

2019-2020

[Adrem Invest](#) [Adrem Link](#) [Adrem Engineering](#)



ADREM **SUSTAINABILITY** **REPORT**

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Foreword by the CEO



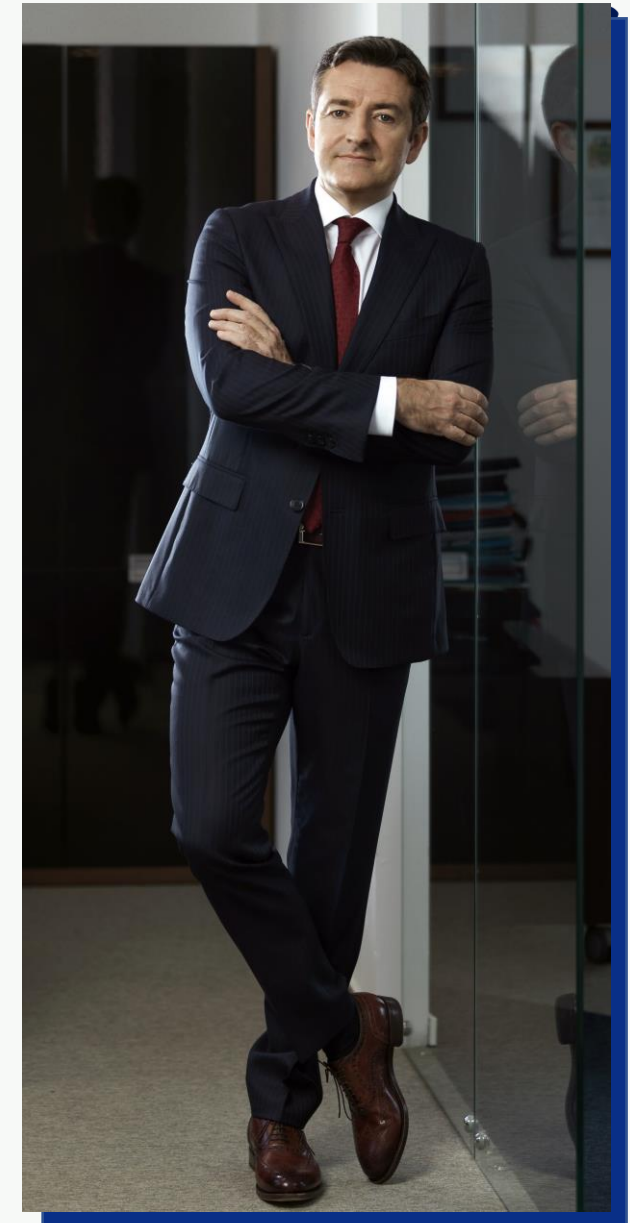
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Distinguished partners,

It gives me great pleasure to find myself in front of this report, at a time when sustainable development has become a fundamental concern not only for the energy industry or the business community, but also for mankind. We, Romanian entrepreneurs, have in time developed resilience, and learnt to cope with uncertainty and change, which put us in a position of reconsidering our business models and of revising our strategy or making organizational transformations while taking into account the evolution of both local and global markets. Approximately 30 years ago Romanian society started on a journey of deep mindset change, of adaptation to the free market and a way of thinking wherein assets were no longer common, but belonged to each person, not to the entire population. Mindset change is probably the most difficult process; it requires time, engagement and an authentic leadership to channel people's energy. Here we are, once again, facing a mindset change, in the context of a global effort, due to the effects the entire planet is being impacted by, all this after having incessantly used resources which took the Earth millions of years to create.

A change in the consumption mindset can only begin with taking responsibility. It is important to look back upon our own actions, so we may be able to understand what we can do differently or better in years to come. In 2022, Adrem Group marks its 30 years anniversary, 30 years during which we have been contributing to the increase of energy efficiency, to the updating of the national energy system and to the development of a vital industry, considering the fact that energy has a priceless value, it stands for life itself and provides us with the comfort we have got used to. Now, more than ever, the group of companies at the head of which I find myself plays an important part in preparing Romania for an energy transition and for a mindset change towards sustainable consumption, which may not deprive the future generations of the opportunities we have had ourselves. We – the countries in the European community, the political players, and the companies – had already set down that path, of sustainable development, when the sanitary crisis broke out in 2020, putting all of us to the ultimate value test. This was the time for us to demonstrate our authenticity, the fact that the values we adhere to on paper are truly at the core of our actions. In 2020 we turned our eyes towards the people, with their frailty in front of a merciless virus, but also towards our past actions, the effects of which have become visible and affected the entire planet due to climate changes.

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Foreword by the CEO



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Environmental effects are clearly just part of the history of our evolution, but they are now being closely watched. It is a wild race for new technologies and solutions, a race against time involving enormous sums of money, which makes us conclude that money has never been, nor will it ever be an issue. Just a swift look at the culture we have built in time can tell us how we got here. 940 million people have no access to electricity in areas with high levels of energy poverty, to whom we must account for the high costs of energy transition. We, the ones operating in developed economies, are willing to change our mobile phones once a year, but will not pay more for energy, after tens of years of irresponsible consumption. We keep enjoying various mechanisms of financial support and ample projects, which are essential to the industry but need developing, but when we look around we see that our specialists have been long gone because we have neglected the most important resource, the human factor. Green technology also plays a part in this entire process, but adopting it is as important in the end result. This is why it is my belief that there can be no profound change in the absence of a mindset change.

In the end I would like to thank both you and Adrem employees for your efforts at this crucial moment for mankind. I would also like to confirm, yet again, my and the group's commitment to sustainable growth and to supporting our country throughout this period of transition towards a more responsible society – in relation with the people, the environment, and the resources we have at our disposal. I strongly believe in communication, transparency and in a perpetual learning process, which is why the preparation of this report gives me great joy. Herein we take a look at ourselves, at what we have achieved and at what we can do better in the future, where we should commit more and intervene more, as no one is exempted of the mindset change I was referring to earlier. This process is primarily an internal one, but it has the potential of producing effects all around us, in the dynamics of our business partnerships, in our impact on the community, on our lasting marks. I continue to rely on your support because, one way or another, everyone reading this report has had a significant contribution to the results therein. Thank you and rest assured, we are there for you as well!

Yours faithfully,

Corneliu Bodea

”

In 2022, Adrem Group marks its 30 years anniversary, 30 years during which we have been contributing to the increase of energy efficiency, to the updating of the national energy system and to the development of a vital industry, considering the fact that energy has a priceless value, it stands for life itself and provides us with the comfort we have got used to.

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About the Adrem Group




About the Adrem Group



102-1 The Adrem Group encompasses the essence of the three member companies: Adrem Invest SRL, Adrem Engineering SRL and Adrem Link SRL (referred to as AI, AE, AL and together as the Adrem Group or the Group in the report), each company being specialized in services dedicated to the energy sector.

We started in 1992, as a family business founded by the brothers Adrian and Corneliu Bodea, who understood that the Romanian industry needed technological innovation. At present, the Adrem Group is the largest group of Romanian private companies providing energy services and the only one that collaborates with all the main distribution system operators in the country.

102-2  Founded in 1992, **Adrem Invest SRL** is the first of the three companies within the Adrem Group, being specialized in services for the utility networks – as well as the management of the groups of metering, electricity infrastructure maintenance and the operation of the energy distribution networks. The company offers integrated energy services in the field of distribution of electricity, natural gas and energy obtained from renewable sources.



Adrem Engineering was established in 2016 and it is the independent offspring that developed from the SCADA and Automations Division of Adrem Invest. The company became a leader on the local market of industrial automations, being the result of 15 years of research, development and implementation of SCADA solutions and process automations. With the expansion of the portfolio, Adrem Engineering began to develop and implement complete solutions for energy infrastructure, ranging from general entrepreneurship works to equipment developed inside the company.



Since May 2016, **Adrem Link** has promoted solutions of energy efficiency, operational optimization, automation and control, such services being dedicated to the large energy consumers and the residential sector, as well. Because it is a customer-oriented company, the strategy and focus of Adrem Link are directed at the development of services and products for the energy consumers (B2C).

Relying on the contribution of approximately 1000 employees, the Adrem Group operated in 21 counties of Romania, as follows:

	Headquarters	Ownership and legal form	Shareholding	Operational area	
				2019	2020
Adrem Invest SRL	Bucharest, District 1, Alexandrina Street, No. 20-22, OFFICE 1, Floor 3, Flat 6	Limited liability company, fully privately owned	ABBC BRO. GROUP B.V. – 100%	Romania: Iași, Suceava, Vaslui, Neamț, Botoșani, Constanța, Mehedinți, Argeș, Gorj, Hunedoara, Teleorman, Dolj, Olt, Arad, Vâlcea, Ilfov, Bacău.	Romania: Iași, Suceava, Vaslui, Neamț, Botoșani, Constanța, Mehedinți, Argeș, Gorj, Hunedoara, Teleorman, Dolj, Olt, Timiș, Vâlcea, Ilfov, Bacău.
Adrem Engineering SRL	Bucharest, District 1, Alexandrina Street, No. 20-22, OFFICE 1, Floor 3, Flat 6	Limited liability company, fully privately owned	ABBC BRO. GROUP B.V. – 99.9904% Corneliu Bodea – 00.0096%	Romania: Cluj, Brașov	Romania: Brașov, Ilfov.
Adrem Link SRL	Bucharest, District 1, Alexandrina Street, No. 20-22, OFFICE 1, Floor 3, Flat 6	Limited liability company, fully privately owned	Bodea Vlad Ermil – 70% Alina Alexe Gabriela – 30%	Romania: Argeș, Mehedinți, Vâlcea, Gorj, Teleorman, Olt, Dolj	Romania: Argeș, Mehedinți, Vâlcea, Gorj, Teleorman, Olt, Dolj.

Table no. 1 – The companies of the Adrem Group

About the Adrem Group



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The Adrem Group operated in 21 counties, relying on the contribution of over 1000 employees.

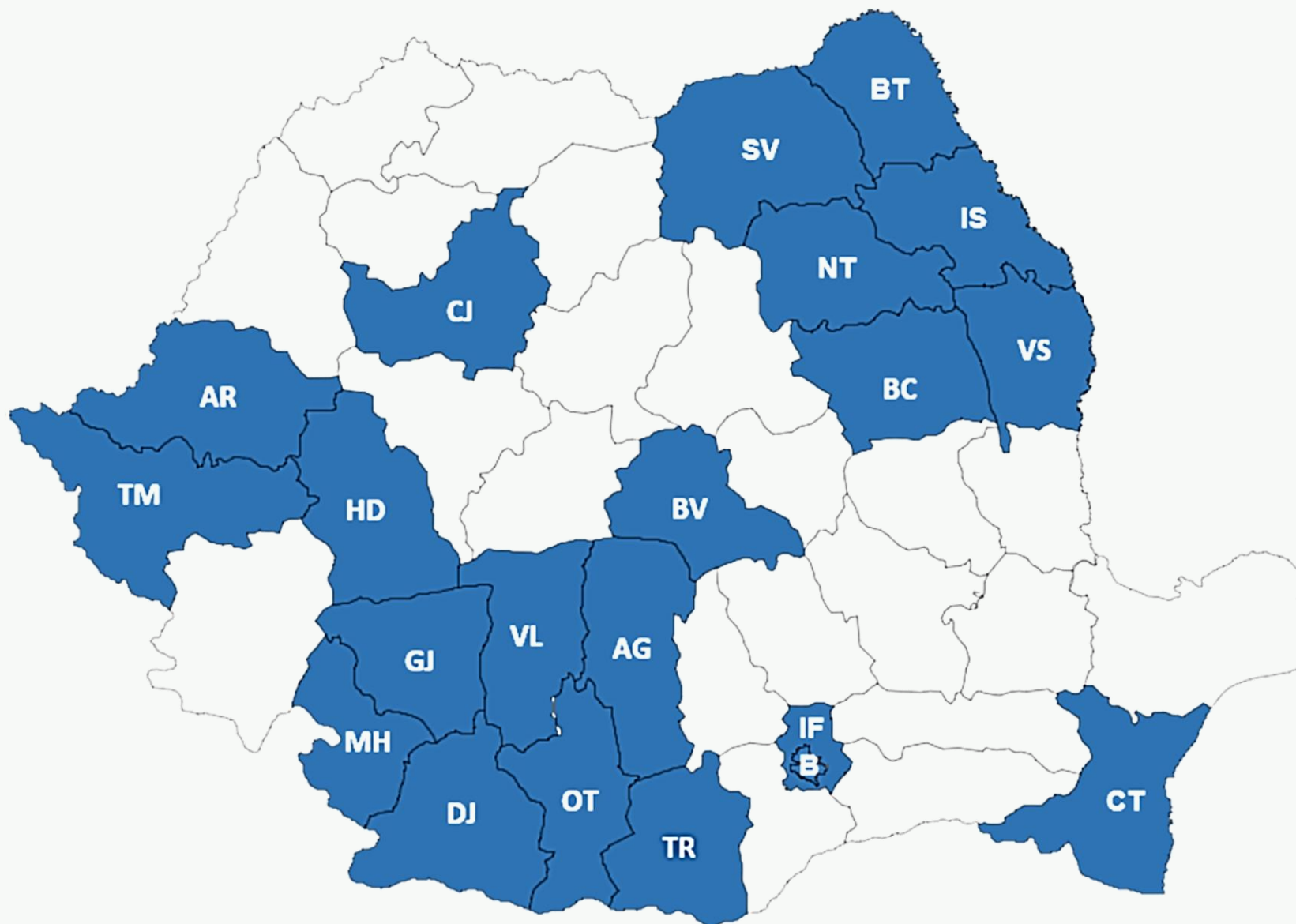


Figure no. 1 – The operational area of the Adrem Group

About the Group Adrem



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In 2019 Adrem Link redefined its business goals, so the activity of reading the electricity meters – which was a service provided up to then by the sister company, Adrem Invest – became a part of the Adrem Link company as a clear and unitary direction. The department of meter reading in Adrem Link incorporates all the experience and know-how in the field of reading gained by Adrem Invest over the last 10 years. The whole team of meter readers, as well as the technology used in all the processes implemented during these years are now embedded within Adrem Link (described in more detail under Chapter 3 – Employees).

For 2019, Adrem Engineering did not have any significant changes of the operational area.

In 2020, Adrem Invest closed the office in Arad county and opened offices in Timiș and Bacău counties. Adrem Engineering closed the office in Cluj county, but opened a new headquarters in Ilfov county.

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Adrem Membership of Associations

The companies of the Adrem Group are an active part in several professional organizations, as follows:

2019	2020
<ul style="list-style-type: none"> The Romanian Association for Promoting Energy Efficiency (ARPEE) The Romanian Live Working Association (A-LST-R) The Romanian Energy Center Association (CRE) 	<ul style="list-style-type: none"> The Romanian Association for Promoting Energy Efficiency (ARPEE) The Romanian Live Working Association (A-LST-R) The Romanian Energy Center Association (CRE) The General Union of Romanian Industrialists (UGIR – 1903)

Table no. 2 – The associations we take part in

Both in 2019 and 2020, we participated in the main events dedicated to the players in the energy industry, which offered the opportunity of some free debates on the situation and evolution of the energy sector in the national and regional context. Identifying the problems and finding possible solutions, by feedback and experience exchange with the main stakeholders is an important topic contributing to the positive impact that Adrem has on the energy market and in the communities in which it operates. The Romanian Energy Center (CRE), one of the main partners of Adrem, representing the interests of

the Romanian energy sector at Brussels and providing a platform of communication among the representatives of the companies in the energy industry, authorities and their European counterparts, organized in 2019 and 2020 the Romanian Energy Day event, which we attended through our CEO, Corneliu Bodea, who also holds the position of President of CRE. The 2019 edition focused on the transition to clean energy and the interconnectivity of the energy sectors, and the 2020 event on the Green Deal, as the main mechanism of recovery and growth among the countries of the European Union.

Here are a few examples of the major events for industry that we participated in during the two years:

- "ZF Power Summit" (a landmark event in the energy industry, annually organized by Ziarul Financiar – "the Financial paper");
- "Energy Week Black Sea" (organized by Invest In Network);
- "BLACK SEA FORUM": The geostrategic and economic importance of the Black Sea in the present European context" (organized by Financial Intelligence);
- "Smart Choices for Smart Cities" and "Energy Strategy Summit" (organized by Energynomics);
- "Relaunching Investments in the energy sector" (organized by ClubAntreprenor.ro);
- "The Regional Energy Forum" – FOREN (organized by the Romanian National Committee of the World Energy Council - CNR-CME and the Ministry of Energy).

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About the Adrem Group



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External initiatives

In our activities we guide ourselves by the 17 Sustainable Development Goals (SDGs) defined by the United Nations in the 2030 Agenda. In our activity of energy services, we have an impact on the following 5 goals:






<p>4 QUALITY EDUCATION</p> 	<p>SDG 4 – QUALITY EDUCATION</p> <p>Access to high-quality education generates positive effects in the long term on the society. We contribute to the development of education programs, training for the labor market, the encouragement of initiative and innovation and lifelong learning through opportunities of instruction and professional development for our employees.</p> <ul style="list-style-type: none"> • We support the local communities through investments in education programs; • We support the new talents; • We develop our relationship with the employees.
<p>5 GENDER EQUALITY</p> 	<p>SDG 5 – GENDER EQUALITY</p> <p>Gender equality is a fundamental principle of the developed democratic societies, based on rights and equal access to resources. The gender differences should not influence at all the access to positions, the remuneration mechanism or constitute a basis for discriminatory treatment of people. Adrem respects its employees' dignity and life quality and implements this principle at the level of organizational culture.</p> <ul style="list-style-type: none"> • We want to keep a balance between the number of employed women and men ; • We support women's employment in the managerial structures.
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>SDG 7 – AFFORDABLE AND CLEAN ENERGY</p> <p>By encouraging the renewable energy and innovation in the sector, our company maintains its technological progress and, at the same time, mitigates the effects of the climatic changes.</p> <ul style="list-style-type: none"> • Diversified service offer, including the promotion of the sources of renewable energy; • We support the technological progress and investments.
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>SDG 8 – DECENT WORK AND ECONOMIC GROWTH</p> <p>The promotion of a supported, open and sustainable economic growth, of the full and productive employment and decent work conditions for everybody.</p> <ul style="list-style-type: none"> • Ethics and responsibility; • Corporate governance; • We support the employees' development.
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>The impact upon the environment is of great importance for the position we assume in the society, therefore we observe the environmental protection rules and establish sustainable consumption patterns.</p> <p>We actively engage in the reduction of the environmental footprint.</p>

Table no. 3 – The activity of the Adrem Group and the UN Sustainable Development Goals

About the Adrem Group



Authorizations, ISO Certifications and the Integrated Management System

Adrem Invest and Adrem Engineering have implemented an Integrated Management System (IMS) for Quality, Environment, Occupational Health and Safety (OHS) and Information Security according to the standards:

- *SR EN ISO 9001:2015;*
- *SR EN ISO 14001:2015;*
- *SR EN ISO 45001:2018;*
- *SR EN ISO 27001:2013.*

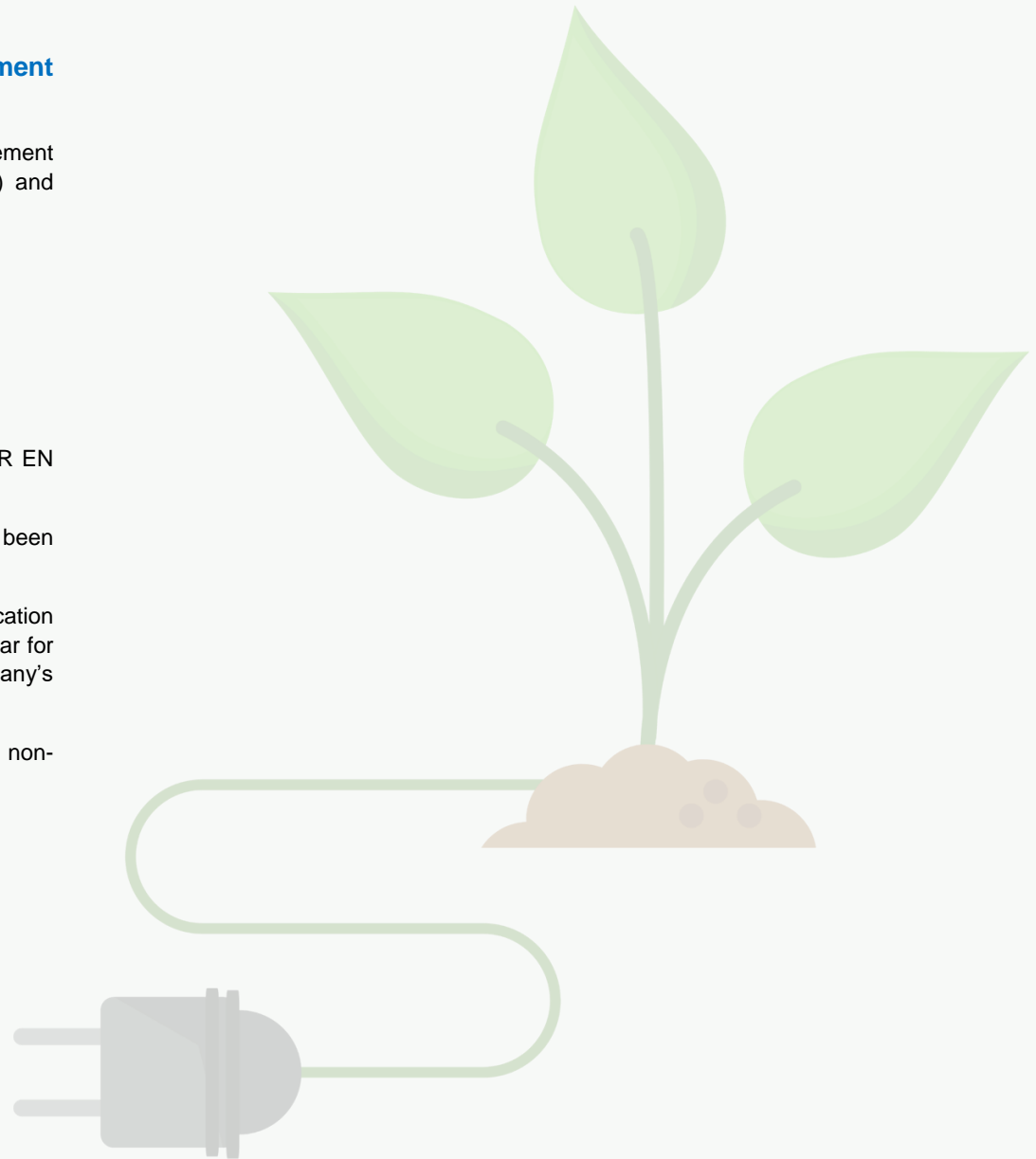
Adrem Link is certified according to the standards SR EN ISO 9001:2015 and SR EN ISO 14001:2015

As required by these standards, an annual program of internal audit has been established, aimed at each company's department at least once a year.

The supervision or recertification external audits are performed by the certification organization Lloyd's Register at intervals of 6 months in Adrem Invest, and of 1 year for Adrem Engineering and Adrem Link. On a complete cycle of 3 years, all the company's departments are audited.

Following the external audits carried out between 2019 and 2020 no remarks or non-compliances were identified.

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About the Adrem Group



	Category	Type/class	Issuing entity	Type/class/topic	Valid until
Adrem Invest	Authorization	LIAE	ISC (the Construction State Inspectorate)	Grade 2 Defectoscopy Laboratory	indefinite
	Authorization	LVM	BRML (Romanian Bureau of Legal Metrology)	Laboratory of metrological checks	2022
	Approval	Meter mounting	BRML (Romanian Bureau of Legal Metrology)	Performing the activity of mounting metering instruments	2022
	Approval	Meter repairing	BRML (Romanian Bureau of Legal Metrology)	Performing the activity of repairing metering instruments	2021
	Certification	C1A	ANRE (National Energy Regulatory Authority)	Designing overhead power lines and underground power cables, with rated voltages of 0.4 kV ÷ 20 kV, transformer substations with the higher rated voltage of up to 20 kV, medium voltage switchgears and the electrical part of medium voltage of the high voltage switchyards	2023
	Certification	E2	ANRE (National Energy Regulatory Authority)	Construction of transformer substations, switchyards and performing works on the electrical part of the power plants with any standardized rated voltages	2025
	Certificate	ISO 9001	Lloyds-Register-LRQA	Quality Management System	2021
	Certificate	ISO 14001	Lloyds-Register-LRQA	Environmental Management System	2022
	Certificate	ISO 27001	Lloyds-Register-LRQA	Information Security Management System	2021
	Certificate	ISO 45001	Lloyds-Register-LRQA	Occupational Health and Safety Management System	2022
	Authorization	PDIB	ANRE (National Energy Regulatory Authority)	Designing the natural gas/biogas/biomethane installations in the medium, reduced and low pressure mode	2023
	Authorization	EDIB	ANRE (National Energy Regulatory Authority)	Construction of the natural gas/biogas/biomethane installations in the medium, reduced and low pressure mode	2023
	Authorization		ISCIR (State Inspection for Control of Boilers, Pressure Vessels and Hoisting)	Installation, Mounting, Repairing and Maintenance, technical checks in use on - fuel consuming equipment with P ≤ 400kW - Hot water boilers with P ≤ 400kW - Low pressure steam boilers with Q ≤ 0,6 t/h	indefinite
	Certification		AGFR (Romanian General Association for Refrigeration)	Manufacture in refrigeration plants	2023

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About the Adrem Group



	Category	Type/class	Issuing entity	Type/class/topic	Valid until
Adrem Engineering	Certification	E1	ANRE (National Energy Regulatory Authority)	Design of switchyards and installations belonging to the electrical part of the power plants	2026
	Certification	E2	ANRE (National Energy Regulatory Authority)	Construction of transformer substations, switchyards and performing works on the electrical part of the power plants with any standardized rated voltages	2022
	Certificate	ISO 9001	Lloyds-Register-LRQA	Quality Management System	2022
	Certificate	ISO 14001	Lloyds-Register-LRQA	Environmental Management System	2022
	Certificate	ISO 27001	Lloyds-Register-LRQA	Information Security Management System	2021
	Certificate	ISO 45001	Lloyds-Register-LRQA	Occupational Health and Safety Management System	2022
	Authorization	ET	ANRE (National Energy Regulatory Authority)	Construction of transport systems, natural gas distribution systems, closed distribution systems and natural gas installations operating in the high pressure mode.	2022
	Authorization	Railway supplier	AFER (Romanian Railway Authority)	Designing, erection constructions, refurbishment and capital repairs of the SCADA systems	2021
	Agreement	Product technical AGREEMENT	AFER(Romanian Railway Authority)	SCADA SYSTEM & DMS FOR THE ELECTRIFICATION INSTALLATIONS OF THE RAILWAY INFRASTRUCTURE	2021
	Agreement	Design technical AGREEMENT	AFER(Romanian Railway Authority)	SCADA system designing	2021
Adrem Link	Agreement	C+M technical AGREEMENT	AFER(Romanian Railway Authority)	WORKS OF ERECTION CONSTRUCTIONS, REFURBISHMENT AND CAPITAL REPAIRS OF SCADA SYSTEMS	2022
	Certificate	ISO 9001	Lloyds-Register-LRQA	Quality Management System	2022
	Certificate	ISO 14001	Lloyds-Register-LRQA	Environmental Management System	2022

Table no. 4 – Authorizations and certifications of the Adrem Group

About the Adrem Group



Significant results in 2019/2020

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The companies of the Adrem Group supply services in the energy sector and they have not identified possible negative effects likely to lead to the application of the Precautionary Principle so far. We will follow in the future the developments in the energy sector that would require the use of the Precautionary Principle. The manner in which risks and opportunities are managed is described in operational procedures, and each department has identified the specific risks and the manner in which they can be controlled/mitigated or eliminated. In order to ensure sustainable development, we have various tools that are used with a high degree of performance. Such tools are detailed in the sections dedicated to the ensuring of the quality of services, professional training, environmental protection and good governance.

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Adrem offers its services to 1.4 million clients of Distribuție Energie Oltenia from Gorj, Mehedinți, Vâlcea, Dolj, Teleorman, Olt and Argeș. The companies Adrem Link – specialized in meter reading services - and Adrem Invest – which provides management services for electricity meter groups – form together the largest supplier in Romania in this segment.

Distribuție Energie Oltenia, which is a part of the CEZ Group in Romania, together with the companies within the Enel Group in Romania (E-Distribuție Banat, E-Distribuție Dobrogea and E-Distribuție Muntenia), Delgaz Grid (part of the E.ON Romania Group), Distribuție Energie Electrică România (DEER), part of the Electrica Group, and Transgaz form together the group of the main Adrem clients and some of the most important stakeholders in the energy sector.

In 2019 Adrem was included in the top of the best 100 employers in the economy, according to Capital Media Production, for the most successful recruitment project, which was fulfilled as a result of rethinking the concept of business. Adrem Link incorporated the activity of meter reading, which had been performed by Adrem Invest until early 2019. Moreover, we have been through an extensive and intense process of recruitment in three geographic areas: Moldova, Transylvania and Banat.

In the same year, Adrem got 2nd place in the team classification, for the category "Electricity Metering", at the national stage of the competition "Electrician's Trophy". In 2020, in the context of the health crisis, the competition did not take place.

Corneliu Bodea, CEO of Adrem and the president of CRE, was included in 2019 in „Forbes – 30 for Romania” top of the most important Romanians who have brought real value to the Romanian economy over the last 30 years, and in 2020 he was nominated in the top of the best 100 entrepreneurs according to Banii.net and Business Review, being number 4 in the energy industry. Also, in 2020 he received the „Business Heroes”

prize awarded by Forbes Romania to the businessmen who in an extremely difficult context, with unprecedented challenges, have not given up.



About the Adrem Group

The economic performance

103-1 One of the main goals of the Adrem Group is the performance based on the 5 values of the Adrem Group: Rigorousness, Respect, Engagement, Ambition and Responsibility. Like any private company, we want to achieve good economic and financial results, which should underpin the prosperity of our stakeholders: employees, clients, suppliers, local communities, etc.

We permanently focus on maintaining a high level of expertise in the fields in which we operate and develop new services by which we support our clients in energy efficiency, grid automation/digitalization, modernization of the street lighting systems, implementation of electrical vehicle charging systems, etc.

The topic "Economic Performance" has a direct impact on the employees, management, suppliers, local authorities and local communities in our operational areas.

103-2 In 2019, Adrem contracted multiannual projects being worth about 115 million euros, by at least 10% more in comparison to the previous year.

The fact that we have succeeded in keeping the turnover at the same level compared to the previous year proves our capacity developed over time to resist crises and recover subsequently through adapted and diversified strategies.

The year 2020 was a difficult one for all of us, bringing challenges at the economic and social levels. The energy industry, in which we have our main clients for the Adrem products, services and solutions, was affected, too. Therefore, the year 2020, by all the tension created, turned into one of the biggest exams for the local entrepreneurship, including for Adrem. While the electrical works were provisionally stopped, the Adrem teams acting only for the energy clients' emergencies, the major automation projects were still under way and consequently we achieved excellent results by the end of the year. We made rapid decisions. This is what made 2020 one of the best years, from the financial point of view, through the rapid decisions concerning cost control, internalization of certain activities, the more efficient use of our own manpower, the efficient use of the assistance coming from the public authorities in the COVID-19 context.

103-3 Our actions directed to economic performance are audited externally by Ecovis Romania SRL in compliance with the legal requirements in force.



Direct economic value generated and distributed:

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Direct economic value generated: REVENUES	2019	2020
Adrem Invest	109,616,338	117,568,257
Adrem Engineering	71,737,802	58,784,609
Adrem Link	12,643,611	18,833,271
TOTAL	193,997,751	195,186,137
OPERATING COSTS	2019	2020
Adrem Invest	57,427,018	69,354,836
Adrem Engineering	58,189,848	44,699,181
Adrem Link SRL	5,021,458	5,440,198
TOTAL	120,638,324	119,494,214
EMPLOYEE WAGES AND BENEFITS	2019	2020
Adrem Invest	46,427,365	42,851,126
Adrem Engineering	11,506,974	10,859,062
Adrem Link	8,151,386	9,984,059
TOTAL	66,085,725	63,694,247
PAYMENTS TO PROVIDERS OF CAPITAL	2019	2020
Adrem Invest	3,142,712	2,734,137
Adrem Engineering	1,001,075	801,322
Adrem Link	44,619	30,805
TOTAL	4,188,406	3,566,264
PAYMENTS TO THE STATE	2019	2020
Adrem Invest	841,980	930,368
Adrem Engineering		403,477
Adrem Link		439,265
TOTAL	842,390	1,773,110
COMMUNITY INVESTMENTS	2019	2020
Adrem Invest	130,212	190,491
Adrem Engineering		64,174
Adrem Link		50,000
TOTAL	130,212	304,665
ECONOMIC VALUE RETAINED	2019	2020
Adrem Invest	1,647,051	1,507,299
Adrem Engineering	1,039,905	1,957,394
Adrem Link	(574,262)	2,888,944
TOTAL	2,112,694	6,353,637

Table no. 5 – Economic performance of the Adrem Group

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About the Adrem Group



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	Adrem Invest		Adrem Engineering		Adrem Link	
	2019	2020	2019	2020	2019	2020
Average number of employees	686	585	117	54	166	196
Number of clients	83	96	39	32	21	258
Number of invoices issued	4,110	5,246	732	522	62	552
Net incomes						
Electrical Services Incomes	101,939,084	113,041,738	55,190,953	62,598,921	287,892	577,977
Material Sales Incomes	524,358	2,368,879	8,860,937	1,009,153	26,347	2,592,622
Rental Incomes	65,614	200,592	19,388	9,026		
Meter reading incomes					11,596,518	15,584,531
Total:	102,529,056	115,611,208	64,071,278	63,617,100	11,910,757	18,755,130
Total capitalization broken down by debt and own capital						
Structure of Assets:						
Intangible assets	204,991	188,306	285,503	100,947	35,102	23,607
Tangible assets	3,754,887	4,484,670	435,982	283,248		
Financial fixed assets	60,890,261	61,813,918	1,285,566	909,563		
Current assets	69,240,211	75,784,962	52,577,170	45,794,427	4,578,118	7,476,447
Prepayments	1,206,287	498,607	913,699	567,718	2,164	1,631
Total:	135,296,637	142,770,463	55,497,920.00	47,655,903	4,615,384	7,501,685
Structure of liabilities:						
Own capital	13,277,148	12,942,880	(2,667,350)	(1,194,678)	(3,150,221)	(278,777)
Short-term debts - for less than 1 year	88,803,568	101,561,269	52,257,199	43,225,449	7,765,101	7,780,462
Long-term debts - for more than 1 year	32,481,955	26,730,076	5,556,083	5,148,554		
Provisions	733,9	1,536,238	351,988	476,578		
Accruals					504	
Total:	135,296,637	142,770,463	55,497,920	47,655,903	4,615,384	7,501,685
State subsidies	Adrem Invest		Adrem Engineering		Adrem Link	
	2019	2020	2019	2019	2020	2019
Value	-	2,008,569	-	142,886	-	809,806

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Table no. 6 – The financial results of the Adrem Group

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About the Adrem Group



Entities included in the consolidated financial statements

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The companies within the Adrem Group submit separate financial statements. The financial results recorded by the companies of the Group are available online at <https://bit.ly/3jJclbx> using the Unique Registration Code (CUI) of each company, as follows:

Company	CUI
Adrem Invest SRL	3020924
Adrem Engineering SRL	31954525
Adrem Link SRL	36126264

Table no. 7 – The financial statements of the Adrem Group



2



Adrem Group's Governance



Adrem Group's Governance

Adrem Group's values and principles



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Adrem Group's entire activity is based on the Vision, Mission and Values internalized by every employee, which define our daily activity.

Vision

Adrem Group's vision is that of a world of balanced welfare attained through work and technological advancement, a world of people with faith and commitment to the ideals of mankind, unchanged for centuries, always closer.

Mission

Adrem companies share the mission of identifying their clients' needs in order to provide the most tailored solutions.

In its turn, each of the companies belonging to the Adrem Group is dedicated to its own mission, in close connection to the services it provides:

- Adrem Invest's main goal is the safety of utility networks operations;
- Adrem Engineering aims at boosting the safety of the energy infrastructure, by developing and implementing comprehensive solutions – from general contracting to in-house equipment developing;
- Adrem Link's main goal is to provide safety and comfort to end-users, by developing products and solutions to increase efficiency and to ensure smart energy consumption.

Values

RIGOUR

We respond "to the point" to our clients' needs – in keeping with the meaning of our name in Latin "ad-rem" – by providing turn-key services and solutions. The success of a project depends on attention to details, and every step we take undergoes thorough scrutiny.

RESPECT

Respect is a fundamental value in a competitive business environment. Here at Adrem, you will find respect inside the company, in its interactions with the public, but also in every achievement with our partners.

ENGAGEMENT

Each project is designed with commitment and engagement – from consultancy to

implementation and maintenance.

AMBITION

Perseverance and ambition both define Adrem's work methods. We are persistent in reaching our goals, we set ambitious objectives and we believe this is one of the reasons behind our success.

RESPONSIBILITY

We are fully aware of the fact that each of Adrem's actions directly impacts our reputation on the market or in relation with our clients, suppliers or partners. This is why we ask our colleagues to act with a sense of implicit responsibility regardless of their actions and to conscientiously deal with every project in which they are involved. For us, responsibility implies complying with deadlines, setting permanently high work standards and admitting to our mistakes.

All of the values above have been included in the Internal Regulation of each member of the Group and are presented to every employee from the very beginning, during the induction stage.

In 2019 we prepared the Adrem Group's Code of Conduct, a document which defines the types of behavior which are accepted at the level of our organization.

The document defines conduct based on:

- Tolerance and diversity;
- Anti-corruption;
- Avoiding conflicts of interests;
- Data confidentiality;
- Stakeholder relations.

The code of conduct was sent to every employee by email and has been made permanently available on the Group's Intranet network. In the 2020 action plan we had included a promotion tour for the Code of Conduct in every operational area of Adrem Group. Unfortunately, the tour was not possible because of the COVID-19 pandemics.

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Adrem Group's Governance

Governance Structure

102-18

The management and governance of Adrem Group is ensured by its administrator through his permanent representative, who also acts as a CEO. Both the administrator and the permanent representative are appointed by a Decision of the Shareholders' General Assembly.

A CEO's responsibilities are:

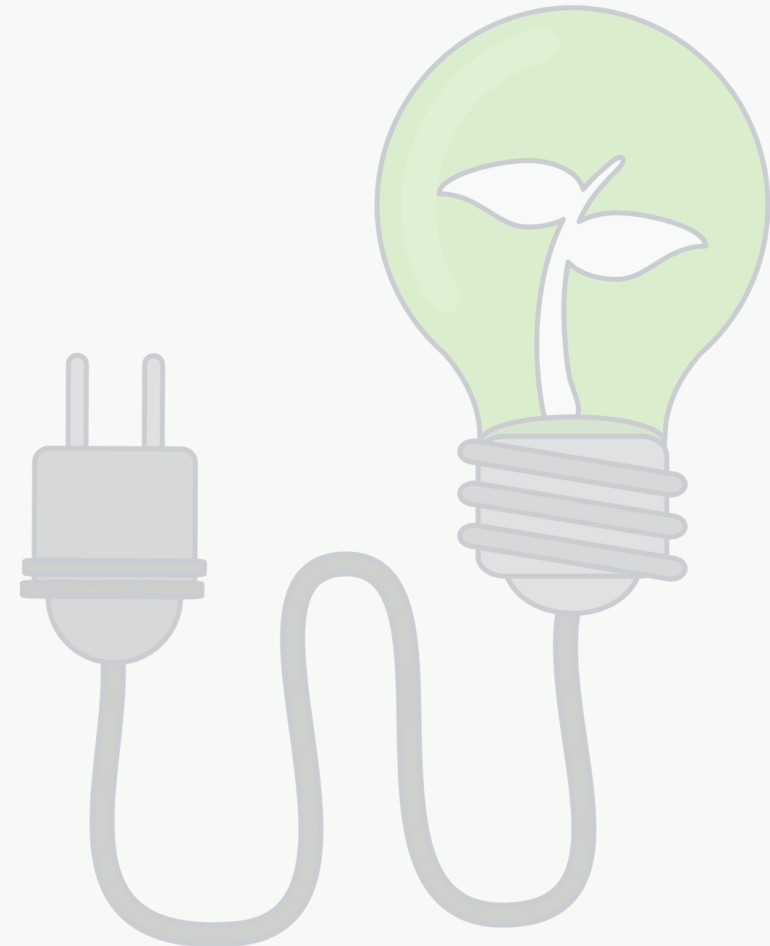
- Setting the main development directions for each company;
- Approving annual budgets;
- Assessing the reports and decisions made by the Business Line and Directions Managers.

Along with the CEO the management team also consists of the Group's COO and CFO, and at the level of each company there is a Management team, which includes the Business Line Manager and the Direction Managers. Direction Managers constitute the operations management section, trained in the field of finance, operations, internal processes, human resources, marketing, sales and development. The administrator allocates various tasks to the Business Line and Directions Managers. The Management team is coordinated by the CEO, acting as his right hand and has a consultative role in the process of decision making.

The activity of the Management team is permanently guided by the following principles of corporate governance:

- **MANAGEMENT** – The CEO runs the company in order for it to achieve its long term and short term business goals.
- **ABILITY** – The Management team has the proper mix of skills, experience and independence and allows its members to fulfill their tasks and responsibilities in an efficient way.
- **RESPONSIBILITY** – The administrator constantly informs the stakeholders and associates about the group's performance in achieving their business objectives and fulfilling their responsibilities.
- **SUSTAINABILITY** – The company follows an ethical business model which it shares with all the stakeholders.
- **INTEGRITY** – The administrator and the Management team run the company in a fair and transparent way that withstands the stakeholders' control.

[continue](#)



Adrem Group's Governance



102-18 The functional structure of the companies in the Adrem Group in the year 2020 is shown below :

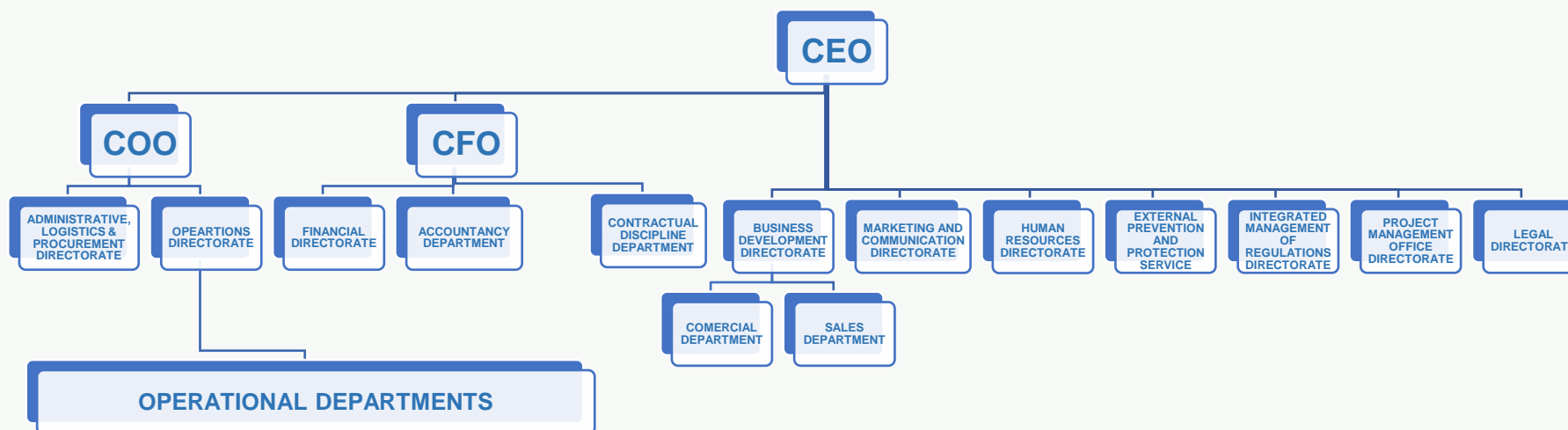


Figure no. 1 – Generic organization chart of the companies in the Adrem Group

At the level of the group there is the Occupational Health and Safety Committee which is specialized in defining the company's OHS policy both by the employees and by the management (the OHSC is described in detail in chapter 3 - Employees).

Throughout the entire process of preparing this sustainability report, the results of each step were validated by Adrem's Top Management.

102-5

	Shareholders	Administrators	CEO
Adrem Invest SRL	ABBC BRO. GROUP B.V. – 100%	Just Management Consultancy SRL	Corneliu Bodea (JMC representative)
Adrem Engineering SRL	ABBC BRO. GROUP B.V. – 99.99% CORNELIU BODEA – 00.01%	Just Management Consultancy SRL	Corneliu Bodea (JMC representative)
Adrem Link SRL	BODEA VLAD – 70% ALINA ALEXE – 30%	Stănescu Ciprian Constantin	Stănescu Ciprian Constantin

Table no. 1 – Adrem Group's Shareholders and Governance

Adrem Group's Governance

Anti-corruption



103-1

Corruption is a scourge which endangers the economic development of companies as well as of society in general. Corruption drives resources away from productive economic results and affects everyone's welfare. Any act of corruption has a major effect in both economic and social terms on the activity and reputation of the company.

Any direct or indirect involvement of the Adrem Group in corruption actions can significantly disturb operations. Any accusations or conviction can lead to the following:

- Irreparable reputation damages;
- Exclusion from operation in certain jurisdictions;
- Exclusion from certain bidding processes and projects;
- Termination of ongoing contracts;
- Moral damages for employees.

The Anti-corruption topic has a direct impact on management, employees, suppliers, customers and central and local authorities.

103-2

Adrem Group has zero-tolerance for any type of corruption and included this topic both in its Internal Regulation and in the Code of Conduct. Thus the Internal regulation of the Adrem Group forbids "receiving money or undue advantages for activities provided as part of an employee's job description" and defines it as a serious disciplinary offence, punishable by the disciplinary termination of the employment contract.

According to the definition in the Code of Conduct of Adrem Group, corruption implies an active or passive abuse in view of obtaining private financial advantages or other benefits. Adrem has a zero-tolerance policy for corruption and has made it its objective that every employee be familiar with this policy, in order to be able to identify and prevent any situation that may constitute an abuse and take the necessary steps in order to have correct professional conduct.

The Adrem Group's Code of Conduct, which was distributed to all the team coordinators and managers in the organization, and made available on the internal Intranet platform, constitutes a valuable informative instrument that makes employees aware of the company's anti-corruption policy. It defines corruption acts, answers a series of questions that the employees may have, in order for them to know what proper behavior means when a representative of a business partner offers them a present or a service, which goes against the working principles in the company. The group's Code of Conduct encourages employees to identify abuse situations, to act preventively and to comply with the regulation of not accepting or asking for favors, presents or any type of constraint, blackmail, deceit or intimidation, including the most subtle ones.

The group created two email addresses which can be used by the company's employees (suport.hr@adrem.ro) or by the other stakeholders (sesizari@adrem.ro) to notify any instance of nonconformity.

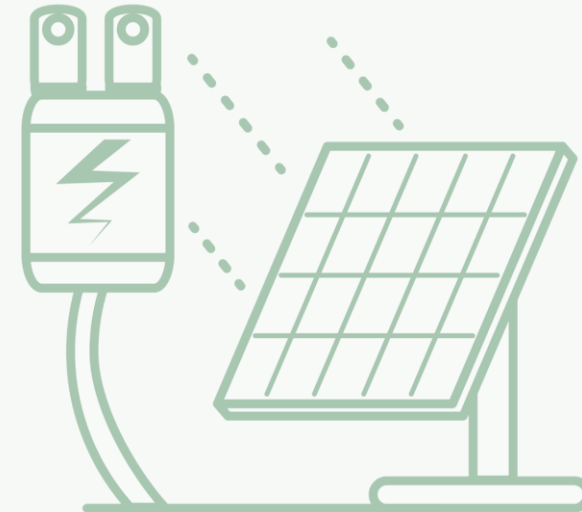
In 2019 and 2020 no notification has been recorded on these communication channels regarding corruption acts.

Incidents of corruption and actions taken

In 2019 and 2020, Adrem Group recorded no corruption acts involving the company's employees or business partners.

103-3

205-3



Adrem Group's Governance

Non-discrimination



103-1 In the group's vision the diversity that each employee brings is valuable because it contributes not only to knowledge, but also to the development of a business which operates at a local, regional and international level. The principles of professional ethics in which we believe make us determined to ensure a working environment in which communication is based on mutual respect, tolerance and appreciation of cultural, religious and social diversity. We promote equal chances and a working style based on collaboration, ensuring that our team becomes stronger as we grow together.

Discrimination means any difference, exclusion, restriction or preference, based on various criteria such as race, nationality, ethnicity, language, religion, social category, convictions, sex or gender, sexual orientation, age, handicap, non-contagious chronic disease, HIV infection, belonging to a disfavored category as well as any other criteria that aims or results in restraining, removing acknowledgement, use or exertion, under equal terms, of human rights and fundamental freedoms or legally acknowledged rights, in the political, economic, social and cultural field or in any other domain of public life.

The "Non-Discrimination" topic has a direct impact on the management, employees, suppliers, customers and central and local authorities in the area in which the Adrem Group operates.

103-2 Adrem's Internal Regulation includes a chapter dedicated to the Rules regarding the compliance with the non-discrimination principle and the removal of any form of breaching dignity. The working relations within our company are based on the principles of consensus and goodwill.

The non-discrimination policy is an essential way of ensuring a peaceful social climate within the company. Herein, the following are forbidden:

- Any form of direct or indirect discrimination towards an employee;
- Threat;
- Offense;
- Verbal or physical aggression;
- Sexual harassment.

Thus, any discrimination against other employees of the group shall be punished, going as far as terminating the employment contract for disciplinary reasons, in accordance with the applicable legal provisions.

According to the Code of Conduct, the group tolerates no kind of discrimination based on gender, ethnicity, social background, political, religious or any other kind of

belonging, and strongly stands against any attitude of stigmatizing or one which could negatively affect an employee on a professional, psychological or emotional plan. 103-2

During the recruitment and assessment processes and throughout its relations with the employees, Adrem treats its candidates and employees from the perspective of their skills and performance, without applying any unfair treatment to people belonging to different social categories.

We want the relations that we build inside and outside our company to reflect our openness towards multiculturalism and diversity, our appreciation of what we can learn from our colleagues who come from a different background, as well as an organizational climate based on performance.

An email address can be used by our employees - suport.hr@adrem.ro to report any nonconformity in terms of discrimination. Adrem's stakeholders can notify any nonconformity at - sesizari@adrem.ro. In 2019 and 2020 no notification has been recorded on these communication channels regarding discrimination acts. 103-3

Incidents of discrimination and corrective actions taken 406-1

In 2019 and 2020, Adrem Group recorded no discrimination acts involving the company's employees or business partners.



3

ADREM Employees



Employees



Adrem employees

Our relationship with employees reflects the principles set out in the Universal Declaration of Human Rights (issued by the United Nations), as well as the principles of the Declaration on Fundamental Principles and Rights at Work formulated by the International Labour Organization.

Thus, the Fundamental Principles and Rights at Work formulated by the International Labour Organization (ILO) can be found in all the basic internal documents of the Adrem Group:

International Labour Organization	Adrem Group
<ul style="list-style-type: none"> <i>freedom of association and the effective recognition of the right to collective bargaining</i> 	<p>We pay special attention to the relationship with the "Electricity Workers Trade Union - Oltenia", which makes possible to have a dialogue, to know the expectations of employees, to address and debate important issues and negotiate appropriate solutions on an equal footing. The measures regarding the increase of salaries and the payment of additional benefits, as well as organizational changes of Adrem are the subject of negotiations with the union. In accordance with the provisions of trade union law, employment decisions and actions must be agreed with trade unions, which are informed at least 30 days in advance.</p>
<ul style="list-style-type: none"> <i>elimination of all forms of forced or compulsory labour</i> 	<p>The Internal Rules (IR) state that the "Employment Contract (EC) is concluded on the basis of the consent of the parties, in writing. It is registered, prior to the beginning of the activity, in the general register of employees ...".</p>
<ul style="list-style-type: none"> <i>effective abolition of child labour</i> 	<p>The Collective Bargaining Agreement (CBA) states that "for employment, staff must be at least 16 years of age ..."</p>
<ul style="list-style-type: none"> <i>elimination of discrimination in respect of employment and occupation</i> 	<p>Adrem hires employees only on the basis of the qualities and skills required for the position without any form of discrimination against them. The evaluation of the employees is carried out, according to the Internal Rules, "depending on the degree of achievement of the performance indicators, general and specific to each position." Furthermore, IR specifically mentions the right of every employee to "equal opportunities and equal treatment."</p>

Table no. 1 – Fundamental principles and rights at work

The Adrem team is made up of people with different professional and cultural backgrounds, because we value diversity and believe that this is the only way we can learn from each other. We like teamwork, but we also believe in individual responsibility, that is, in the fact that each of us is in control of our projects and tasks.

Employees

Employment

103-1 Our employees are the main resource of the organization and ensuring equal treatment and compliance with applicable law is one of Adrem's priorities.

The topic "Employment" has a direct impact on management, employees, customers, local authorities, local communities and civil society.

103-2 Our work in the field of human resources is based on the Labour Code, the Collective Bargaining Agreement and the Internal Rules of the Adrem Group.

103-3

Labour Code

The Labour Code is the document that regulates the field of labour relations, the way in which the control of the application of the labour relations related regulations is carried out, as well as the labour jurisdiction.

The Human Resources Department seeks to ensure that the rights and responsibilities between the employee and the employer are observed by informing each party of the changes in the organization/labour code, etc.

HR processed documents	2019	2020
Adrem Invest	3546	1834
Adrem Engineering	278	582
Adrem Link	436	796
Grievances for non-compliance with labour code provisions	2019	2020
Adrem Invest	0	0
Adrem Engineering	0	0
Adrem Link	0	0
Fines for non-compliance with labour law provisions	2019	2020
Adrem Invest	0	0
Adrem Engineering	0	0
Adrem Link	0	0

Table no. 2 – Labour Code KPI

Collective bargaining agreement

Collective bargaining agreement represents the convention concluded between the employer and the representative of the union (employees) for determining working conditions, remuneration and other rights and obligations arising from employment relationships. The main objective is to maintain constant communication with employees in order to find out their needs and to ensure a work environment favourable to professional and personal development in the long term.

In terms of human resources, Adrem Group has developed three main policies associated with the main stages of each employee's professional activity:

I. Recruitment and selection of employees

The main objective is to find the most qualified people who share the company's values.

At the time of recruitment, Adrem evaluates the existing employees in the first phase in order to identify people with the necessary experience and skills for the position. If no internally eligible candidate is identified, the company will then turn to external recruitment.

In 2019, as a result of the impact of Government Emergency Ordinance (GEO) 114/2018 within the Group there were some changes in the staff structure, through the transfer of employees from support services and the activity of reading electricity/gas meters to other companies in the group (additional details can be found in the subchapter New employees and staff turnover). These transfers between Group companies influence the indicators regarding staff turnover and stability.

[continue](#)

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Employees



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Average staff stability	2019	2020
Adrem Invest	77%	90%
Adrem Engineering	50% ⁽¹⁾	85%
Adrem Link	N/A ⁽²⁾	87%
Average of the recruitment process quality	2019	2020
Adrem Invest	89%	96%
Adrem Engineering	98%	94%
Adrem Link	91%	76%
Average staff turnover	2019	2020
Adrem Invest	7%	6%
Adrem Engineering	5%	8%
Adrem Link	7%	9%

Table no. 3 – Recruitment and selection of employees

II. Training and professional development

According to CBA, Adrem has the obligation to provide at least one professional development course for each employee, every 2 years.

The aim is to increase the performance of employees, contributing to the development of their level of knowledge and their professional skills.

Every year there is an annual training plan containing both external and internal courses. The HR manager pursues the fulfillment of this plan, being the person who seeks and organizes the training sessions mentioned in the plan.

In 2019, there was launched the initiative to establish the Adrem Academy, with the following objectives:

- aligning the development needs of employees with the professional needs of the future, providing support for their growth and motivation;
- active contribution to the development of the energy industry based on the expertise and skills of Adrem employees;
- involvement in the educational development of the communities in which we operate.

⁽¹⁾ The lower stability results from the fact that employees have been transferred from another company, and this indicator is calculated based on the number of employees with seniority over 1 year.

⁽²⁾ We can't calculate the value for 2019, due to the transfer of staff between companies .

The achievement of objectives is carried out through internal trainers identified within the organization to provide internal training with educational content adapted to the needs or development strategy.

Also, within Adrem Academy, in 2020, it was launched the Mentoring Program aiming to strengthen relations between colleagues, the possibility to follow in a different way the evolution of Adrem employees, increase the level of motivation among employees and diversify development opportunities within the company.

Thus, there were formed 18 "Mentor"/"Mentee" pairs and they continue their meetings even today.

Courses completed	2019	2020 ⁽³⁾
Adrem Invest	99 people activity-specific courses	8 people activity-specific courses
Adrem Engineering	6 people activity-specific courses	12 people activity-specific courses
Adrem Link	0	0

Table no. 4 – Training and professional development

III. Performance evaluation

The main objective of this policy is to make it easier for each employee to be aware of the level of performance she/he manages to achieve, as well as her/his motivation to carry out her/his activity quantitatively and qualitatively 100%, thus representing a motivational component that can be materialized into a performance bonus granted following the evaluation process.

The achievements and the results of the employees are monitored on a monthly basis by the Human Resources Department through an internal report at department level.

Average of the employees' performance evaluations	2019	2020
Adrem Invest	91%	90%
Adrem Engineering	94%	88%
Adrem Link	95%	99%

Table no. 5 – Performance evaluation

⁽³⁾ The 2020 training plan was no longer achieved due to Covid 19 pandemics.

Employees



103-2

In addition to the above, during 2020, the HR department has intensified its efforts to digitize the activity, focusing on more efficient management of:

103-3

- employee files;
- the system of employees' professional assessments;
- the archive of internal documents and specific forms (various forms, internal regulations, organizational charts, job descriptions, indicator sheets etc.).

401-2

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

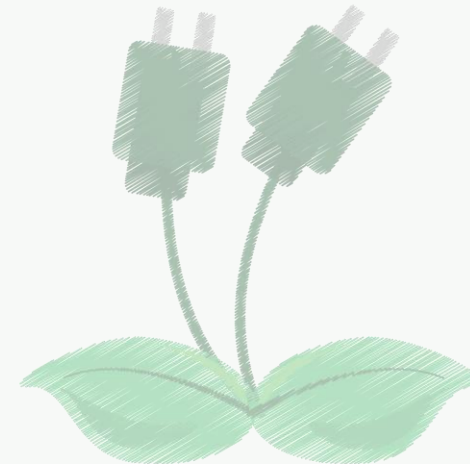
Adrem Group offers to the employees a series of benefits, regardless of the type of contract (permanent or temporary). The salary benefits are established in accordance with the collective bargaining agreement that is negotiated with the Trade Union:

- monthly performance bonus (value differs for each position);
- employee's birthday gift voucher;
- Easter and Christmas bonuses (value differs for each position);
- Woman's Day gift voucher;
- child's birthday gift voucher;
- holiday voucher settlement;
- meal vouchers;
- PCR testing when needed;
- anniversary bonus for uninterrupted seniority within the company (≥ 10 years and so on);
- granting a maximum of 5 days of additional leave depending on total seniority;
- granting a paid day off on the third day of Easter;
- granting a paid day off on March 8 for the ladies;
- granting a bonus for the marriage of the employee;
- granting a bonus for the birth or adoption of a child;

- financial aid when an employee dies granted to her/his family;
- discount to Regina Maria medical subscriptions;
- employees retiring for reaching the age limit will receive, at retirement, with the last salary, an allowance based on the seniority in the company, as follows:
 - 1 base salary similar to the retirement month for those with a seniority within the company of less than 5 years;
 - 2 base salaries similar to the retirement month for those with a seniority within the company over 5 years and less than 10;
 - 3 base salaries similar to the retirement month for those with a seniority within the company over or equal to 10 years and less than 20 years;
 - 4 base salaries similar to the retirement month for those with a seniority within the company over or equal to 20 years.

401-2

Benefits apply to all employees regardless of region.



Employees



Personnel structure

Adrem Group gives special attention to its human resource, which has the following structure:

Active employees at 31 December 2019 - Adrem Invest					Total
Contract Type	Temporary contract		Permanent contract		
Gender	Female	Male	Female	Male	
Muntenia + Headquarters		6	26	89	121
Dobrogea			1	41	42
Moldova			4	85	89
Oltenia		18	37	347	402
Transilvania			0	1	1
Banat		9	1	17	27
Total		33	69	580	682

Active employees at 31 December 2019 - Adrem Engineering					Total
Contract Type	Temporary contract		Permanent contract		
Gender	Female	Male	Female	Male	
Headquarters	1		16	43	60
Oltenia	1		1	14	16
Transilvania	1		5	58	64
Banat				6	6
Total	3	0	22	121	146

Active employees at 31 December 2019 - Adrem Link					Total
Contract Type	Temporary contract		Permanent contract		
Gender	Female	Male	Female	Male	
Headquarters				1	1
Oltenia	3	39	43	118	203
Transilvania			1		1
Total	3	39	44	119	205

Table no. 6 – Distribution of Adrem group employees per gender and operational locations at 31 December 2019

Active employees at 31 December 2020 - Adrem Invest					Total
Contract Type	Temporary contract		Permanent contract		
Gender	Female	Male	Female	Male	
Muntenia + Headquarters			27	61	88
Dobrogea			1	36	37
Moldova		3	5	86	94
Oltenia	4	20	38	334	396
Transilvania				1	1
Banat		11	1	14	26
Total	4	34	72	534	642

Active employees at 31 December 2020 - Adrem Engineering					Total
Contract Type	Temporary contract		Permanent contract		
Gender	Female	Male	Female	Male	
Headquarters			16	31	47
Oltenia				6	6
Transilvania			3	24	27
Total	3	0	22	121	80

Active employees at 31 December 2020 - Adrem Link					Total
Contract Type	Temporary contract		Permanent contract		
Gender	Female	Male	Female	Male	
Headquarters				3	
Oltenia	6	51	41	105	203
Transilvania			1		1
Total	6	51	42	108	207

Table no. 7 – Distribution of Adrem group employees per gender and operational locations at 31 December 2020

Notes:

- Permanent contract means the employees with employment contract (EC) for a permanent period of time;
- Temporary contract represents the employees with employment contract (EC) for a temporary period of time;
- Full-time hires are the people hired for 8 h/day;
- Part-time hires are the people hired for 1,2,4,6 h/day.

Employees



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102-8

	2019				
	Full Time Contract		Part Time Contract		Total
Gender	Female	Male	Female	Male	
Adrem Invest	66	569	3	44	682
Adrem Engineering	22	77	3	44	146
Adrem Link	46	157	1	1	205
TOTAL	134	803	7	89	1033

	2020				
	Full Time Contract		Part Time Contract		Total
Gender	Female	Male	Female	Male	
Adrem Invest	68	525	8	41	642
Adrem Engineering	17	34	2	27	80
Adrem Link	47	156	1	3	207
TOTAL	132	717	11	71	931

Table no. 8 – Distribution of Adrem Group employees per gender and type of contract

401-1

New employee hires and employee turnover

Ever since the hiring, all new employees following the induction program take note on the following internal rules:

- Internal regulations;
- The new employee guide where is presented the usual information that any new employee needs;
- Internal induction program;
- Code of conduct.

Once GEO 114/2018 entered into force, both support services and the activity of reading electric/gas meters have been transferred to other companies for better management of the changes made by this legislative rule.

102-10

2019 - Transfer of Adrem Corporate (a company not included in this report) employees specialized in support services
50 employees transferred to Adrem Invest
16 employees transferred to Adrem Engineering
2019 - Transfer of Adrem Invest employees specialized in reading
201 employees transferred to Adrem Link
240 employees transferred to a company in the industry

Table no. 9 – Transfers of Adrem Group employees

Regional distribution of new employees				
2019	Adrem Invest	Adrem Engineering	Adrem Link	TOTAL
Muntenia + Headquarters	52	39	1	92
Dobrogea	18	0	0	18
Moldova	75	0	0	75
Oltenia	74	2	229	305
Transilvania	0	25	0	25
Banat	35	6	0	41
Total	254	72	230	556

401-1

Regional distribution of new employees				
2020	Adrem Invest	Adrem Engineering	Adrem Link	TOTAL
Muntenia + Headquarters	17	6	3	26
Dobrogea	3	0	0	3
Moldova	17	0	0	17
Oltenia	41	2	47	90
Transilvania	0	5	0	5
Banat	14	0	0	14
Total	92	13	50	155

Table no. 10 – Regional distribution of new employees

Employees



401-1

Distribution of new employees per gender				
2019	Adrem Invest	Adrem Engineering	Adrem Link	TOTAL
Female	56	20	47	123
Male	198	52	183	433
Total	254	72	230	556

Distribution of new employees per gender				
2020	Adrem Invest	Adrem Engineering	Adrem Link	TOTAL
Female	14	1	5	20
Male	78	12	45	135
Total	92	13	50	155

Table no. 11 – Distribution of new employees per gender

Distribution of new employees per age categories				
2019	Adrem Invest	Adrem Engineering	Adrem Link	TOTAL
≤30 years	38	22	23	83
between 31 – 50 years	132	30	111	273
≥ 51 years	84	20	96	200
Total	254	72	230	556

Distribution of new employees per age categories				
2020	Adrem Invest	Adrem Engineering	Adrem Link	TOTAL
≤30 years	30	3	19	52
between 31 – 50 years	40	7	25	72
≥ 51 years	22	3	6	31
Total	92	13	50	155

Table no. 12 – Distribution of new employees per age categories

401-1

2019	AI		AE		AL	
Gender	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
F	122		2	0	1	0
M	423	26	16	3	21	6
Total	545	26	18	3	22	6

2019	AI		AE		AL	
Age groups	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
≤30 years	50	2	3	1	6	2
31 – 50 years	243	5	9	0	12	4
≥ 51 years	252	19	6	2	4	0
Total	545	26	18	3	22	6

2019	AI		AE		AL	
Region	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
Headquarters	13	1	9	0	2	0
Transilvania	0	0	12	2	0	0
Oltenia	232	6	0	1	20	6
Banat	51	6				
Moldova	242	8				
Dobrogea	7	5				
Total	545	26	21	3	22	6

Table no. 13 – Distribution based on gender, age categories and regions of employees who left Adrem Group in 2019

[continue](#)

Employees



401-1

2020	AI		AE		AL	
Gender	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
F	6	2	3	5	35	2
M	74	52	53	19	33	11
Total	80	54	56	24	68	13

2020	AI		AE		AL	
Age groups	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
≤30 years	8	15	11	5	10	1
31 – 50 years	52	18	25	9	20	5
≥ 51 years	20	21	20	10	5	7
Total	80	54	56	24	35	13

2020	AI		AE		AL	
Region	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
Headquarters	34	16	14	5	1	
Transilvania			33	10		
Oltenia	25	23	9	3	34	13
Banat	3	12		6		
Moldova	10	2				
Dobrogea	8	1				
Total	80	54	56	24	35	13

Table no. 14 – Distribution based on gender, age categories and regions of employees who left Adrem Group in 2020

102-41

Collective bargaining agreements

Within Adrem Group, all employees with Full Time contracts (employees having their basic position at Adrem) benefit from collective bargaining agreements (CBA).

Company	2019	2020
Adrem Invest	93%	92%
Adrem Engineering	68%	62%
Adrem Link	99%	98%

Table no. 15 – Percentage of total employees covered by collective bargaining agreements

Employees



401-3

Parental leave

Parental Leave (PL) is granted either to natural and adoptive parents or legal guardians, provided that they have obtained taxable income for 12 months in the last two years prior to the child's birth, custody or adoption.

2019	Employees that took parental leave PL		Employees that returned to work from PL		Still employed 12 months after the end of PL		Employees that were entitled to PL *	
Gender	F	M	F	M	F	M	F	M
AI	0	1	0	1	0	0	2	5
AE	0	0	1	1	0	0	0	1
AL	0	0	0	0	0	0	0	2
Total	0	1	1	2	0	0	2	8

2019	Employees that took parental leave PL		Employees that returned to work from PL		Still employed 12 months after the end of PL		Employees that were entitled to PL *	
Gender	F	M	F	M	F	M	F	M
AI	1	1	1	2	1	1	2	7
AE	1	0	1	0	1	0	0	1
AL	0	1	0	1	0	0	0	2
Total	2	2	2	3	2	1	2	10

Table no. 16 – Status of parental leaves

*all children up to one year old were considered, from 31 December 2019/2020

	Company	Return to work rate after PL *	Retention rate after returning from PL **
2019	AI	100%	0
	AE	100%	0
	AL	100%	0
2020	AI	75%	67%
	AE	100%	100
	AL	N/A	N/A

Table no. 17–Return to work and retention rates after PL

*Return to work rate = (Total number of employees that did return to work after parental leave)/(Total number of employees due to work after taking parental leave) *100

**Retention rate = (Total number of employees retained 12 months after returning to work following a period of parental leave)/(Total number of employees returning from parental leave in the prior reporting period(s)) *100

Employees



EU-15

Employees eligible to retire in the next 5 to 10 years

The status of employees eligible for retirement over the next 5 to 10 years is the following:

Employees eligible for retirement over the next 5 years AI						
2019	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		6	3	4		12
Dobrogea				2		6
Banat						2
Moldova		1		1		11
HQ		2	1	2		2
Employees eligible for retirement over the next 5 years AI						
2020	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		6	3	5		6
Dobrogea				1		5
Banat						
Moldova		1		1		8
HQ		1	1	2		1
Employees eligible for retirement over the next 10 years AI						
2019	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		8	9	9		50
Dobrogea			1	2		10
Banat		1				3
Moldova		1	1	1		22
HQ		2	5	5		8
Employees eligible for retirement over the next 10 years AI						
2020	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		8	9	11		43
Dobrogea			1	1		9
Banat						1
Moldova		1	1	2		19
HQ		1	4	5		4

EU-15

Employees eligible for retirement over the next 5 years AE						
2019	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		1				
Transilvania		3		1		5
Banat		1				
Bucuresti		2	1	1		
Employees eligible for retirement over the next 5 years AE						
2020	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia						
Transilvania						3
Bucharest		1	1	2		
Employees eligible for retirement over the next 10 years AE						
2019	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia	1	1		1		
Transilvania		4		1		9
Banat		1				3
Bucharest		2	1	3		
Employees eligible for retirement over the next 10 years AE						
2020	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia				1		
Transilvania						3
Bucharest		1	1	3		

Table no. 18 – Status of employees eligible for retirement over the next 5/10 years broken down by gender, region and job category

Note:

HQ means Headquarters

[Continue tabel](#)

Employees



EU-15

Employees eligible for retirement over the next 5 years AL						
2019	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		1			5	11
Employees eligible for retirement over the next 5 years AL						
2020	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		1			5	8
Employees eligible for retirement over the next 10 years AL						
2019	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		1			11	36
Employees eligible for retirement over the next 10 years AL						
2020	Management		Technical, clerical and administrative staff		Execution	
Gender	F	M	F	M	F	M
Oltenia		1			11	30

Table no. 18 – Status of employees eligible for retirement over the next 5/10 years broken down by gender, region and job category

notice until the termination of the contract is compliant with the provisions of the Labour Code and implicitly, those of the Collective Bargaining Agreement, respectively 20 working days for the execution positions and 45 working days for the management positions.

According to the CBA, "if, after prior consultation with trade unions, the employer decides to apply the collective redundancy measure, it has the obligation to notify the Territorial Labour Inspectorate in writing, at least 30 calendar days prior to the date of issuing the dismissal decisions."

According to the Internal Regulations, "any change in the main elements of the EC requires to have an addendum signed, within 20 working days from the date of its publication."

402-1

103-1

Labour/Management Relations

103-2

Adrem Group provides a well-defined framework for regulating labour relations compliant with applicable legislation. This framework provides employees with clear and predictable professional development perspectives.

103-3

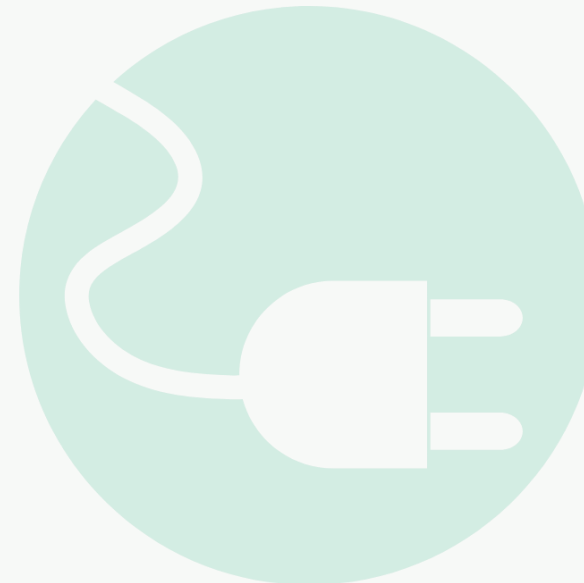
The "Labour Relations" topic has a direct impact on the management, employees and suppliers of the Adrem Group.

402-1

Minimum notice periods regarding operational changes

According to the CBA, Adrem undertakes to inform candidates and include in the EC the conditions for providing notice by the contracting parties and its duration.

Once all possibilities analysed for each case/employee, informing employees about significant changes in Adrem's operations is done according to the provisions of the CBA. After drafting the documents, in case of eventual termination, the duration of the



Employees



Occupational Health and Safety

103-1

We place Occupational Health and Safety (OHS) at the heart of all business decisions and processes, based on the consideration that the most valuable resource in the group companies is people. Concern for the safety and health of people is a key feature of Adrem and will not be compromised in relation to other aspects of the business. Moreover, caring for safety at work is part of the professional ethics of companies and one of the factors that determine excellent business results. Wherever we operate, we aim to apply technical and ethical standards for health, safety at work and occupational safety for Adrem Group employees.

Preventive measures, the preventive attitude to avoid incidents and accidents by effectively improving occupational safety and the analysis of potential risk factors allow us to continuously optimize our occupational safety indicators. Work safety is the responsibility of the management; therefore, the lives of our employees is a top priority for us.

The topic "Occupational Health and Safety" has a direct impact on management, employees, customers, suppliers, communities and local authorities.

103-2

Adrem Group has managed its prevention and protection activities in accordance with the legislation in force and the ISO 45001:2018 reference standard. Obligations and responsibilities arising from the legislation and standard are treated with great care by both the employer and the employees.

The purpose of Adrem policy is to prevent the risks of injury and illness, to train employees and to ensure the organizational framework and the means necessary for Occupational Health and Safety. We want to make sure that clients' relationships are not affected by any work incidents as each event has an impact on both our company and the group's partners.

Top management has defined Occupational Health and Safety policy in compliance with the reference standard SR EN ISO 45001: 2018, as a tool that leads the organization to improve its performance, so as to gain the trust of clients and making a profit. The policy of Adrem Group regarding the functioning of the management system commits us to establish and periodically analyze the improvement objectives for Occupational Health and Safety, prevention of emergencies, corresponding to the nature and size of the organization, aiming to reduce the risk of injury.

Our commitment is to comply with the legal requirements and standards we refer to and with the internal rules established by the internal regulations. All these things are brought to the attention of the employees through internal trainings and regular communications.

The objectives set for the years 2019/2020 were the following:

103-2

OHS objectives within Adrem Group	2019	2020
Continuous improvement of working conditions and performance in occupational health and safety;	✓ OBJECTIVE ACHIEVED	✓ OBJECTIVE ACHIEVED
Improving the awareness of employees by reaching the targets of 0 work-related injuries;	There has been one work-related accident that led to 18 days of incapacity to work	There has been one work-related accident that led to 28 days of incapacity to work
0 non-conformities in external audits;	✓ OBJECTIVE ACHIEVED	✓ OBJECTIVE ACHIEVED
Conducting regular trainings according to the regular training programs for each position in the organization;	✓ OBJECTIVE ACHIEVED	✓ OBJECTIVE ACHIEVED
Preventing emergencies situations by reaching the target of 100% coverage of emergency simulations.	✓ OBJECTIVE ACHIEVED	✓ OBJECTIVE ACHIEVED

Table no. 19 – OHS Objectives for 2019 and 2020

The responsibility of both management and employees is to comply with the legal requirements established by the legislation on occupational health and safety, as well as with the requirements of the standards and other requirements established by the internal regulations. The Employer's Report is sent annually to the Territorial Labour Inspectorate. Therefore, Adrem group deals with this topic responsibly and complies with OHS legislation throughout its activities, as well as with the requirements of ISO 45001:2018 reference standard.

[continue](#)

Employees



103-2

In order to achieve continuous improvement of working conditions, the organization provides the necessary human resources to carry out prevention and protection activities organized through internal and external prevention and protection services. Adrem Group allocates financial resources for the purchase of Personal Protective Equipment (PPE), employee training, medical tests and the purchase of medical kits and fire extinguishers.

The grievance management mechanism is documented through the internal grievance procedure and is known to the entire Adrem group.

Periodically there are regular communication sessions with employees through information and awareness programs, such as the campaign "Your loved ones count on you!", where the Adrem Ambassadors assigned for occupational safety send inspiring video messages, promoted internally, to encourage for the compliance with occupational health and safety rules.

The emergency prevention activity carried out by Adrem group represents all the specific actions planned and carried out, according to the law, in order to prevent, reduce or eliminate the risks of emergencies and their consequences, to protect the employees, the environment, the goods and values.

Within Adrem group there were identified and treated 6 emergencies intervention plans were implemented for in case they occur:

- Fire;
- Earthquake;
- Flooding;
- Nuclear Accident;
- Accidental oil leakage;
- Accidental leakage of hazardous substances (paints, thinners, etc).

Emergency plans are drawn up for each of the group's premises and there are temporary measures to be taken by established response teams, such as: Evacuation of personnel and property, compliance with escape routes and meeting places in the event of an emergency situation (ES).

At the same time, intervention simulations take place every six months in case of a fire or earthquake.

All employees of the group are trained in emergency response plans and are informed of the results of intervention simulations.

103-2



Employees



103-3

Adrem Group evaluated the organization and implementation of management processes through internal and external audits and internal controls. Following these, corrections and corrective actions are proposed, as well as deadlines and those responsible for implementation. All this is analysed within the Committee on Occupational Health and Safety (COHS), which meets every 3 months, to establish new plans for measures and improvements.

The main measures ordered by the COHS during the reference period:

Company	2019	2020
AI	<ul style="list-style-type: none"> Reassessment of injury and illness risks for all jobs in the group; Measures to reach the target of OHS and ES controls in the field; Development of OHS documentation for 2020 (Prevention and Protection Plan, OHS training topics, Update of risk assessments, etc.); Establishing the OHS objectives for 2020 	<ul style="list-style-type: none"> Reassessment of injury and illness risks for all jobs in the group; Measures to reach the target of OHS and ES controls in the field. Documentation of the process for the evaluation and testing of the personal protective equipment Introduction of OHS KPIs for all operational functions. Implementation of Stop Work and Near Miss procedures. Development of OHS documentation for 2021 (Prevention and Protection Plan, OHS training topics, Update of risk assessments, etc.) Establishing the OHS objectives for 2021
AE	<ul style="list-style-type: none"> Reassessment of injury and illness risks for all jobs in the group; Establishing the OHS objectives for 2020; Development of OHS documentation for 2020 (Prevention and Protection Plan, OHS training topics, Update of risk assessments, etc.) Establishing the OHS objectives for 2020 	<ul style="list-style-type: none"> Reassessment of injury and illness risks for all jobs in the group; Establishing the OHS objectives for 2021; Development of OHS documentation for 2021 (Prevention and Protection Plan, OHS training topics, Update of risk assessments, etc.) Establishing the OHS objectives for 2021
AL	<ul style="list-style-type: none"> Reassessment of injury and illness risks for all jobs in the group; Establishing the OHS objectives for 2020; Development of OHS documentation for 2020 (Prevention and Protection Plan, OHS training topics, Update of risk assessments, etc.) Establishing the OHS objectives for 2020 	<ul style="list-style-type: none"> Reassessment of injury and illness risks for all jobs in the group; Establishing the OHS objectives for 2021; Development of OHS documentation for 2021 (Prevention and Protection Plan, OHS training topics, Update of risk assessments, etc.) Establishing the OHS objectives for 2021

Table no. 20 – Temporary measures by COHS in 2019/2020

Employees



403-1

Occupational Health and Safety (OHS) management system

Within Adrem group, it was implemented the Occupational Health and Safety management system based on the requirements of the international standard ISO 45001:2018 and is in line with the requirements of Law 319/2006.

Adrem Group undertakes to:

- preventing the occurrence of work-related injuries and illnesses by identifying and assessing the risks, and establishing measures to reduce up to eliminate the risks;
- complying the organization with at least the applicable legal requirements, as well as with other occupational health and safety requirements adopted by the organization;
- monitoring, measuring and analyzing these processes;
- implementing the necessary actions to achieve the planned results;
- consulting and involving employees through their representatives.

In 2020, Adrem Group allocated a budget for PPE, sanitary materials, medical tests, internal and external training, internal and external authorizations as well as a budget to improve communication with all levels of the organization through OHS Campaigns carried out throughout 2020.

In 2020, 100% of the group's employees were covered by the OHS management system, according to law 319/2006 and the international OHS standard ISO 45001:2018.

403-2

Hazard identification, risk assessment and incident investigation

The assessment of occupational injury and illness risks for jobs within Adrem group was carried out by applying the method of the National Research Institute in the Field of Labour Protection endorsed by the Ministry of Labour and Social Solidarity in 1993 and in accordance with art.7 (4) (a) of Law No. 319/2006 on Occupational Health and Safety.

Adrem Group has provided Personal Protective Equipment according to the risks workers are exposed to. Examples of PPE: overalls, insulating and mechanical protection footwear, head protection helmets with protective visors against the effect of electric arc, gloves, masks, etc.

Adrem's activity is characterized by a low to medium risk of work-related injury and illness according to the global risk levels calculated at the level of the group entities:

Compania	2019	2020
AI	2,85 - accepted level	2,85 - accepted level
AE	2,88 - accepted level	2,41 - accepted level
AL	2,80 - accepted level	2,80 - accepted level

Table no. 21 – Risk level within Adrem Group

The investigation of incidents within the group is carried out according to law 319/2006 and is reported to the territorial labour inspectorates of the counties where they occurred. All work incidents are brought to the attention of all employees of the group and improvements and corrective actions are ordered by reviewing the risk assessments and, implicitly, reviewing the prevention and protection plan, after which the implementation is aimed at achieving them.

In **2019** they were designed and in **2020** they were implemented for the **Near Miss** and **Stop Work** procedures which will detail the modes of action in case of identifying an imminent danger and ordering the cessation of work by any person, these being exonerated from any liability if it is found that it was not necessary to discontinue the activity.

[continue](#)

Employees



403-2

Also in **2020**, at the level of Adrem group, against the background of the SARS CoV-2 Pandemic, a return to work plan was implemented establishing several rules for protection against illness, such as:

- equipping all employees with disinfectants and disposable protective masks, as well as with gloves and protective coveralls where employees had to enter the client's home;
- teleworking in compliance with the legislation in force;
- triage of employees upon entering the premises by measuring body temperature;
- hand washing as often as possible;
- cleaning and disinfecting surfaces several employees come into contact with;
- reassessment of disease risks in the context of the pandemic;
- elaboration of the prevention and protection plan with the preventive measures to limit the infection with the SARS-CoV-2 virus - mandatory wearing of the mask, observance of the hygienic-sanitary protection measures and isolation at home in case of specific symptoms;
- training employees on SARS CoV-2 infection control measures

403-3

Occupational health services

The organization of prevention and protection activities is carried out by an internal service, with dedicated and trained personnel to carry out the activity in compliance with the legal requirements, and by an external service.

The prevention and protection services, together with the representatives of the employees and the employers, identify the professional risks in the field of OHS and elaborate the Prevention and Protection Plan used for proposing measures to reduce the identified risks.

The periodic medical check-up aims to prevent diseases and treat in time any illness detected following medical examinations. Periodic control is performed according to the applicable law and is offered to all employees at least once a year, having contracts with the best medical clinics.

403-4

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

The Committee on Occupational Health and Safety (COHS) is organized within Adrem

Group, being composed in compliance with Law 319/20016. The COHS meets quarterly or whenever necessary to identify solutions and establish action plans to achieve the proposed objectives.

All workers are involved in this activity and are informed about all the topics discussed in the COHS and can propose topics on the agenda through their representatives.

At the group level, the COHS operates on the basis of the Regulation on the organization and functioning of the COHS, elaborated on the basis of law 319/2006, all responsibilities being mentioned in this regulation.

In order to ensure the participation of employees in the elaboration and application of the decision in the field of labour protection established according to the organizational and functional structure, the Committee on Occupational Health and Safety (COHS) operates within Adrem, consisting of representatives of the employees with responsibilities in the field and the employer or his legal representative.

COHS has the following main responsibilities:

- analyses, approves and makes proposals regarding the occupational health and safety policy and the prevention and protection plan according to the Internal Regulations and the Regulation of organization and operation;
- aims to implement the prevention and protection plan, including the allocation of the means required to implement its provisions and their efficiency in terms of improving working conditions;
- occupational health and safety objectives are also measurable in line with occupational health and safety policy.

The key objectives are the following:

- Continuously improving working conditions;
- Work-related injuries = 0;
- Ensuring compliance with all working conditions required by OHS legislation and the standard;
- Increasing the awareness of workers regarding OHS.

403-4

Employees



403-5

Worker training on occupational health and safety

On the first day after employment, general introductory training in OHS is carried out, as well as on-the-job training to introduce the new colleagues with the following:

- The applicable OHS legislation;
- Consequences of non-compliance with the law;
- Prevention and protection plan, first aid measures, use of fire extinguishers and evacuation of workers;
- OHS specific instructions;
- Practical demonstrations.

All this is followed, on the 2nd and 3rd working day, by the introductory training in the field of emergencies situations and at the workplace, including:

- Emergency situations related legislation;
- Personal instructions for Emergency situations;
- The evacuation plan;
- Means of intervention in Emergency situations and the use of fire extinguishers;
- Practical demos.

Adrem group organizes regular trainings to inform the employees about the hazards and risks they are exposed to, their own instructions based on which to carry out their work and first aid measures, as well as additional regular trainings such as prevention of work-related injuries or additional training to address the identified high-level non-conformities.

Periodic training is also organized with internal authorization of the personnel performing specific professional activities: electricians, load binders, lifting platform operators, crane operators, installers, etc.

As of 2020, regular training sessions started to include measures to prevent SARS CoV-2 virus infection.

In 2020, in Adrem, it was launched together with the Communication Department the OHS campaign "Your loved ones count on you!", with guidelines of good practices at

work prepared for the employees of Adrem Invest and subcontractors of Adrem Engineering. Follow-up meetings were organized with team coordinators from all regions and videos were regularly broadcast including the correct ways of working and reports from the experience of the employees appointed as OHS Adrem Ambassadors.

403-5

Promotion of worker health

403-6

Adrem pays special attention to the health of employees by ensuring medical controls, both for employment purposes and on regular basis. At the same time, additional medical examinations are performed within the program for internal authorization of the workers.

All medical examinations shall be performed in compliance with the occupational risk identification sheets specific to each occupation and shall be performed at least once a year or after an interruption in activity of more than 6 months.

In the contracts concluded with the specialized clinics, Adrem also negotiated medical tests packages for all employees that include different discounts depending on the test type desired by the employees.

403-7

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

The concern for OHS is part of the professional ethics of the group and one of the factors that determine the excellent results in business. Wherever we operate, we aim to apply technical and ethical standards for the health, security at the workplace and occupational safety for Adrem Group employees.

We are connected to the business environment we operate in, and the impact of OHS on the activities and services provided to stakeholders is significant.

As the impact is significant, Adrem Group adopts the procedures and instructions of our clients by signing works agreements by which we assume the observance of all the regulations established by the client.

[continue](#)

Employees



403-8

Workers covered by an occupational health and safety management system

All employees of the group are 100% covered by the OHS management system that is audited both internally and externally (by the group's clients and by the certification body Lloyd's Register according to SR EN ISO45001:2018)

In 2019, we set out to define methods for evaluating subcontractors in terms of OSH by 2020. We aim for all Adrem subcontractors to be evaluated for the coverage by an OHS management system. The way of auditing their activity both internally and externally will be also evaluated. Evaluation of subcontractors will be documented through the Procurement Procedure and supplier evaluation.

For the execution contracts, Adrem has concluded agreements with its subcontractors regarding OHS, ES and Environment establishing the requirements of both Adrem and our clients which they must adopt. In compliance with the requirements of existing contracts, all OHS related reports are made by the company the workers belong to. No accidents were reported in 2019.

In 2020 we started the process of evaluating subcontractors from the point of view of OHS, and for 2022 we set out to verify the number of subcontractor employees who work for Adrem Group and are included in an OHS management system, as well as the number of work related events that took place at our subcontractors.

100% of the employees of the main service providers (subcontractors) of Adrem group carry out their activity in compliance with the OHS management system of the SR EN ISO 45001:2018 standard and we intend to audit the compliance of their activity as of 2022.

There are no out-of-group workers who have been excluded from the group's OHS management system.

403-9

Work-related injuries

At the level of Adrem Group, there were no work-related injuries resulting in fatalities in 2019/2020, but there were two work-related injuries, as follows:

Company	2019	2020
AI	0 work-related injuries	1 work-related injury (28 days lost time injury) Type of injury: Falling from a height rate of work-related injuries = 0,86.
AE	0 work-related injuries	0 work-related injuries
AL	1 work-related injuries (18 days lost time injury) Type of injury: Dog bite rate of work-related injuries = 2,71	0 work-related injuries

403-9

Table no. 22 – Work-related injuries within Adrem Group

Note:

In the calculation of the injury rate, 1800 no. of hours worked/employee and the value of 1,000,000 hours were considered.

[continue](#)

Employees



403-9

Analysis of work-related injuries:

Company	AL 2019	AI 2020
Work-related hazards/Identification modality	<p>The main hazards associated with the workplace are the risks of electric shock, falling from a low height or the same level and animal or insect bites.</p> <p>The assessment of occupational injury and illness risks for jobs within Adrem group was carried out by applying the method of the National Research Institute in the Field of Labour Protection endorsed by the Ministry of Labour and Social Solidarity in 1993 and in accordance with art.7 (4) (a) of Law No. 319/2006 on Occupational Health and Safety.</p>	<p>The main hazards associated with the workplace are the risks of electric shock, falling from height and assault.</p> <p>The assessment of occupational injury and illness risks for jobs within Adrem group was carried out by applying the method of the National Research Institute in the Field of Labour Protection endorsed by the Ministry of Labour and Social Solidarity in 1993 and in accordance with art.7 (4) (a) of Law No. 319/2006 on Occupational Health and Safety.</p>
Risks that led to the injury	The main identified risk that led to the injury during the reporting period is the risk of animal or insect bites.	The main identified risk that led to the injury during the reporting period is the risk of falling from height.
Actions taken to minimize the risks	The precautionary measure following the accident was to use the animal repeller whenever it is necessary.	Re-training of work managers on the organization of the workplace, on-site training with the execution personnel as well as taking photos proving the organization of work areas and their transmission to superiors and the OHS department.
Risk mitigation measures	The main measures were to train again the workers on measures to prevent injuries at the workplace.	The main measures taken were to increase internal controls on the ground, to launch awareness campaigns on the risks workers are exposed to if they do not comply with OHS rules and further training.
Methodology for calculating the rate of work-related injuries	<p>The calculation of the injury rate was calculated as the ratio between the number of injuries per 1800 hours worked by the employee during a calendar year minus the rest-leave hours and public holidays and multiplied by 205, representing the number of workers, multiplied by 1,000,000 hours.</p> <p>There were no workers excluded from the calculation of the injury rate.</p>	<p>The calculation of the injury rate was calculated as the ratio between the number of injuries per 1800 hours worked by the employee during a calendar year minus the rest-leave hours and public holidays and multiplied by 642, representing the number of workers, multiplied by 1,000,000 hours.</p> <p>There were no workers excluded from the calculation of the injury rate.</p>

Table no. 23 – Analysis of work-related injuries within Adrem Group

Employees

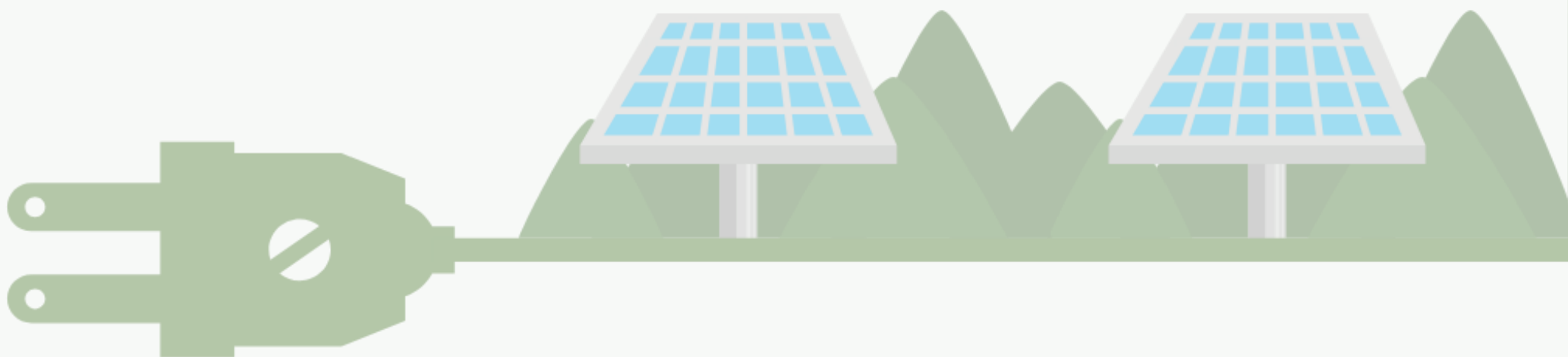


403-10

Work-related ill health

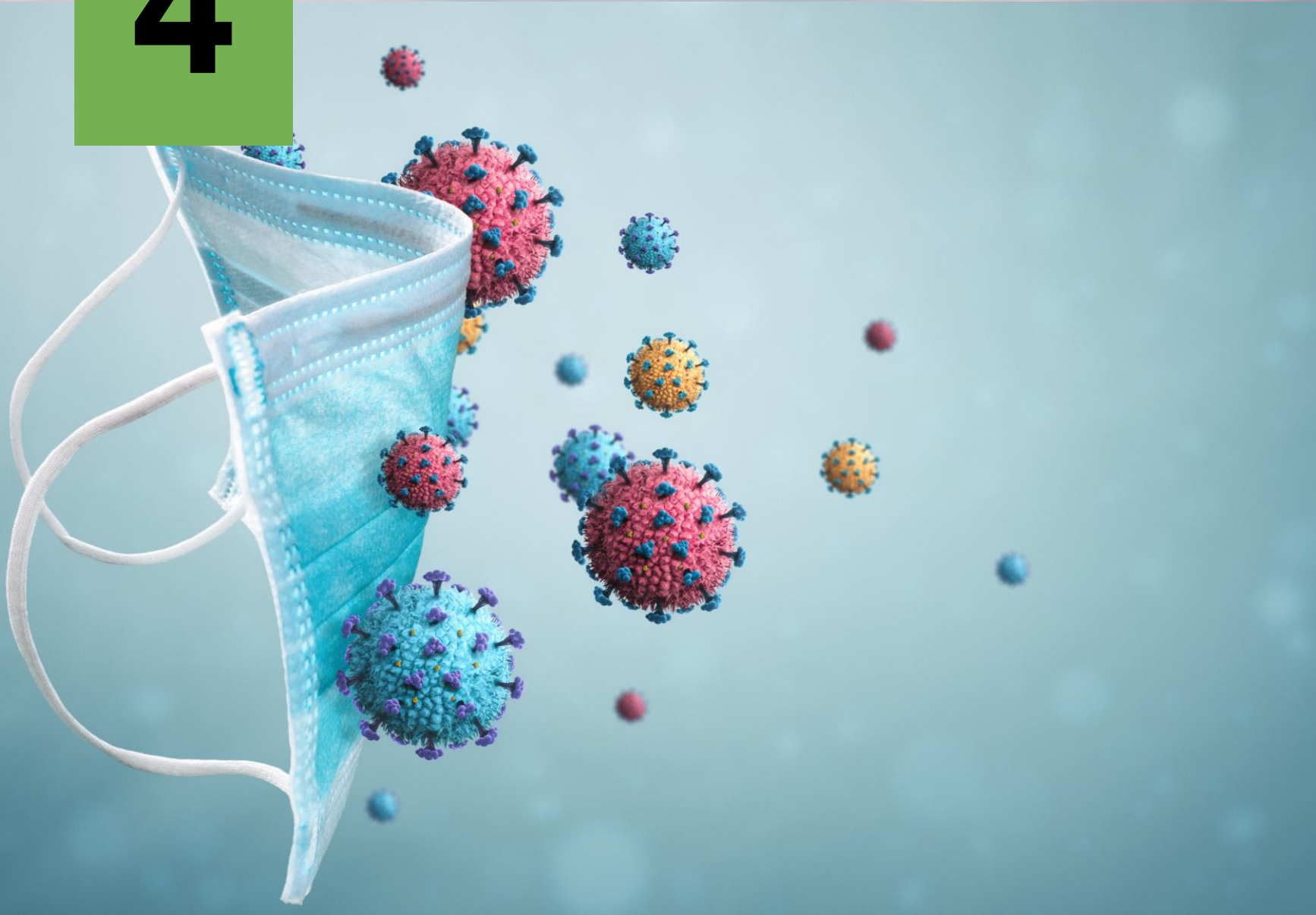
During the reporting period, no work-related ill health cases were reported at the level of the Adrem Group.

Although there is currently no value chain audit system, for 2022 we have set out to assess all the Group's subcontractors on the number of cases of work-related ill health.



4

Management of COVID-19 sanitary crisis



Management of COVID-19 sanitary crisis

Sustainability context: Pandemics

2020 was an extremely difficult year, characterized by the fear of SARS CoV-2 virus spreading, economic unpredictability and uncertainty regarding the activities conducted by all types of businesses, and it put company values to the test. During this period, we have acknowledged the importance of health for everyone involved: employees, clients and our partners and the members of the communities within which we conduct our activities. The Adrem Group took special measures to ensure the protection of our operational teams and administrative staff and strived to comply with our contractual obligations towards our clients, thus ensuring the continuity of the business itself and of the employees' jobs.

Crisis communication was an extremely well-developed component of our management system, permanently adapted to the challenges generated by the evolution of the sanitary crisis, with minimum response time. When the pandemic began, we adapted our on-going projects and internal actions and created new communication channels and instruments, while implementing transparent policies in our cooperation with both employees and external stakeholders.

Adrem's reaction

Hereinafter we present some of the most important measures that the Adrem Group implemented in 2020 and the way we integrated the concept of teleworking in our organisational culture.

When the coronavirus epidemics started, Adrem founded a crisis cell in order to closely monitor any potential employee exposure to the risk of becoming infected, prepared a general guidebook of internal measures and specific operation guidebooks for each company (Adrem Invest, Adrem Engineering and Adrem Link) and supervised the implementation thereof.

We implemented a series of preventive measures which the competent authorities recommended themselves both for our office employees and for our field operators, consisting of:

- Permanent individual training sessions,
- Constant provision of both offices and employees with protective products and personal protection equipment (masks, gloves, overalls, disinfectants)
- Limitation of direct interaction with clients.

We increased the frequency of internal communications to employees, in order to keep them informed of the authorities' decisions, Adrem work regulations and preventive conduct.

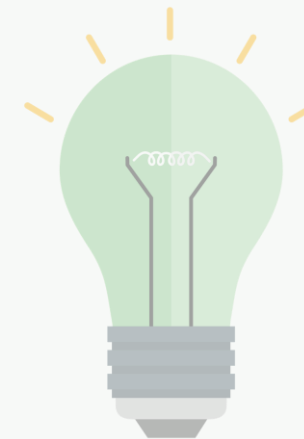


At the beginning of 2020, according to the annual communication plan, we began preparing the meetings that our company's CEO holds with staff throughout the country, and in February we organised meetings with our employees in Craiova, Pitești and Râmnicu Vâlcea. The meetings planned for the rest of our locations were put on hold within the context of the spreading of COVID-19; and the communication strategy used between the CEO and the employees was reconsidered and adapted to the teleworking system and to the need to ensure the safety of our teams by limiting physical interaction.

The CEO of the Adrem Group, Corneliu Bodea, sent to all the employees holding email addresses, weekly and then bimonthly video messages on the topic of the sanitary crisis and on the strategic measures the company has adopted, with an average of three weekly informative messages regarding the actions, projects and measures taken within the context of the COVID-19 pandemics (a total number of 80 online communications and short messages sent to our employees throughout the year).

The Communication Department got involved in providing support for operational situations, communicating with the company's stakeholders, managing special situations and preparing short term action plans, starting with the emergency situation and then the alert state. Also, in relation with our business partners we sent monthly external newsletters as of May 2020, informing them of our company's measures taken in order to manage the sanitary crisis and the actions we can take together so that we can overcome all obstacles by mutual support

[continue](#)



Management of COVID-19 sanitary crisis



The Communication Department implemented a series of recurring actions to increase team resilience, collaboration within the context of teleworking, communication between employees and psychological and emotional support in managing the effects of the pandemic:

- **Adrem's Pandemic Logbook** is a virtual journal documenting the way our team managed to overcome together a unique, challenging period in the history of our company. Every week our employees filled in journal pages describing their experiences during the sanitary crisis, photographs and stories which helped us know each other better and consolidate our team;
- **Wine Wednesdays** was an unplanned online event, tailored according to our employees' needs during the pandemic. With a weekly recurrence rate during the emergency state, this action continued with meetings held on the Microsoft Teams platform every two weeks, during which mixed teams of employees belonging to each of the three companies enjoyed the opportunity to see their colleagues again and have free discussion. Since October, the concept of Wine Wednesday was adapted and implemented as Wine With The CEO, documented in the Adrem's Pandemic Logbook and sent to all the employees who had an email address.

The informing and awareness campaign **"Your loved ones are counting on you!"**, which aimed at promoting work safety, a topic we consider extremely important, was launched in September in order to reduce / eliminate nonconformities identified in the field and COVID-19 protection measures. The campaign included weekly communications with the company's employees but also clients, the preparation of materials consisting of examples of good practices, online meetings with all regional managers, choosing an Adrem ambassador from the ranks of its employees in order to promote work safety and to film short field movies, as well as a drawing competition for our employees' children. The most important components of the campaign included:

- Identifying the employees belonging to risk categories, suffering from chronic diseases, in the context of the sanitary crisis, in order to provide them support;
- Visual materials that could be used in order to make our employees more aware and involved (dedicated posters, printed and displayed in a visible place in Adrem headquarters) and informative materials (a guidebook of good practices) sent to the team coordinators and all the employees who have an email address;
- Online follow-up meetings with the managers of the regions in which Adrem Invest operates;
- Identifying a number of 27 employees in the counties in which Adrem operates, who

can act as role models for their colleagues in terms of complying with the work protection measures and promoting them as Adrem OHS (Occupational Health and Safety) Ambassadors by means of inspirational films in relation to the work safety measures implemented at the workplace;

- Launching a drawing competition for the employees' children (**"You are your child's hero!"**);
- Sending Adrem partners informative emails in terms of the measures implemented by the company by means of this campaign, the actions carried out, including the main materials we have prepared.

In September we launched a very important internal campaign, given the fact that we constitute a sizeable team, spreading throughout the country: a series of inter-departmental workshops in view of improving collaboration and communication between various Adrem Departments and presenting the main strategic policies for each department.

In the second half of the year 2020, given the extended sanitary crisis and the need to manage the effects thereof as well as possible, we initiated a health programme for our employees' emotional and psychological state, the implementation of which began in 2021. With the help of our partner providing certified services of psychological therapy and consultations, we prepared a series of actions aiming at supporting our employees and managers handle the psychological challenges generated by the sanitary crisis and by the danger of becoming infected.

[continue](#)



Management of COVID-19 sanitary crisis

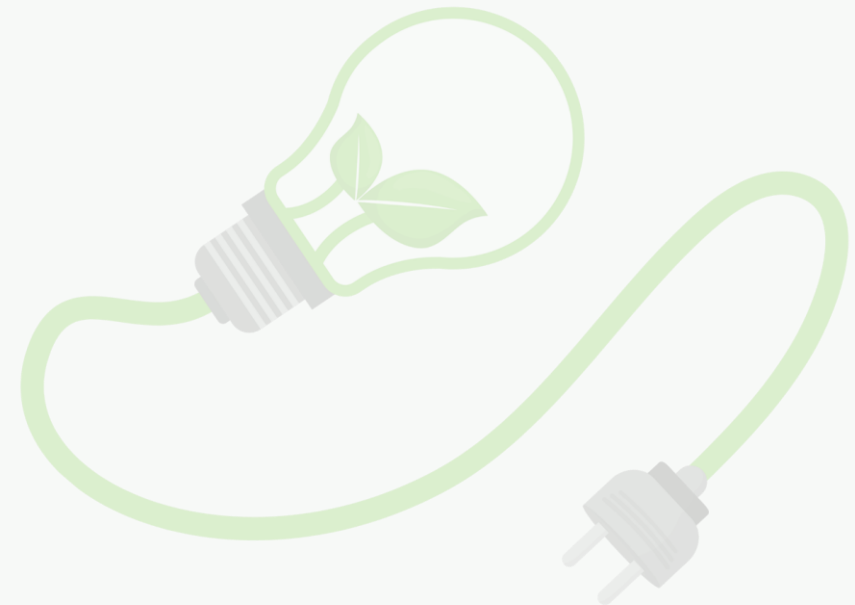


Identifying the critical aspects and adapting the crisis communication plan stood for a priority throughout the year 2020. The most important actions included:

- 1) Weekly email messages informing our employees of the decisions made by the authorities in the field of virus protection, the new Adrem work regulations, school during pandemic, the impact of the sanitary crisis on the employees' psychological and emotional state, as well as other information to support the management of the sanitary crisis. Over 30 such messages were sent between mid June and the end of the calendar year, most of them having additional materials attached (such as documents issued by the authorities or posters on the topic of preventive conduct). The messages were loaded on the intranet in order to be available to our employees at any moment;
- 2) SMS messages (at least one every month) sent to the entire staff related to the decisions made by both the authorities and by Adrem, the prevention and work safety measures in the context of COVID-19;
- 3) Preparing a general guidebook related to resuming the regular work regime in the Adrem Group and including the various sections of the guide in the weekly communications sent to our employees, in order to help them adapt to the new work style;
- 4) Handling any special situations occurring among the employees in the context of the pandemics.

In addition, this year was an opportunity to encourage volunteering and community involvement among our employees, while complying with all safety measures. During the online Christmas party we organized a charitable auction ("**The auction of memorable things**") which resulted in a 13.970 lei donation to the benefit of the "Give life" Association for the construction of the first National Children's Hospital for Cancer, Serious Diseases and Trauma. Adrem also contributed with a 50.000 lei sponsorship. Other volunteering actions included clothes and blood donations.

Adrem continues the process of managing the COVID-19 sanitary crisis while complying with the safety of our employees, clients and members of the local communities within which we operate. In order to achieve this critical objective and to ensure the continuity of our business we permanently adapt our internal strategy, measures and actions, as well as our relation with the external stakeholders in order to meet their needs and eliminate the medium and long-term effects of the pandemic.



5

ADREM Environment



Environment Energy



103-1 Given the fact that Adrem Group provides services in the field of electricity, from the perspective of the Romanian legal framework, our activities have no significant impacts over the environment. We run monthly monitoring of both resources and energy consumption.

It is Adrem Group's view that environmental care is of great importance for our position within the society and urges us to pay attention to the way we use our energy resources. We comply with the norms of environmental protection, with the laws and regulations of the communities in which we conduct our activity and constantly use our resources in a responsible way.

The "Energy" topic has a direct impact over Adrem's management, employees and suppliers.

103-2 The highest governance body defined our environmental policy in accordance with the SR EN ISO 14001:2015 reference standard as an instrument which enables the organization to improve its performance, thus earning its clients' trust and gaining profit.

The policy of Adrem Group in relation to the functioning of the management system aims at setting and constantly analyzing their objectives of environmental improvements in terms of waste management, prevention of the occurrence of emergency situations, corresponding to the nature and size of the organization, aiming at reducing the risk of accidents and environmental impact.

Adrem Group commits to continuously improve its products and services, prevent pollution, by promoting a policy aiming at reducing the negative impact over the environment induced by its activities, constantly act in the direction of complying with the legal provisions and regulations, as well as with any other additional requirements identified by the organization, including those referring to the environmental topics identified by the organization. All staff are responsible for reducing energy consumption in each of the company headquarters.

Every year a training session on the topic of the environment is held with each Department within the organization.

Following the granting of the certificate of energy auditor, Adrem Invest SRL annually reports to the Ministry of Economy, Energy and Business Environment its energy consumption.

103-3 Adrem Group constantly monitors its objective of reducing energy consumption.

The efficiency of our actions is assessed by means of internal audits, controls and external audits conducted by Lloyd's Register within the organization. None of the audits

conducted in 2019 and 2020 emphasized any non-compliance / observations / measures that may impose a change of the management approach, therefore allowing for the same objectives / measures to be maintained.

Within our organization grievances are dealt with according to the internal procedures "Grievance Management". In 2019 and 2020 no grievances were recorded.

[continue](#)



Environment



302-1

Energy/resource consumption within the organization

During the reference period (2019/2020) the Adrem Group recorded the following resource consumption:

	Adrem Invest 2019				Adrem Invest 2020			
	ENERGY (kwh)	FUEL (litres)		NATURAL GAS (cm)	ENERGY (kwh)	FUEL (litres)		NATURAL GAS (cm)
		GASOLINE	DIESEL			GASOLINE	DIESEL	
TOTAL	227602.00	5480.98	546740.94	422637.00	337708	7046	746834	668362
MWh/tons	227.60	5.48	546.74	4637.60	337.71	7.05	746.83	7333.94
PET	19.57	5.76	554.94	398.83	29.04	7.40	758.04	630.72
Total PET	979.10				1425.20			

Table no. 1 – Resource consumption for Adrem Invest

	Adrem Engineering 2019				Adrem Engineering 2020			
	ENERGY (kwh)	FUEL (litres)		NATURAL GAS (cm)	ENERGY (kwh)	FUEL (litres)		NATURAL GAS (cm)
		GASOLINE	DIESEL			GASOLINE	DIESEL	
TOTAL	21561	2829.44	255919.48	99746.76	25156	3795	59938	136663
MWh/tons	21.56	2.83	255.92	1094.52	25.16	3.80	59.94	1499.60
PET	1.85	2.97	259.76	94.13	2.16	3.98	60.84	128.72
Total PET	358.71				195.95			

Table no. 2 – Resource consumption for Adrem Engineering

	Adrem Link 2019				Adrem Link 2020			
	ENERGY (kwh)	FUEL (litres)		NATURAL GAS (cm)	ENERGY (kwh)	FUEL (litres)		NATURAL GAS (cm)
		GASOLINE	DIESEL			GASOLINE	DIESEL	
TOTAL	22420.00	0.00	320194.14	21753.00	14202.00	332.00	65299.00	64320.00
MWh/tons	22.42	0.00	320.19	238.70	14.20	0.33	65.30	705.78
PET	1.93	0.00	325.00	20.53	1.22	0.35	66.28	60.70
Total PET	347.45				128.55			

Table no. 3 – Resource consumption for Adrem Link

[continue](#)

Environment



302-1 Given our contracts with local energy suppliers such as CEZ and ENEL, we use renewable energy according to the energy labels transmitted by our suppliers, namely:

2019		2020	
CEZ	ENEL	CEZ	ENEL
49.26%	49.28%	62.59%	43.78%

The total consumption at the level of the Adrem companies is:

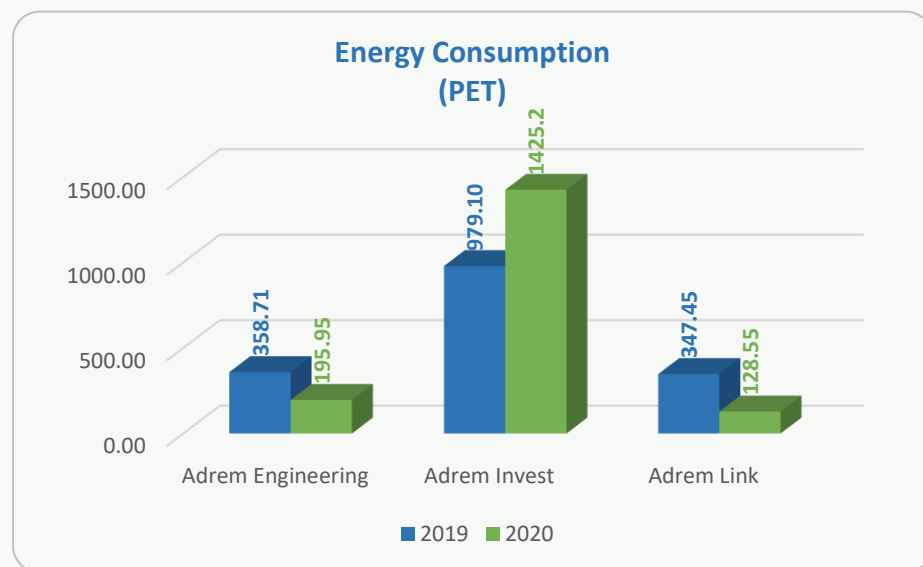


Chart no. 1 – Energy consumption at the level of Adrem

The 2019 recording by Adrem Invest of the resource consumption was affected by the fact that not all offices have been centralized. As of 2020 a new, unitary measurement system was set, which shall be used as a baseline value.



Environment

Waste



103-1 Environmental safety is a key component of all the processes conducted within our companies, so that, starting from the design stage we consider the use of modern equipment and new, pollution-free techniques, which have a limited impact over the environment. We identify environmental topics and assess the risks and impacts thereof, as well as the legal requirements.

The companies in the Adrem Group commit to continuously improve its products and services, prevent pollution, by promoting a policy aiming at reducing the negative impact over the environment induced by its activities, constantly act in the direction of complying with the legal provisions and regulations, as well as with any other additional requirements identified by the organization.

The national environmental legislation is constantly changing, which forces our organization to place permanent emphasis on its familiarization with legislative changes and their transposition in our waste management system.

The "Waste" topic has a direct impact over the company (employees and management), as well as on its external stakeholders (suppliers, local authorities and local communities).

103-2 The highest governance body defined our environmental policy in accordance with the SR EN ISO 14001:2015 reference standard as an instrument which enables the organization to improve its performance, thus earning its clients' trust and gaining profit.

The policy of Adrem Group in relation to the functioning of the management system aims at setting and constantly analyzing our objectives of environmental improvements in terms of waste management, prevention of the occurrence of emergency situations, corresponding to the nature and size of the organization, aiming at reducing the risk of accidents and environmental impact.

Our aim is to fully comply with the legal environmental requirements, to value or totally eliminate waste generated, as follows:

- A 75% increase in the weight of diverted from disposal waste (paper / cardboard / plastic / cartridges) for each type of waste mentioned in the 2019 report as compared to the one in 2018. – kg of valued waste/year;
- An at least 80% increase in the weight of diverted from disposal waste (paper / cardboard / plastic / cartridges / iron / aluminum / copper / textiles / wood / concrete / paper packaging / dangerous packaging) kg of valued waste / kg of waste generated.

Regarding correct waste management, clear evidence is kept thereof, according to GD no. 856/2002, for each type of waste. Adrem concluded service provision contracts with

environmental companies authorized to pick up (and transport) waste generated.

103-2

Adrem's employees are responsible for complying with the current legal provisions and with the work instructions in the field of environmental protection and pollution prevention or the occurrence of environmental accidents.

The analysis of our environmental performance was based on how many of our environmental goals and targets were achieved, on how many non-compliances were identified in our current activity as a result of inspections or grievances, on the existence of environmental accidents. The analysis resulted in the following conclusions:

- There have been no grievances related to the topic of the environment;
- There have been no records of environmental accidents or incidents;
- The Periodic Technical Inspections of our vehicles were conducted on time, in accordance with the provision contracts concluded with the servicing facilities regarding vehicle maintenance;
- Proper waste storage spaces were set up;
- Activity waste was valued by our authorized partners, with whom specific contracts were concluded;
- The current environmental requirements were sent to all of our service providers.

In 2019, the measurement program implemented after the assessment of our company compliance with the legal environmental requirements and other applicable conditions consisted of the following aspects:

- Implementing the measures imposed following the analysis meeting and treated according to the current legislation;
- Informing our employees of the environmental topics which had been identified and the applicable legal requirements;
- Acquiring environmentally friendly, biodegradable products and services, monitoring waste and natural resource consumption.

Adrem Invest SRL annually reports to the National Environment Agency its waste generated as a result of the company activities.

[continue](#)

Environment



103-3

The Adrem Group implemented an environmental management system in accordance with the requirements of the SR EN ISO 14001:2015 standard, which provided for the setting of a yearly auditing program for each department of the company. The external audits for supervision or recertification are conducted by the certifying body Lloyd's Register every 6 months. At the end of a full 3-year cycle all company departments are audited.

No non-compliances were reported following the internal/ external audits; therefore, the same measures can be kept in place.

No sanctions or grievances have been recorded in this field.

306-1

Waste generation and significant waste-related impacts

Adrem Group identifies environmental topics and assesses the risks and impacts thereof. At the level of our organization there have been identified the following significant environmental topics:

- Emergency situations;
- Fire, including as a result of an earthquake;
- Construction waste generated as a result of an earthquake;
- Electric and electronic equipment waste generated as a result of the implementation of the suggested measures;
- 100% coverage of the emergency situations we have identified, by means of prevention and intervention plans, environmental damage prevention/reduction in a risk situation (incident reaction drills), staff training, collection and handing of electric and electronic equipment waste to certified companies, according to the contracts we have concluded to this purpose. All of these have made environmental risk insignificant in the year 2020.

Transformations in the field of waste management are closely related to the EU legislation. The main legislative instrument in this field is its Waste Framework Directive. It presents a waste management hierarchy: it begins with prevention, followed by preparing for re-use, recycling and recovery, and ends with disposal. The purpose of our organization is the prevention of waste generation to the largest extent possible and the reduction of the weight of waste reaching waste landfills.

As a result of the measures suggested in 2020, no significant environmental topics have been identified, only insignificant ones.

Management of significant waste-related impacts

306-2

In view of preventing **waste generation**, we have applied the **waste hierarchy** presented in Law 211/2011. Waste management is done **without** endangering **human health** and **without** harming the **environment, especially without** risk to air, water, soil, plants or animals, **without** causing a nuisance through noise and odor and **without** adversely affecting the landscape.

Adrem Group implements a waste management procedure. Waste is collected in specially designed places, in a selective way, each type of waste generated being disposed of in labeled containers.

Each waste generator temporarily stores waste in well-signaled, specially designed areas, while complying with the norms of environmental protection.

Valuing / elimination of the waste generated by the organization is done by companies which are certified to conduct such operations. Adrem only concluded service provision contracts with companies in hold of an environmental certificate, ensuring recycling or elimination according to the current legal provisions.

Environmental conventions are concluded in relation to the waste generated during the activities conducted by sub-contracting companies, and their staff is trained in the field of waste management and compliance with the current legislation.

[continue](#)



Environment



306-3

Waste Generated

Waste is centralized at the level of the entire organization and reported on a yearly basis to the National Agency for Environmental Protection (NAEP).

Types of waste	Adrem Invest 2019		Adrem Invest 2020	
	Generated	Valued	Generated	Valued
Paper	1329.9	832	1347.5	1129.5
Iron	0	0	7	0
Aluminum	0	0	2	0
Copper	0	0	0	0
Plastic	429	429	126.5	81
Textile fibers	0	0	0	0
Wood	1720	1720	0	0
Concrete	0	0	45820	42940
Paper packaging	6850	6850	5218	4883
Hazardous packaging	6.6	0	8	0
Batteries	1850.6	1500	583.2	0
Lead	47	0	28	0
WEEE	0	0	0	0
Total ⁽¹⁾	12233.1	11331	53140.2	49033.5

Table no. 4 – Waste generated by Adrem Invest

Types of waste	Adrem Engineering 2019		Adrem Engineering 2020	
	Generated	Valued	Generated	Valued
Paper	3	3	6	4
Batteries	0	0	20	0
Plastic	0.7	0.7	0	0
WEEE	0	0	0	0
Total ⁽²⁾	3.7	3.7	26	4

Table no. 5 – Waste generated by Adrem Engineering

Types of waste	Adrem Link 2019		Adrem Link 2020	
	Generated	Valued	Generated	Valued
Paper	56.7	45	28.1	0
Batteries	14	0	12	0
WEEE	0	0	0	0
Total ⁽³⁾	70.7	45	40.1	0

Table no. 6 – Waste generated by Adrem Link

306-3



(1) Weight is expressed in Kg.

(2) Weight is expressed in Kg.

(3) Weight is expressed in Kg.

Environment

Environmental Compliance



103-1 Compliance with the laws, regulations, standards and other environmental-related requirements has always been one of our organization's priorities.

Every trimester, or whenever necessary, our organization prepares and updates a "Registry of legal and environmental requirements" consisting of all the environmental requirements that apply at the respective time, while mentioning the organization entities responsible for each regulation and the report of compliance with the legal requirements.

"Environmental Compliance" directly impacts the company's management, employees, suppliers, central authorities and local community.

103-2 Every quarter Adrem Group updates the reports of legal requirements and those related to the compliance with such legal provisions. These reports consist of comparisons between the results indicated by the monitoring and measuring of the company's waste and the targets set by the environmental legislation which applies at the level of the organization (according to the Registry of environmental requirements) and internal inspections are conducted within the organization to identify any non-compliances that can be noticed in relation to the legal and environmental requirements (deriving from the way the current procedures / plans are applied, from how appropriate the allocated resources are, from the awareness of our environmental responsibilities, etc.).

In order to set its environmental goals/targets, Adrem takes into consideration:

- The current and future needs of both the organization and the market;
- The relevant conclusions of the analysis conducted by the management;
- The current performance of our products and processes;
- The satisfaction level of the stakeholders;
- The results of self-assessments;
- The competition analysis, giving rise to the opportunity of improving our own activities;
- The resources required in order to achieve our goals;
- The identification and assessment of potential risks;
- The identification of the most relevant environmental topics, in order to reduce negative impacts;
- The compliance with the current legal requirements;
- The need to train and raise staff awareness of SMI (Integrated Environmental, Quality and Occupational Health and Safety management systems);

- The constant improvement of our SMI performance;
- The promotion of process-based approaches and risk-based thinking.

Our goal is to fully comply with the current environmental requirements.

The audit / control activities conducted help determine the appropriate way to implement the current environmental requirements and plan specific documents (if necessary) or other measures for risk control in view of ensuring the functioning of our organization in accordance with the legal requirements. Some examples of applying these measures are:

- preparing / revising various procedures and/or instructions, as well as action plans in order to comply with the environmental requirements;
- including various topics related to the environmental requirements in the staff training and awareness programs and in the documents prepared by our organization in order to ensure compliance with the provisions thereof;
- designating new responsibilities in order to apply certain requirements of the environmental management system.

The efficiency of our actions in terms of complying with the legal requirements is assessed by means of internal audits, controls, inspections and third-party audits for purposes of supervision/re-certification according to ISO 14001:2015.

No non-compliances were reported following the internal/ external audits in 2019 and 2020, therefore the same measures are kept in place.

Non-compliance with environmental laws and regulations

In 2020 Adrem Invest was controlled by the Office of Environmental Police and Assistance in Argeş, and fined with Ron 10.000 for mixed waste collection, as provided by Law no. 211/2011. Also, the following measures were imposed:

- concluding contracts with certified waste collection operators;
- selective collection of the waste generated in appropriate containers;
- compliance with the provisions of Law no. 211/2011, GD no. 856/2002 and GD no. 1062/2008 in the management of waste generated.

Following these recommendations, Adrem Invest decided to selectively collect waste in specially designed places and conclude a service provision contract with a certified waste handling company, namely Enviro Eco Business SRL.

6



Local communities



Local communities



103-1 The projects we implement take Adrem's activity to a national level, thus directly impacting local communities by means of the energy services we provide to our clients.

The "Local Communities" topic has a direct impact over the management, employees, local authorities, local communities and the civil society.

103-2 In order to improve our services, we place high emphasis on our communication with the members of local communities and we are permanently open to dialogue via any online platforms (website, social media accounts), including by telephone, fax or letters posted to any of our headquarters. Our management implemented a dedicated procedure for dealing with requests or grievances submitted by our end users (people who have taken subscriptions to the energy services provided by our clients) in these communities and for solving any situation resulting from our operations. This procedure includes the B2C activity conducted by Adrem Link who became a licensed installer in 2020, which enabled it to take part in the national program "The Green House" and provide energy efficiency services directly to the end user.

We also want to support the development of the local communities within which we conduct our activities. This goal was intensely prioritized during the sanitary crisis in 2020, as we financially assisted non-profit organizations which conduct concrete actions to support vulnerable groups: "Save the Children" organization, "Give Life" association, "SOS Romanian Children's Villages", as well as the Emergency Hospital in Tg. Cărbunești which was repurposed to become a COVID-19 support hospital. It is our strong belief that health and education are two of the priority fields in which we must take action. This is the reason for which every year we join our clients and other organizations, be they non-governmental, local or national, in their actions aiming to support people who are vulnerable from a social and economic point of view.

In 2019 and 2020, we joined our client, CEZ Group Romania, by sponsoring the Oltenian Marathon, thus providing financial support to:

- The "Progress" Foundation, which pilots local initiatives in the field of education, further reporting them to a national level as examples of good practices by using public libraries as hubs (focus points) for lifelong learning;
- Habitat for Humanity Romania, an organization which helps build and rehabilitate dwellings for people with low income;
- The Romanian Red Cross, which provides humanitarian assistance in the event of a disaster;
- The "Alex Tache" Foundation, for building a family-type house for 12 abandoned children in the commune of Galicea, Vâlcea county;

- The Neonatology Department in the Emergency Hospital in Râmnicu Vâlcea for supporting premature children;

- The Vâlcea affiliate of the Romanian Red Cross.

103-2

In the field of education, it is very important for the Adrem Group to support the development of the future professionals within our energy industry in order to stop the brain drain in the country and support the development of the Romanian energy sector. This is the reason for our partnership with the Romanian Society of Energy Engineers (RSEE), a students' organization aiming at supporting in-training youth, with which we collaborate throughout the year by encouraging our employees to join the career events they organize in the energy industry. Also, in 2019 we joined the students' internship program run by the Leaders Foundation and the events organized by the Romanian Business Leaders (RBL) for entrepreneurs in view of providing support to those who train future leaders, who sustain community development by means of their professional activity and businesses.

Both in 2019 and in 2020 Adrem's goal in relation to the members of the communities in which we operate was to facilitate communication, encourage transparency and contribute to the improvement of our professional activity. In order to achieve this goal we designed a procedure for the processing of the grievances submitted by our clients, as end users of our works and projects, by means of which every member of the local communities in which we operate can contact us and ask us questions, submit grievances or make requests related to our activity. Our clients can contact us both via the dedicated email address (sesizari@adrem.ro) and via private messages posted on the company's Facebook page, or by means of the form which is available on the Adrem site (www.adrem.ro). The procedure implies taking a few steps:

- 1) The initial response expressed by the Communication Department consisting of a confirmation of having received the respective grievance and the initiation of an analysis;
- 2) Forwarding the grievance to the local management, in the county where the respective work was conducted, or where the client lives;
- 3) The local management conducts an internal analysis and sends the Communication Department the conclusions thereof;
- 4) The Communication Department sends the client the final response and classifies the grievance, unless further measures are necessary.

[continue](#)

Local communities



103-2

In **2019** Adrem Invest recorded 19 grievances and solved and classified 16 of them, Adrem Link recorded 6 grievances and solved and classified all of them, whereas the Adrem Group recorded one grievance but failed to solve it.

In **2020** Adrem Invest recorded 11 grievances and solved and classified all of them, Adrem Link recorded 6 grievances and solved and classified all of them, whereas no grievance was recorded for Adrem Engineering.

Partnerships with other key actors involved in the development of their local communities is a vital instrument in increasing the impact of our activities in terms of education and health, which stand for two of Adrem's priorities. Therefore, every year we sponsor various organizations, be they non-governmental, local, national or international, which have a positive community impact through their actions and projects, and the necessary know-how and resources to reach their target, vulnerable groups. In addition to our direct communication with the members of the communities in which we operate, the representatives of the non-governmental sector are among our permanent partners, enabling us to provide support in two main fields:

- 1) Socially and economically vulnerable people,
- 2) Potentially resourceful young people, who want to become professionals in the energy industry or to train into becoming community leaders or future entrepreneurs.

We thus operate in two essential directions, by increasing the level of social inclusion and by providing growth opportunities to potentially resourceful young people, who constitute the next generation of specialists and entrepreneurs.

103-3

Adrem Group is involved in supporting local communities by means of sponsorships, and by encouraging our employees to participate in the social and educational actions organized by our partners at an internal level. In 2019, 23 Adrem employees took part in the Oltenian Marathon organized in Râmnicu Vâlcea, both as runners and as volunteers. In 2020, at the virtual edition of the marathon, organized under pandemic conditions, 10 employees enrolled for virtual races and 5 participants at physical races in the context of our partnership with CEZ Group Romania. We also got directly involved in the actions organized by the Romanian Society of Energy Engineers (RSEE), "Leaders" Foundation and Romanian Business Leaders (RBL), by sending Adrem representatives to take part in the actions and events organized by our partners.

Developing a volunteering culture among our employees is an important topic to us, one which we constantly strive to improve, in order to increase awareness and social engagement. Therefore, every year, we invite our employees to support their local

communities through volunteering actions, which made the program "YOU can be Santa!" become a tradition – employees donate clothes, toys, stationery, and even blood, and they are encouraged to help vulnerable people any way they can

103-3

[continue](#)



Local communities



413-1

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

In **2019**, Adrem Group got involved in the development of local communities, both by joining the actions initiated by our business partners, and by signing partnerships with non-governmental organizations supporting the education of young professionals.

The same year we joined CEZ Group Romania as a Platinum Partner of the Oltenian Marathon in Râmnicu Vâlcea, a sports competition which makes the public aware of the importance of sports for health, with participation fees being donated to the local community. Our participation as a Platinum sponsor implied a financial donation to the Progress Foundation (which pilots local initiatives in the field of education/training, e-inclusion and community development), Habitat for Humanity Romania (the country's largest NGO) in the field of social dwellings and the Romanian Red Cross (which provides humanitarian assistance in the event of a disaster).

We also collaborated with the Leaders Foundation for the internship program Leaders – Experience which also enabled our company to conduct a recruitment process. The Romanian Society of Energy Engineers (RSEE) also ranges among the students' organizations which supports the formation of future energy professionals by organizing annual events that we support by encouraging our specialists to attend dedicated events on energy careers.

Adrem continued to join the Romanian Business Leaders (RBL), a platform dedicated to social actions for entrepreneurs, and attended the central event organized on a yearly basis, RBL Summit, in view of supporting the business environment in the context of the transformational challenges in technology, society and global geopolitics.

In **2020** Adrem Group continued to support its traditional partners – the Leaders Foundation, the Romanian Society of Energy Engineers (RSEE), Romanian Business Leaders (RBL), CEZ Group Romania in the Oltenian Marathon – and, in the context of the COVID-19 pandemics we committed to supporting the community and its vulnerable groups, affected by the sanitary crisis. We provided sponsorship for:

- The Emergency Hospital in Tg. Cărbunești (Euro 10.000), turned into a COVID-19 support hospital
- The "Save the Children" organization (RON 4.500 for the maternity section in the Emergency Hospital in Drobeta Turnu Severin),
- The "Give Life" Association (RON 50.000 for the construction of the first national hospital for children suffering from cancer, serious diseases and trauma)

- The "SOS Romanian Children's Villages" (RON 35.000 for medical, educational and support actions for the children and young people who live in extreme poverty).

413-1

We encouraged our employees to involve in their local communities by donating clothes or blood or by taking part in an internal auction held during the company's Christmas party, with RON 13.970 being raised and donated to the "Give Life" Association.

The Oltenian Marathon event was adapted to the conditions of the sanitary crisis – competitors ran and pedaled individually, by using a dedicated application – and Adrem joined by having employees run in the races and by financially supporting three social causes: the "Alex Tache" Foundation (for building a family-type house for 12 abandoned children, in the commune of Galicea, Vâlcea county), the Neonatology Section of the Emergency Hospital in Râmnicu Vâlcea and the Vâlcea affiliate of the Red Cross.



7



Clients and suppliers



Clients and suppliers

Adrem Group's supply chain



102-6 Depending on the field of activity of each of the group's members, supply chains can be defined as follows:

102-9

2019-2020

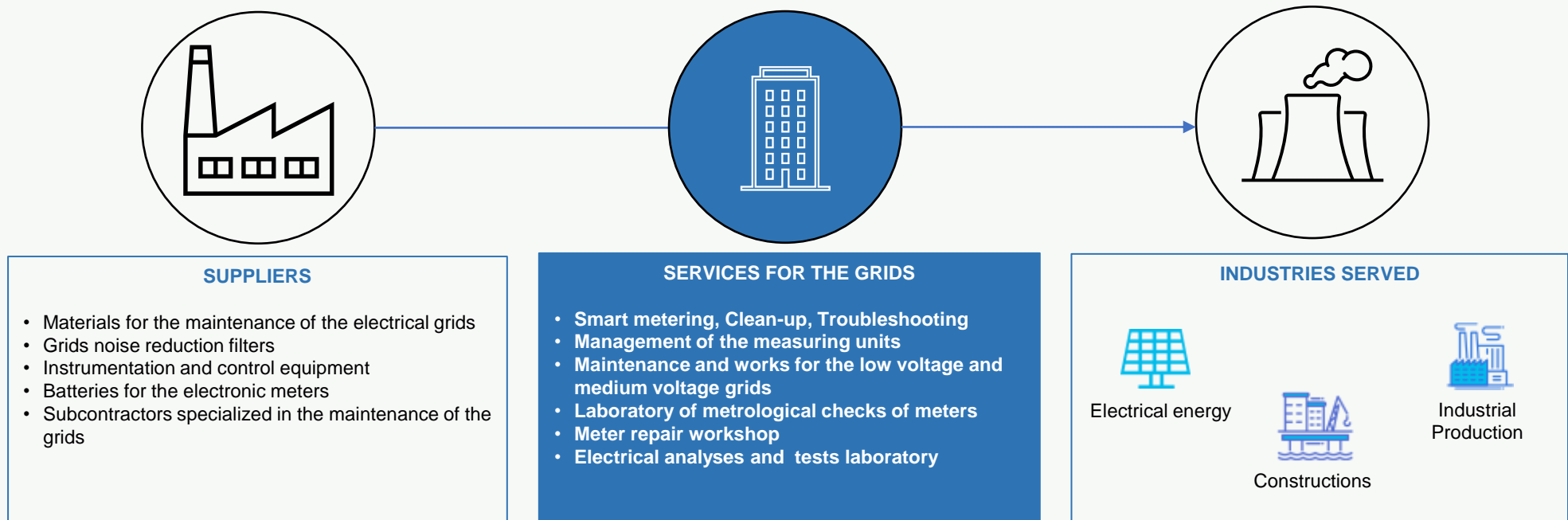


Figure no. 1 – Adrem Invest's supply chain

[continue](#)

Clients and suppliers



102-6 2019-2020

102-9

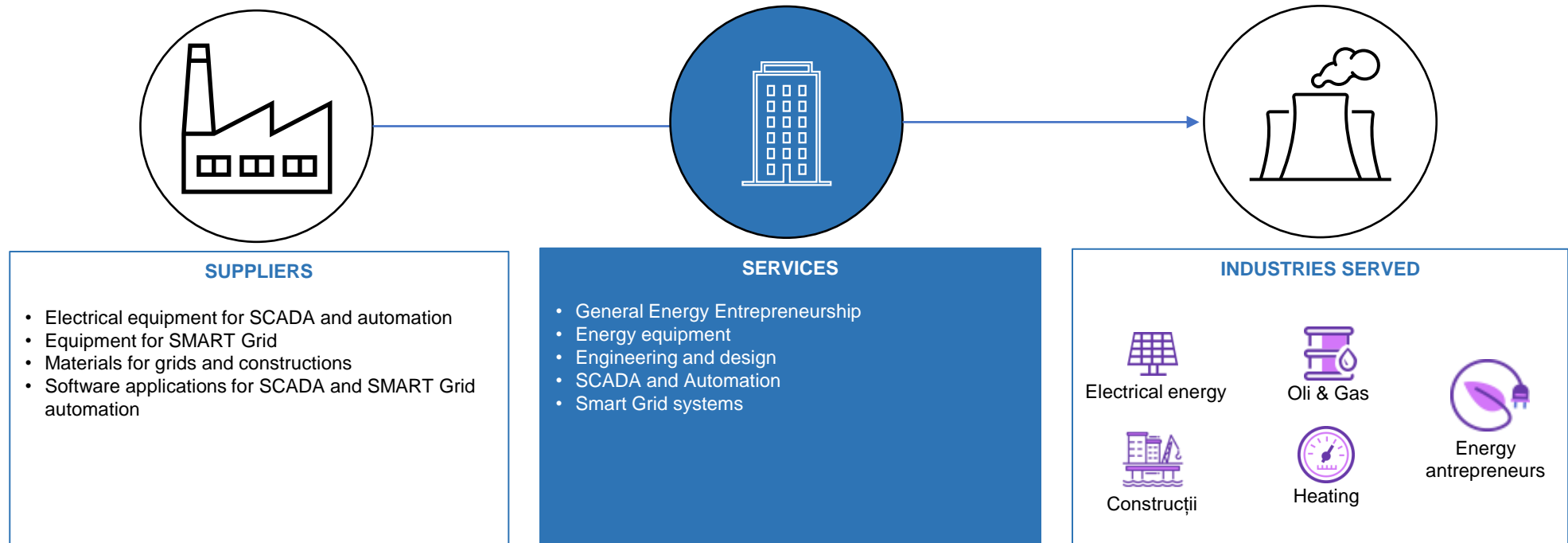


Figure no. 2 – Adrem Engineering's supply chain

[continue](#)

Clients and suppliers



2019-2020

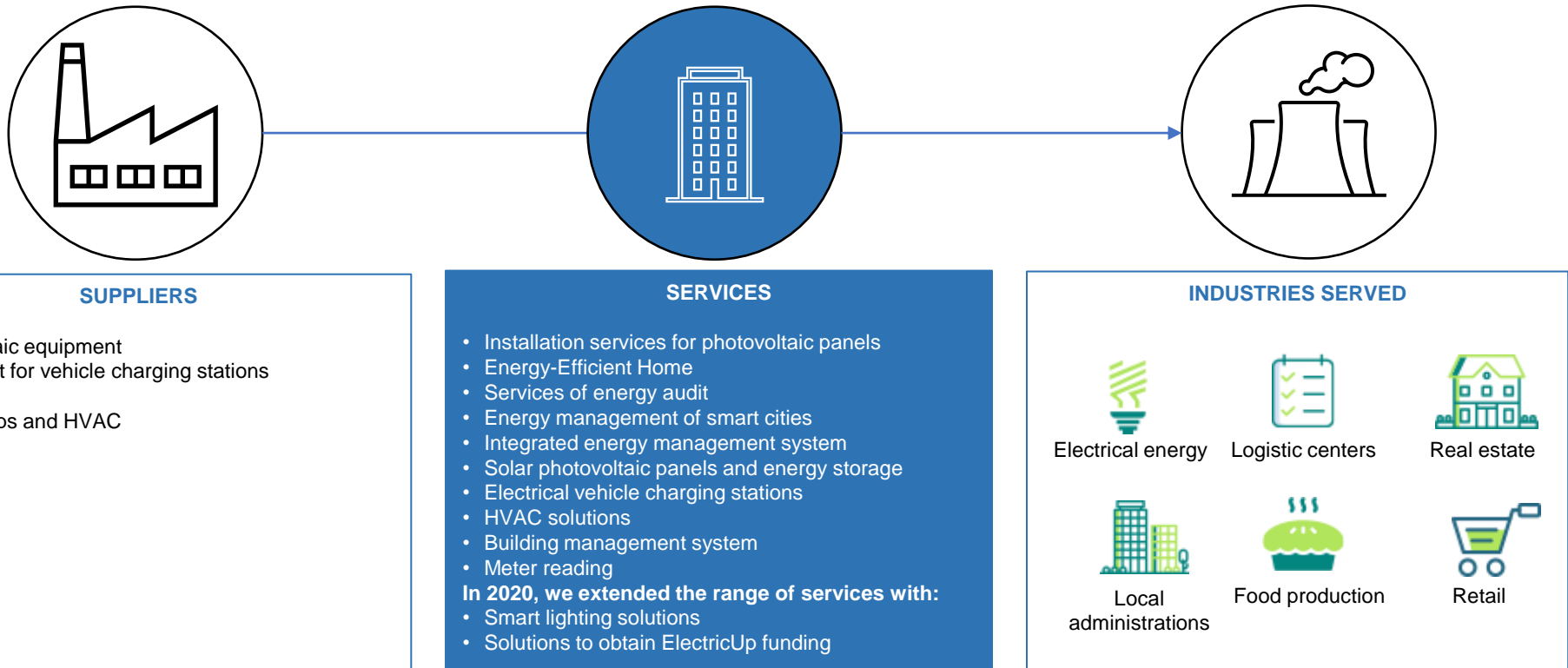


Figure no. 3 – Adrem Link's supply chain

102-10 In 2019 and 2020 there have been no significant changes in relation to the suppliers' location or to the structure of the supply chain.

Clients and suppliers

The procurement practices



103-1 Given the importance of the domain in which it conducts its activities – services in the energy field - the group believes it is essential to ensure the quality of its products and services. The Group's procurement practices play an important part in setting the quality of the products and services we provide to our clients. To this purpose the group implemented the ISO:9001 quality standard in all of its companies. Every member of the Adrem Group applies the same procurement practices in the same way.

Procurement practices have a direct impact on our management, employees, suppliers, local authorities and, last but not least, our customers.

103-2 The "Procurement Practices" are based on an operational procedure which is applied the same way by all the companies in the Adrem Group. Therefore, any type of procurement which takes place in any of the Adrem Group's companies implements and complies with the principles of the group:

- Transparency;
- Time and money efficiency;
- Performance and organization.

The procurement practices aims at designing and maintaining a uniform methodology that shall ensure that our supplied products/services are in accordance with the conditions stipulated in the respective orders and/or contracts, and that they are procured from assessed and accepted suppliers.

Thus, it is ensured an objective, fair assessment of any of our potential suppliers. The uniform application at the level of the entire Group supports a more efficient internal process and a timely initiation of the procurement procedures, in view of delivering our products/services on time, as agreed with our clients.

Another very important aspect of this activity stands for the process of assessing our suppliers, so that all Adrem's partners have ISO certification and licenses in certain key fields in order to meet our requirements. Ensuring the quality of the products and services we provide is essential for a good client relation within our mutual projects. Also, in order to constantly verify our partners' certification status, we reassess them every two years, or more frequently, according to the current procedures .

103-3 Adrem Group's procurement practices are submitted to quarterly internal audits, and annual external audits, in view of recertification.

In addition, the procedure has a series of Key Performance Indicators (KPI) which are used to assess the efficiency of our activity.

103-3 Should any procurement nonconformity occur in relation to our company's organizational procedures, corrective measures are taken in order to support our employees in solving the respective problems as quickly as possible.

During the 2019 - 2020 reference interval, the conducted audits revealed no procurement nonconformity.

Proportion of spending on local suppliers

204-1

As for our collaboration with external suppliers, the latter were selected so that our relationship be financially profitable. This is the reason behind the increase of the proportion of spending on external suppliers in 2020.

The suppliers' geographical location mostly implied collaborations with Romanian suppliers (trading companies registered in Romania).

	2019		2020	
	Furnizori locali	Furnizori externi	Furnizori locali	Furnizori externi
Adrem Invest	97%	3%	93%	7%
Adrem Engineering	83%	17%	79%	21%
Adrem Link	99%	1%	100%	0%

Table no. 1 – Proportion of spending on local suppliers

Note:

- The terms "local community" and "location of operations" refer to the Romanian territory.
- The term "local suppliers" refers to trading companies registered on the Romanian territory.

[continue](#)

Clients and suppliers



204-1

Proportion of spending on local suppliers

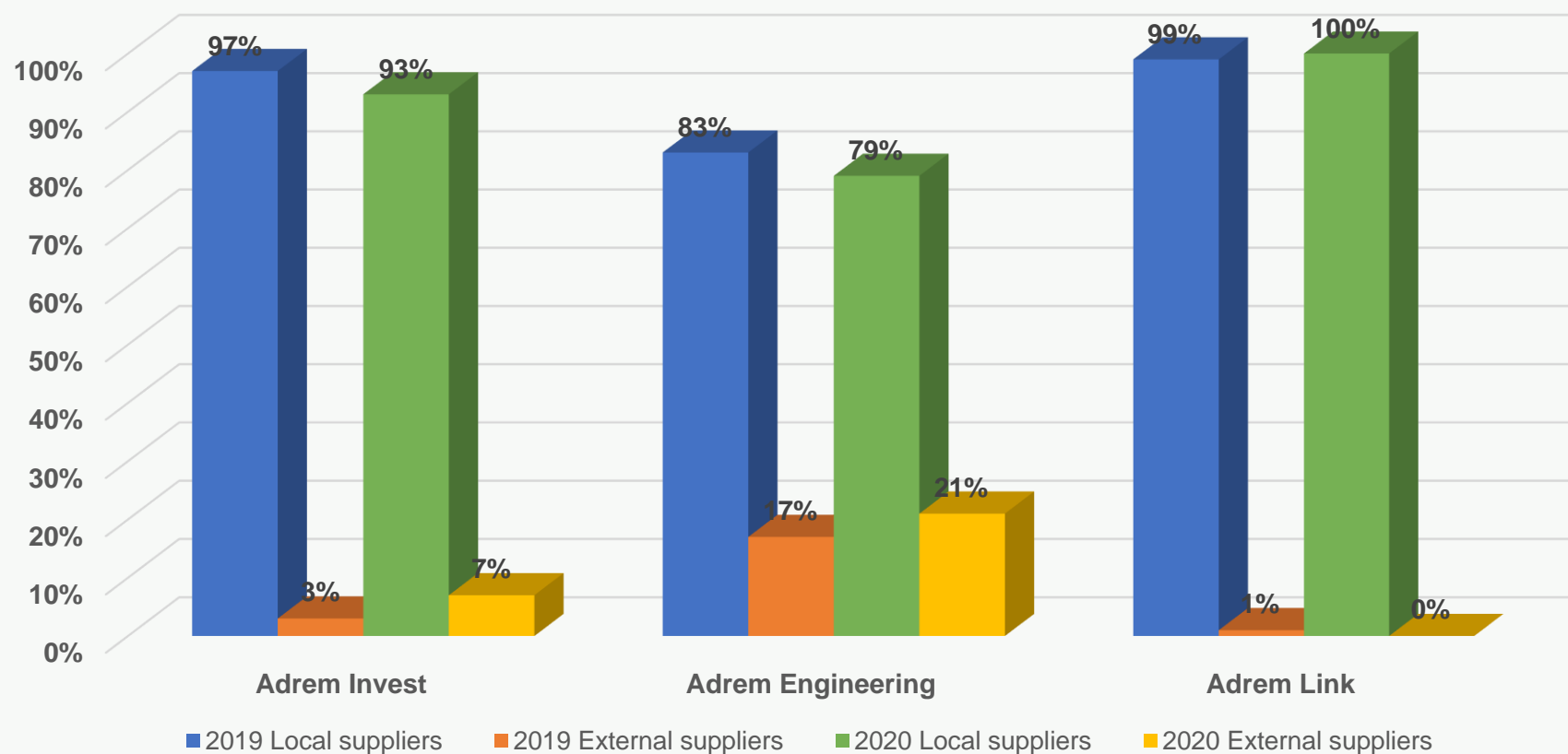


Figure no. 4 – Proportion of spending on local suppliers

Clients and suppliers

Customer Privacy



103-1

In its application of the EU Regulation no. 2016/679 and of Law no. 190/18 July 2018, the organization implemented the GDPR norms and requirements at the level of each company in the Group. Confidentiality and respect of our clients' and employees' private lives stand for one of Adrem's constant concerns, with various projects being implemented in order to comply with the current legal provisions.

Given the evolution of digital technology, which has a profound impact on private life, and the ability to store and analyze large volumes of data in order to better understand and interact with our clients and employees, at the end of 2018, the organization appointed a person in charge of the protection of personal data (DPO), who constantly ensures the existence of proper measures of security, governance and risk management in order to prevent illegal use of data or other risks of breaching security. Data Processing Officer (DPO) is in contact with the National Supervisory Authority for Personal Data Processing (NSAPDP), and with any person who has knowledge of inappropriate processing of personal data or who wants to require the exertion of the rights in the GDPR.

At the level of the Adrem Group various projects are implemented aiming at constantly improving our system of personal data protection, in the form of constant awareness campaigns targeting our employees, both online and offline, during which they learn about various topics, including the risks of failing to comply with the GDPR regulations.

We run a constant process of reviewing and improving documentation. Some of the most important goals set by the management and achieved by the DPO include:

- A detailed analysis of the personal data collected in all the processes in the entire organization;
- Updates/ new procedures, working instructions, processes, in line with the provisions of GDPR;
- New clauses added to existing contracts related to data protection and security;
- Technical and organizational norms and measures referring to the security of personal information implemented in view of eliminating the risk of unauthorized access to personal data.

The topic of "Customer Privacy" has a direct internal impact on the company's management and employees, and an external impact on customers, authorities, and it can also influence our suppliers and subcontractors. The main goal of this approach is to avoid the existence of security breaches that may have a major impact on the Group's clients, employees and collaborators.

103-2

It is the Group's vision to make decisions based on the identified risks and make every effort to avoid the materialization thereof, thus ensuring a high level of data protection. Our organization ensures the compliance with the principles of responsibility and transparency, while proving its ability to take on this responsibility. Therefore, the Group set a series of governance measures that are comprehensive, proportional with the risk, able to minimize the risk of security breaches and supportive of personal data protection. The risks related to our clients' and employees' confidentiality, including loss of clients/employees related data and confidentiality breaches are managed in an efficient, transparent way, as Adrem Group has prepared a set of policies, working instructions, procedures, etc., of personal data processing. Moreover, there are internal policies and procedures related to the data subject's notification, data protection, correct data collection, guidelines for the storage of personal data, a reporting procedure in the event of a security breach, as well as guidelines regarding the person's consent.

Our organization weighs its legitimate interest of processing personal data against the person's right to a private life. Processing can only take place if, following a risk assessment, the results of the "balancing test" are in favor of the organization's legitimate interest. Moreover, the organization conducts data protection impact assessment (DPIA) for the respective processing, especially those based on the use of new technologies, which may be likely to generate a high level of risk for all citizens' fundamental rights and liberties. Should the assessment reveal high residual risks, Adrem Group shall confer with the National Supervisory Authority (NSAPDP), in accordance with the legal requirements.

Our system of personal data protection is auditable, and it can be constantly improved. So far, the Personal Data (PD) management system has not been audited, but operational details are going to be set for an internal audit (scheduled for 2022) in view of identifying the status and effects of the measures we have implemented. Essentially, our organization ensures the implementation of a set of measures for the security, governance and proper management of personal data, while efficiently protecting such data and the relevant contents for Adrem's conformity requirements, as well as various solutions and processes enabling the identification of risks and vulnerabilities and the protection and monitoring of data.

[continue](#)

Clients and suppliers



103-2

In view of optimizing our approach and obtaining further qualified expertise, the company concluded a consultancy contract with a GDPR specialist. Also, the management allocated the necessary funds for the acquisition of specific informative materials (specialized magazines, dedicated CDs and USB memory sticks, subscription to the Data Protection Portal).

We updated our website to include a section on GDPR, consisting of information on policies, definitions, DPO's contact information, personal rights, all of which are available to the general public. This section included in our website is dedicated to informing our stakeholders of the situations and circumstances under which they can interact with our DPO for any requirements they may have in relation to the processing of personal data.

At the same time, we updated/adapted the organization's Internal Regulation and the job descriptions of those employees who process personal data, in accordance with the new requirements and approaches imposed by GDPR.

When the "Green House" program was launched (the offer of installing solar panels with funds granted by the Environment Fund Administration), Adrem conducted a Balance Test to assess our legitimate interest, as a legal basis for the processing (maintaining/retaining) of our clients' personal data.

As a result of the reorganization of the Adrem Group at the beginning of 2019, we conducted a reassessment of data processes and flows, redesigned the existing Data Map and analyzed the risks and vulnerabilities in the processing of personal data.

The implementation of the contract implying the reading of meters of household consumers involved conducting a data protection impact assessment (DPIA) in order to comply with GDPR regulations.

In 2020, the DPO communicated online to Adrem's operational sector certain required clarifications and solutions for solving specific GDPR cases.

103-3

Compliance with the laws and regulations related to the protection of personal data is particularly important for the Adrem Group, which has proactively implemented a set of preventive and reactive measures for GDPR management. These measures help continuously identify and assess risks, in view of defining a program of data protection which qualifies and implements basic processes, management of the respective person's rights, as well as proper controls, while taking into consideration the organization's specific characteristics, oriented towards target groups, and maintaining continuous measurement of employee communication and awareness.

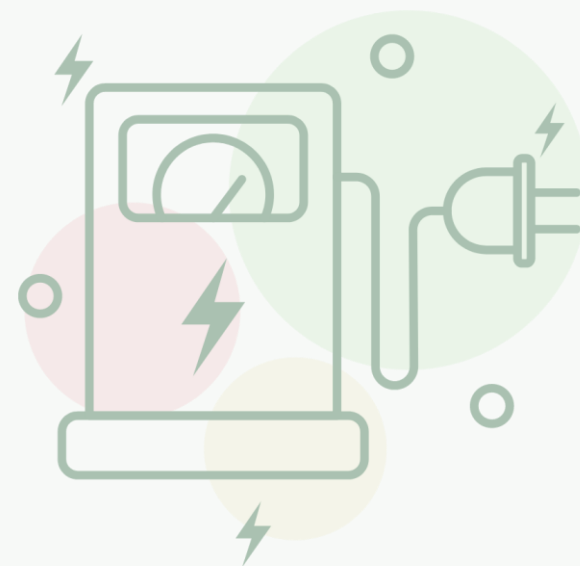
The set of measures we have implemented is intended to provide a structured,

coordinated approach, and to ensure a uniform level of data protection at the level of the entire Group, thus setting the internal regulations regarding data protection and the implementation of GDPR and other national laws referring to data protection in a concise, easy to understand, transparent manner. It simultaneously complies with GDPR responsibility requirements and mainly addresses the Group's managers and the Data Protection Officer, as well as our employees .

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

418-1

In 2019 and 2020, Adrem Group recorded no substantiated complaints/grievances in the field of GDPR, and no breaches have been identified in the security of the personal data we have processed.



8

ADREM About the report



About the report



102-50 The present document stands for the third Sustainability report of the Adrem Group, and it includes the non-financial results achieved between January 1st 2019 and December 31st 2020, by 3 of the companies which are part of the Adrem Group, namely: Adrem Invest, Adrem Engineering and Adrem Link. The term "Adrem Group", as used throughout the present report, refers to the 3 companies mentioned above.

102-54 This report has been prepared in accordance with the GRI Standards: Core option and complies with the requirements of the EU Directive on non-financial reporting 2014/95/EU and its transposition within the Romanian legislation by means of the Order of the Ministry of Public Finance no. 1938/2016 and no. 3456/2018 amending and supplementing certain accountancy regulations. Throughout the reporting process we have been assisted by our consultant, Fine Business Consulting SRL.

As set forth in the previous report, published at the beginning of January 2020, we hereby continue our biennial reporting of the results achieved by the Adrem Group in terms of sustainability.

102-51
102-52

During the reporting period there have occurred certain changes in the sustainability context, especially given the emergence of the COVID19 pandemic in 2020, which compelled us to pay increased attention to a sustained activity and to the health and security of both our employees and our customers.

Within the sustainability reporting process we conducted the following activities, assisted by 12 specialists in the field of sustainability from the Adrem Group's departments. Within the Adrem Group the activities have been performed in compliance with the reporting principles defined by the GRI Standards:

102-46



Stages of the reporting process	GRI Standards defined principles ⁽¹⁾			
	Stakeholder inclusiveness	Materiality	Sustainability context	Completeness
1. Identification and prioritization of stakeholders	✓	✓	✓	✓
2. Identification and prioritization of the topics which are most relevant to the organization	✓	✓	✓	✓
3. Consultation of the stakeholders in order to determine the relevance of the topics suggested by the company	✓	✓	✓	✓
4. Analysis of the material topics suggested by the stakeholders within the reporting cycle	✓	✓	✓	✓
5. Materiality analysis in view of determining the material topics which are going to be included in the report	✓	✓	✓	✓

In collecting the relevant data and drawing the report we have complied with the principles of quality insurance: **Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability.**

For further information regarding our results in terms of sustainability, you can contact us at our email address sustenabilitate@adrem.ro.

102-53

⁽¹⁾ The definitions of the content principles can be viewed in Annex 2 - Glossary

About the report

Identification and prioritization of stakeholders



102-42 Stakeholders prioritization criteria

During the prioritization process, the following criteria have been used:

- **Responsibility:** those stakeholders who are related to the organization by means of certain contracts and/or legal or financial policies or operational regulations;
- **Influence:** those who are able to influence the way the organization is going to achieve its objectives. This criterion includes those with formal influence (decisional factors) as well as informal, internal or external influence;
- **Proximity:** those on whom the organization relies when conducting its daily activities, as well as those who live close to the organization's headquarters;
- **Dependency:** those who are most dependent on the organization, clients who rely on the organization's products or services or suppliers for whom the organization is a major/important customer;
- **Representativity:** those who represent the key institutions in the organization's action range, such as trade unions, leaders of the local community, local politicians, etc.

Results of stakeholders prioritization / Relevance of topics to the organization

Each type of stakeholders was assessed according to the above-mentioned criteria and graded on a 1 to 3 scale, as follows:

- 1 – low relevance;
- 2 – medium relevance;
- 3 – high relevance.

In terms of value, the resulting average represents the prioritization level of the respective type of stakeholders and ranges as follows:

- Between 0 and 1.66 – low relevance;
- Between 1.66 and 2.33 – medium relevance;

- Between 2.33 and 3 – high relevance.

102-42

There have been identified 19 categories of stakeholders within the Adrem Group, belonging to 9 main classes, ranked as follows:

Categories of Stakeholders	Average	Prioritization
Employees ⁽²⁾	2.68	HIGH
Customers	2.67	HIGH
Suppliers	2.63	HIGH
Central authorities	2.50	HIGH
The local community	2.15	MEDIUM
Shareholders	2.11	MEDIUM
Local authorities	1.55	LOW
The competition	1.47	LOW
The civil society	1.43	LOW

Table no. 1 – Prioritization of the relevant stakeholders to the Adrem Group

Following the above prioritization, it has been set a list of types of stakeholders who are relevant to the Adrem Group, to be included in the consultation process in order to determine the contents of the sustainability report:

Internal stakeholders	External stakeholders
Employees	Customers
Middle management	Suppliers
Top management	Central authorities
Representatives of the trade unions	Local community
	Local authorities
	The civil society

Table no. 2 – Categories of stakeholders involved in the consultation process

102-40

(2) The "Employees" class of stakeholders encompasses the following categories: employees, middle management, top management and representatives of the trade unions;

About the report



Identification and prioritization of the material topics relevant to the organization

During the assessment process all the topics defined by the GRI Standards and by the GRI G4 Electric Utilities Sector Disclosures have been taken into consideration and evaluated by the sustainability responsables within the Adrem Group, resulting in the following prioritization:

GRI Standards	GRI topics	Organizational prioritization
GRI 201	Economic performance	10
GRI 403	Occupational health and safety	10
GRI 302	Energy	9.67
GRI 401	Employment	8.75
GRI 205	Anti-corruption	8.25
GRI 306	Waste	7.17
GRI 413	Local communities	7
GRI 402	Labor management relations	6.58
GRI 307	Environmental compliance	6.42
GRI 418	Customer privacy	6.25
GRI 204	Procurement practices	6.17
GRI 406	Non-discrimination	6.17
GRI 404	Employee training and education	4.92
GRI 407	Freedom of association and collective bargaining	4.58
GRI 405	Diversity and equal opportunity	4.25

Table no. 3 – Prioritization of the topics relevant to the company

Legend

	Economic
	Environmental
	Social



About the report

Stakeholder engagement

102-43

In view of the sustainability report preparation a stakeholder engagement process was conducted, aiming at determining the relevance of the topics suggested by the company to the sustainability report.

The consultation implied a definition of the sustainability questionnaire, which is an instrument that the stakeholders used in order to assess the relevance of certain material topics to the sustainability report drawn by the company and to suggest other points of interest from their own perspective.

Given the impact of the COVID-19 pandemic, and in view of complying with the relevant safety measures, we have adapted the consultation processes by holding professional sessions with those Adrem employees who have no available email addresses, that they can use to fill in the questionnaire.

Within the survey we have sent 538 questionnaires and collected answers from 280 of them.



Legend

	Economic
	Environmental
	Social

(3) The "Employees" class of stakeholders encompasses the following categories: employees, middle management, top management and representatives of the trade unions.

Relevance of topics to the external stakeholders

102-44

The consultation procedure resulted in the following prioritization of the material topics suggested by the organization:

GRI Standards	Relevant topics	Stakeholders assessment average	Categories of stakeholders
GRI 403	Occupational health and safety	9.65	Sub-contractors, Employees ⁽³⁾ , Customers
GRI 205	Anti-corruption	9.62	Suppliers, Sub-contractors, Employees
GRI 401	Employment	9.49	Employees, Suppliers, Sub-contractors
GRI 402	Labor management relations	9.46	Employees, Suppliers, Customers
GRI 406	Non-discrimination	9.43	Employees, Customers, Suppliers
GRI 407	Freedom of association and collective bargaining	9.39	Sub-contractors, Employees, Customers
GRI 404	Employee training and education	9.36	Employees, Customers, Suppliers
GRI 204	Procurement practices	9.35	Sub-contractors, Employees, Suppliers
GRI 307	Environmental compliance	9.30	Employees, Customers, Sub-contractors
GRI 306	Waste	9.28	Employees, Customers, Sub-contractors
GRI 418	Customer privacy	9.21	Customers, Employees, Suppliers
GRI 405	Diversity and equal opportunity	9.18	Employees, Customers, Suppliers
GRI 201	Economic performance	9.15	Employees, Sub-contractors, Suppliers
GRI 302	Energy	9.12	Employees, Suppliers, Customers
GRI 413	Local communities	9.07	Employees, Suppliers, Customers

Table no. 4 – Prioritization of topic relevance for each category of stakeholders

About the report



The materiality analysis

102-46

In view of determining the contents of the sustainability report, the analysis of each topic was based on internal factors (prioritization of the material topics) and external ones (assessment by the external stakeholders resulting from the current consultation procedure), generating a materiality matrix defined on two coordinates:

- Significance of economic, environmental and social impacts established following the internal analysis of the organization;
- Influence on stakeholder assessments & decisions established following their consultation.

The Materiality Matrix

102-46

The materiality matrix of the Adrem Group was consequently drawn up, as a result of stakeholder consultations. The matrix is shown below:

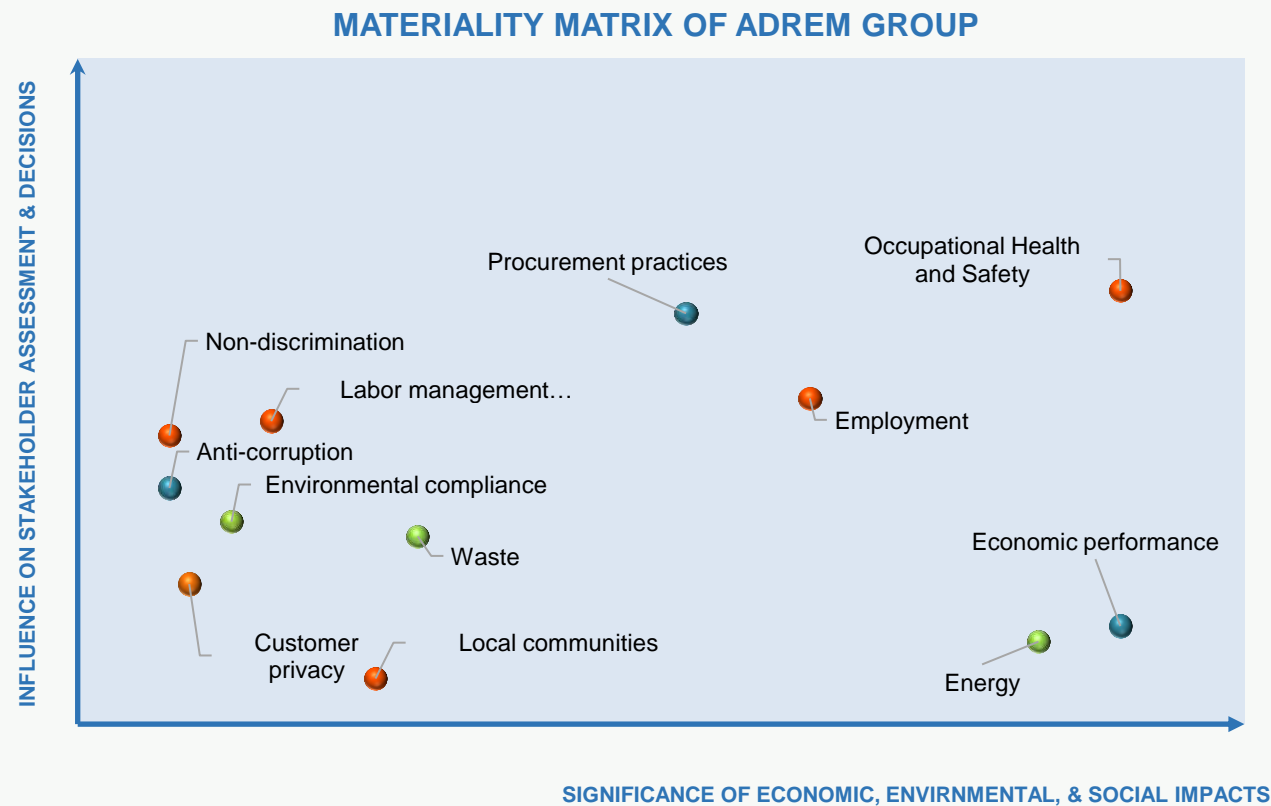


Chart no. 1 – The materiality matrix

About the report



Material topics suggested by the stakeholders

102-44 The topics suggested by the stakeholders were related to certain topics defined by the GRI Standards, in correlation to them and to the list of topics set forth for consultation, resulting in the following situation:

Crt. no.	Topics suggested by the stakeholders	Percent	corelation to the GRI Standards	Types of stakeholders who find this topic to be relevant	Correlation with the list of topics already suggested by the company	Observations
1	WAGES AND BENEFITS	14%	GRI 201	Employees	Already on the consultation list	This material topic is reported
2	ENVIRONMENT	11%	GRI 307 GRI 302	Employees, Suppliers	Already on the consultation list	This material topic is reported
3	WASTE	11%	GRI 306	Employees, Customers	Already on the consultation list	This material topic is reported
4	LOCAL COMMUNITIES	10%	GRI 413	Employees, Customers, The civil society	Already on the consultation list	This material topic is reported
5	TRANSPARENCY OF COMMUNICATION	8%	GRI 102-43	Employees	Already on the consultation list	This material topic is reported
6	PROCUREMENT PRACTICES	5%	GRI 204	Employees, Sub-contractors, Customers	Already on the consultation list	This material topic is reported
7	ENVIRONMENTAL PROTECTION	5%	GRI 413	Employees, Customers	Already on the consultation list	This material topic is reported

Table no. 5 – Analysis of the topics proposed by the stakeholders

Legend

	Economic
	Environmental
	Social

102-44 The topics suggested by the stakeholders totally coincide with those suggested by the company, being a different expression of the same aspects. This can only be a confirmation of the fact that the list suggested by the organization is also relevant to its stakeholders.

About the report



102-46 The material topics and Boundaries

102-47 Following the entire process of defining the contents of the sustainability report, the list of material topics and their boundaries is the one shown below:

Field	GRI Standards	Relevant topics	MATERIAL TOPICS BOUNDARIES (Where occurs the impact)							
			Inside of the company		Outside the company					
			Employees	Management	Customers	Suppliers	Local authorities	Central authorities	Local communities	The civil society
ECONOMIC	GRI 201	Economic performance								
	GRI 204	Procurement practices								
	GRI 205	Anti-corruption								
ENVIRONMENTAL	GRI 302	Energy								
	GRI 306	Waste								
	GRI 307	Environmental compliance								
SOCIAL	GRI 401	Employment								
	GRI 402	Labor management relations								
	GRI 403	Occupational health and safety								
	GRI 406	Non-discrimination								
	GRI 413	Local communities								
	GRI 418	Customer privacy								

Table no. 6 – Material topics and their Boundaries

Legend

	Economic
	Environmental
	Social

Annex 1- GRI Content Index
Annex 2 - Glossary

ADREM
Annexes



Annex 1 – GRI Content Index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the English version of the report.



MATERIALITY DISCLOSURES SERVICE

2021

102-55

GRI Standard	Disclosure	Page number and direct answers	Omission
GRI 101: Foundation 2016			
GENERAL DISCLOSURES			
GRI 102 General Disclosures 2016	102-1 Name of the organization	6	---
GRI 102 General Disclosures 2016	102-2 Activities, brands, products, and services	6	---
GRI 102 General Disclosures 2016	102-3 Location of headquarters	6	---
GRI 102 General Disclosures 2016	102-4 Location of operations	6	---
GRI 102 General Disclosures 2016	102-5 Ownership and legal form	6,20	---
GRI 102 General Disclosures 2016	102-6 Markets served	6,7,13,61-63	---
GRI 102 General Disclosures 2016	102-7 Scale of the organization	15, 28-29	---
GRI 102 General Disclosures 2016	102-8 Information on employees and other workers	28-29	---
GRI 102 General Disclosures 2016	102-9 Supply chain	61-63	---
GRI 102 General Disclosures 2016	102-10 Significant changes to the organization and its supply chain	8,25,29, 63	---
GRI 102 General Disclosures 2016	102-11 Precautionary Principle or approach	13	---
GRI 102 General Disclosures 2016	102-12 External initiatives	9	---
GRI 102 General Disclosures 2016	102-13 Membership of associations	8	---
GRI 102 General Disclosures 2016	102-14 Statement from senior decision-maker	3-4	---
GRI 102 General Disclosures 2016	102-16 Values, principles, standards, and norms of behavior	18	---
GRI 102 General Disclosures 2016	102-18 Governance structure	19-20	---
GRI 102 General Disclosures 2016	102-40 List of stakeholder groups	70	---
GRI 102 General Disclosures 2016	102-41 Collective bargaining agreements	31	---
GRI 102 General Disclosures 2016	102-42 Identifying and selecting stakeholders	70	---
GRI 102 General Disclosures 2016	102-43 Approach to stakeholder engagement	72	---
GRI 102 General Disclosures 2016	102-44 Key topics and concerns raised	72,74	---
GRI 102 General Disclosures 2016	102-45 Entities included in the consolidated financial statements	16	---

[continue](#)

Annex 1 – GRI Content Index



102-55

GRI Standard	Disclosure	Page number and direct answers	Omission
GENERAL DISCLOSURES			
GRI 102 General Disclosures 2016	102-46 Defining report content and topic Boundaries	69,73,75	---
GRI 102 General Disclosures 2016	102-47 List of material topics	75	---
GRI 102 General Disclosures 2016	102-48 Restatements of information	No information in our previous report requires reformulation.	---
GRI 102 General Disclosures 2016	102-49 Changes in reporting	Compared to the previous reporting period, there were no significant changes in the list of material topics and their boundaries.	---
GRI 102 General Disclosures 2016	102-50 Reporting period	69	---
GRI 102 General Disclosures 2016	102-51 Date of most recent report	69	---
GRI 102 General Disclosures 2016	102-52 Reporting cycle	69	---
GRI 102 General Disclosures 2016	102-53 Contact point for questions regarding the report	69	---
GRI 102 General Disclosures 2016	102-54 Claims of reporting in accordance with the GRI Standards	69	---
GRI 102 General Disclosures 2016	102-55 GRI content index	77 - 82	---
GRI 102 General Disclosures 2016	102-56 External assurance	This sustainability report has not been externally assured but we are considering this opportunity for the future.	---
SPECIFIC STANDARD DISCLOSURES			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	14	---
	103-2 The management approach and its components	14	---
	103-3 Evaluation of the management approach	14	---
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	14	---
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	15	---
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	64	---
	103-2 The management approach and its components	64	---
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Non-discrimination			
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	59	---

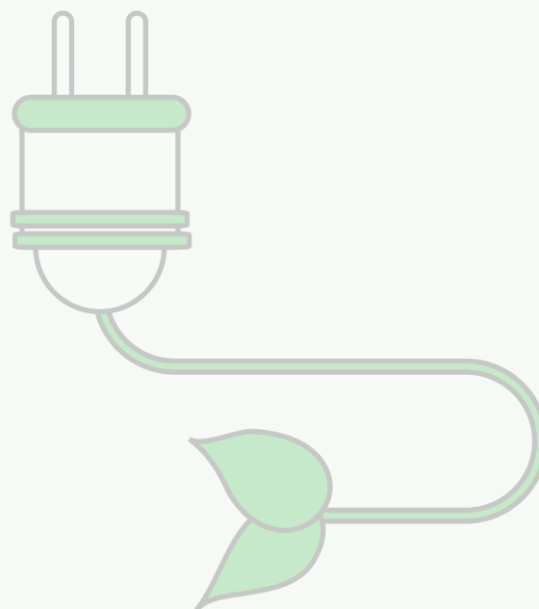
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GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	67	---



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Abbreviation	Term	Definition
NERA	National Energy Regulatory Authority	www.anre.ro
NSAPDP	The National Supervisory Authority For Personal Data Processing	www.dataprotection.ro
RAPEE	The Romanian Association for the Promotion of Energy Efficiency	https://arpee.org.ro/
RAWUT	Romanian Association for Working under Tension	http://www.smartsb.ro/alstr/
RECA	Romanian Energy Center Association	https://www.crenerg.org
GURI	General Union of Romanian Industrialists	https://ugir-1903.ro/en/index.php
	Topic	Economic, environmental or social aspect.
	Material topic	Topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders.
CBA	Collective bargaining agreement	The collective bargaining agreement is the agreement concluded in writing between the employer or the employing organization, on one hand, and employees, represented by trade unions or otherwise provided by law, on the other hand, which establishes clauses concerning working conditions, payment, as well as other rights and obligations arising from the labor relations.
CEO	Chief Executive Officer	
CFO	Chief Financial Officer	
COO	Chief Operational Officer	
PL	Parental leave	Childcare leave
	Full Time Contract	Full-time employment contract
EC	Employment contract	The employment contract is the contract under which a natural person, called an employee, undertakes to perform work for and under the authority of an employer, natural or legal person, in exchange for a remuneration called a salary
	Part Time Contract	Part-time employment contract
COHS	Committee on Occupational Health and Safety	It aims to ensure the involvement of employees in the development and implementation of decisions in the field of occupational safety.
PD	Personal data	Personal data is any information that relates to an identified or identifiable natural person. The various pieces of information that may lead to the identification of a particular person also represent personal data.
DPO	Data Processor Officer	Person responsible for data protection that ensures compliance with the provisions of the GDPR within the organization.
DPIA	Data Protection Impact Assessment	Assessment of data protection impact. Given the nature, scope, context and purposes of the processing, if a type of processing, in particular the one based on the use of new technologies, is likely to pose a high risk to the rights and freedoms of natural persons, the controller performs, before processing, an assessment of the impact of the intended processing operations on the protection of personal data.

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Abbreviation	Term	Definition
PPE	Personal Protective Equipment	Personal Protective Equipment (PPE) includes any type of equipment that is intended to be used by workers in order to protect them from occupational health and safety hazards.
	General Disclosures	Represent disclosures of the sustainability report that provide a description of the organization and of the reporting practices (defined within the GRI 102: General Disclosures Standard).
GDPR	General Data Protection Regulation	The General Data Protection Regulation is a European Union privacy and security law that imposes obligations onto organizations anywhere, so long as they target or collect data related to people in the EU.
GRI	GRI	It represents an independent, reference international sustainability reporting standards that helps companies, governments or other organizations understand and report concerning their impacts in areas such as global warming, human rights or corruption.
SDG	Sustainable Development Goal	The sustainable development goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call for action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs, defined in the 2030 UN Agenda, are integrated - they admit that the action in one area will affect the results in another and that the development must balance social, economic and environmental sustainability (www.sdg.un.org).
	GRI Standards	The world's most widely used standards for sustainability reporting defined by GRI. (https://www.globalreporting.org)
HR	Human Resources	Human Resources
	Impact	Unless otherwise specified, the term "impact" refers to a significant economic, environmental or social effect, which may be: positive, negative, real, potential, short-term, long-term, direct, indirect, intentional or unintentional.
KPI	Key Performance Indicators	Important performance indicators
	Topic Boundary	Description of where the impacts occur for a material topic, and the organization's involvement with those impacts.
PCR	Polymerase Chain Reaction	Type of test for Sars-Cov-2 virus.
	Reporting principles	Concept that describes the expected results of the report and guides the decisions made during the reporting process around report content or quality.
	Principle of Stakeholder Inclusiveness Principle	The reporting organization shall identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.
	Principle of Materiality	The report shall cover topics that reflect the reporting organization's significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders.

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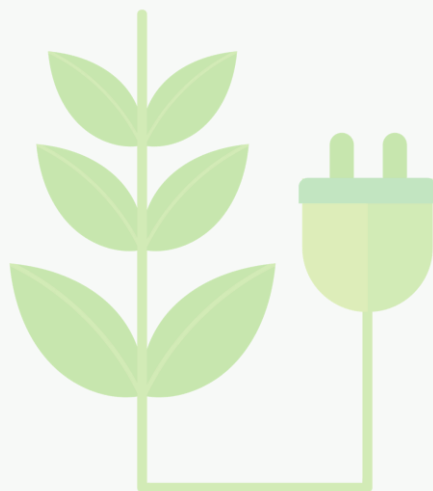
Abbreviation	Term	Definition
	Principle of Sustainability Context	The report shall present the reporting organization's performance in the wider context of sustainability.
	Principle of Completeness	The report shall include coverage of material topics and their Boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period.
IR	Internal regulation	The internal regulation is a legal document of the employer, prepared while consulting the union or the employees' representatives, by which a series of rules are set out, mainly disciplinary, applicable at the workplace.
ROO	Regulation of organization and operation	The internal document of a legal person which establishes, according to the legal provisions, its general structure, the working departments - production or functional - (workshop, section, factory, office, service, management, department, etc.) and their duties, cooperation among them, the relations with the management of that respective legal person.
OHS	Occupational Health and Safety	Set of activities aimed at ensuring the optimal conditions in the development of the working process, defense of health, bodily integrity and life of workers and other persons engaged in the working process.
ES	Emergency situations	<p>Exceptional, non-military events that threaten the life or health of the person, the environment, material and cultural values, and the restoration of normalcy requires the adoption of urgent measures and actions, the allocation of specialized resources and the unitary management of the forces and means being involved.</p> <p>From an organizational point of view, it is a sudden, unexpected and disruptive event that threatens to cause major disruption among the organization or its stakeholders.</p>
	Stakeholders	Entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives. It include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization. Stakeholders can include those who are invested in the organization (such as employees and shareholders), as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others).

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Abbreviation	Term	Definition
ISO 9001	SR EN ISO 9001:2015	Standard of the International Organization for Standardization establishing the Quality Management System that defines how an organization operates to meet the requirements of customers and stakeholders.
ISO 14001	SR EN ISO 14001:2015	Standard of the International Organization for Standardization establishing an environmental management system.
ISO 45001	SR EN ISO 45001:2018	Standard of the International Organization for Standardization establishing an occupational health and safety management system
ISO 27001	SR EN ISO 27001:2013	Standard of the International Organization for Standardization establishing a management system for information security and demonstrating the commitment to the protection of processed data, business continuity and compliance with national and international legislation in the field.





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