
PMP	Professional Certification in Project management
PR	Public Relationship
RON	National currency
SCADA	Supervisory Control And Data Acquisition
Toe	Tonnes of petroleum equivalent
OSH	Occupational Safety and Health
NIS	National Institute of Statistic
B2C	Business-to-Consumer

The Sustainability Report 2017 and 2018

is the second report of Adrem Group on non-financial information and includes the reporting period from 1 January 2017 to 31 December 2018.

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