



Environmental and Social Environmental and Social Non- Technical Summary

Premier Energy Distribution, Moldova

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Acronyms and Abbreviations

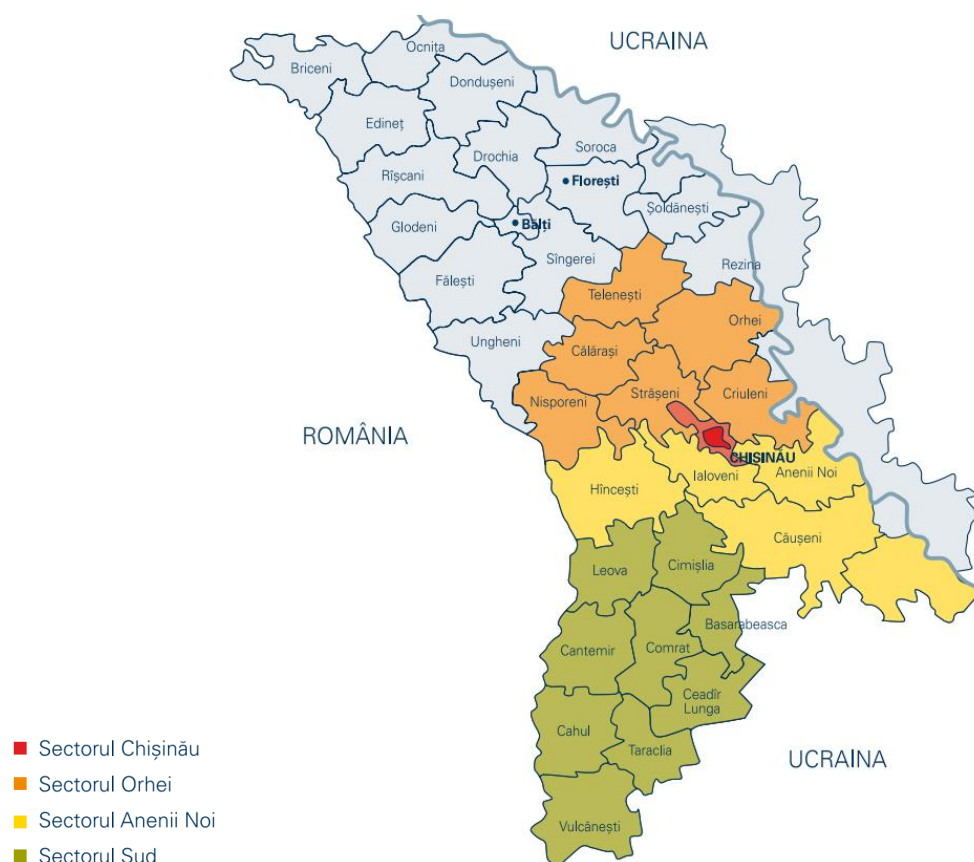
ANRE	The National Agency for Energy Regulation of the Republic of Moldova
DSO	Distribution System Operator
E&S	Environmental and Social
GHG	Greenhouse Gases
HV	High-Voltage
LV	Low-Voltage
LRF	Livelihood Restoration Framework
MV	Medium-Voltage
OHS	Occupational Health & Safety
PCB	Polychlorinated Biphenyls
SEP	Stakeholder Engagement Plan

1. ABOUT PREMIER ENERGY DISTRIBUTION

ICS Premier Energy Distribution (the Company) is the largest and solely privately owned electricity distribution system operator (DSO) in Moldova. The Company serves approximately 70% of the Country territory including the capital Chisinau and 21 districts (of the 37 total) in the central and southern Moldova.

Geographically, the operations are grouped in 4 sectors including Chisinau, Orhei, Anenii Noi and South Sectors as shown in figure below.

Figure 1 Premier Energy Distribution Operation Areas



The Company is the successor of the former state-owned distribution system operators which were privatised in 2000. In 2019 the Company was taken over through acquisition by Duet Private Equity Limited and operates under Premier Energy Distribution name starting with December 2019.

Currently the Company operates the following main facilities:

- 110-35 kV Transformer Stations: 95 units (including 170 Transformer units of 110-35 kV);
- 1,802 km of overhead High-Voltage (HV) (110-35 kV) distribution lines;
- 1 km of underground High-Voltage (HV) (110-35 kV) distribution lines;
- 10-6 kV Transformer Substations: 7814 units (including 9349 Transformer units of 10-6 kV);
- 12,768 km of overhead Medium-Voltage (MV) (10-6 kV) distribution lines;
- 1,792 km of underground Medium-Voltage (MV) (10-6 kV) distribution lines;

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- 17,592 km of overhead Low-Voltage (LV) (0.4 kV) distribution lines, and
 - 1,687 km of underground Low-Voltage (LV) (0.4 kV) distribution lines.

The Company also operates a central warehousing facility at the Company Headquarters in Chisinau and an electric meters laboratory unit located in Chisinau as well and a number of smaller warehousing units throughout Moldova.

As all equipment maintenance activities were externalised since 2012, the Company does not operate any electrical equipment maintenance workshops.

The 2021-2025 Investment Programme

The investment programmes implemented by the Company comprise investments that can generally be grouped in two main categories:

- mandatory investments, i.e. distribution system extensions subject to regulator's (ANRE, The National Agency for Energy Regulation) approval, and
- system rehabilitation and upgrade investments.

The system extensions are implemented based on the programs established for 3 years. The investment planning is performed on annual basis, in response to the needs for intervention in the electrical installations and the pre-established mandatory investments. Therefore investment planning is performed on annual basis, in response to the needs for intervention in the electrical installations and the pre-established mandatory investments (as per the 3-years development plan).

2. HOW IS THE COMPANY ADDRESSING THE ENVIRONMENTAL AND SOCIAL ASPECTS OF THEIR OPERATIONS AND PROJECTS?

2.1 Assessment and Management of Environmental and Social Impacts

The Company operations are based on a management system certified for Quality, Environment and Occupational Health and Safety in line with the ISO standards (internationally-recognised set of standards guiding the management of indicated aspects in line with the good practice).

The Company allocates resources and staffing, developed processes and procedures aimed at managing on ongoing basis the environmental and social impacts of the operations and those associated with the projects implementation. These organizational aspects are revised periodically and any required adjustments implemented as a continual improvement process ensured by the above-indicated management system.

Premier Energy Distribution assesses the Environmental and Social impacts of the projects implemented Premier Energy Distribution as required by the national regulations.

The projects implemented by the Company fall within two broad categories:

- Rehabilitation of existing infrastructure, and
- Extension of electrical infrastructure for connection of new consumers.

Existing infrastructure rehabilitation is associated with relatively small-scale works at the existing facilities, and typically not associated with significant environmental impacts.

The environmental and social impacts associated with the electrical infrastructure extensions are typically assessed by the projects promoters (for example municipalities or private entities initiating the projects). This assessment is done at the design and permitting stages of these projects. Once permitted, Premier Energy Distribution takes over these projects and implements them through long-term, trusted contractors.

To ensure the potential E&S risks and impacts are adequately managed during the execution of both the ongoing infrastructure rehabilitation and of the infrastructure extension projects, the Company has defined a set of standard E&S requirements and procedures and supervises their implementation by the contractors.

These requirements and procedures address the environmental and the health and safety aspects of the infrastructure rehabilitation works and of the extension projects. Implemented E&S management procedures include among others coordination/inspection/supervision of requirements and standards implementation, staff training requirements, incidents classification and investigation etc.

These requirements and procedures are communicated for implementation by the contractors and available on the Company's website: [Norme tehnice ale angajamentului de securitate și sanatate | Premier Energy Distribution](#).

Premier Energy Distribution will continuously review and update these procedures (as required according to the management system implemented and in line with the good industry practice) and will maintain the webpage to include the up-to-date procedures.

To further improve the management of E&S risks and impacts associated with the Company projects, in addition to the above-indicated standardised E&S management approach, the Company will implement a screening process for network extension investments so that, before starting works execution, each project is analysed for its potential risks and impacts. This will allow, further to the assessment performed by the project initiators as part of the permitting process, identification and definition by the Company of any site-specific E&S mitigation measures to be implemented, if needed, by contractors during projects works execution, on case-by-case basis. This screening process will enable improvement of contractors' supervision and environmental management during projects execution.

Further, the Company will perform a detailed Needs and Capabilities Analysis to determine any organizational setup adjustments that may be needed and confirm adequacy of staff resources to address the E&S issues associated with Company operations and projects implementation. The analysis will inform on any organizational setup adjustments aiming at the further optimization of the Company's environmental and health and safety and social management processes.

2.2 Labour and Working Conditions

The Company's human resource policy is in line with the national labour legislation. In addition to national legislation, The Company has also developed a set of overarching policies providing the framework for implementing these principles throughout the organization and in all operations. These policies include:

- The Code of Ethics;
- Human Rights Policy;
- Anti-Corruption Policy;
- CSR Policy

The Company documents and communicates the workers their rights, in line with applicable legal requirements, through a number of channels including:

- Employment Contracts defining the working relationship and stipulating the rights and obligations if both the employer and the employee, in line with the Labour Code of Republic of Moldova;
- Intranet/e-mail notifications and corporate newspapers;
- Management meetings.

Premier Energy Distribution's Human Rights Policy includes specific provisions regarding prohibition of child and forced labour.

The Company applies the non-discrimination and equal opportunity in employment principles. Employment decisions and employment relationship are based strictly on equal opportunity and fair treatment principles without discrimination based on personal characteristics as gender, nationality, political opinion, ethnicity, religion etc. While there is a discrepancy between number of female and male employees (male staff number is approximately 4.5 times the number of female employees), this is explained by the industry specifics.

The Human Rights Policy and the Collective Work Agreement refer to non-discrimination, anti-harassment, maternity support, prohibition of child and forced labour. Premier Energy Distribution shows commitment to ensuring a non-discriminatory work environment and has a zero-tolerance policy to harassment, intimidation and violence in all its forms, including gender-based violence.

These key Company principles also apply to indirect workers. Premier Energy Distribution developed a Contractor Code of Ethics that explicitly prohibits forced and child labour as well as any form of harassment and discrimination. The Code is available on the company website, alongside other contractor standards and requirements: [Codul etic | Premier Energy Distribution](#)

Premier Energy Distribution recognizes the value of collective bargaining as a favoured instrument for determining the contractual conditions of its employees as well as facilitating the relationship between management and the workforce, with a focus of non-discriminating employees that are not represented by any union. Employees have the right to apply for union membership, on a voluntary basis. Within the Company, there is an active Labour Union, representing approximately 47% of the total employees and a Collective Work Agreement is in place.

Internal Regulations and the Collective Work Agreement provide a framework for and indicate the steps an employee needs to take to raise a complaint.

To further formalise this process and to provide a clear procedure for raising a workplace-related concerns, the Company will develop and implement a Worker Grievance Procedure in line with the good international practices.

2.3 Resource Efficiency and Pollution Prevention and Control

Main resource efficiency indicator associated with the Company's activity is represented by the energy distribution losses. The Company is continually investing and implemented a program of rehabilitation and upgrade of existing infrastructure aimed at reducing distribution losses, hence increasing energy efficiency of the operations. Also, the Company implemented a Resource Efficiency Management Procedure which addresses resources efficiency aspects including consumption of energy, water, natural gas, thermal agent etc.

The above are part of the overall effort to reduce the greenhouse gasses (GHG) emissions and to contribute to climate change mitigation as part of the Company's corporate social responsibility undertakings. Company's operations are not associated with major environmental contamination sources. However, as a part of the equipment and infrastructure was built during 1980's and earlier, in addition to permanent maintenance works through OPEX and to the ongoing rehabilitation and upgrade programme of its electrical distribution system, the Company is also addressing the potential environmental contamination aspects associated with the old infrastructure and equipment.

In this regard, Premier Energy Distribution implemented a program aimed at removing from operation the equipment containing polychlorinated biphenyls (PCB). PCBs are highly carcinogenic chemical compounds subject to strict regulation and gradual, controlled removal. Given the extended infrastructure and large number of equipment in operation, the Company initiated this program as early as 2009 with an inventory and sampling campaign aimed at identifying which pieces of equipment contain PCB. Following this inventory programme extended over 6 years, Premier Energy Distribution started the gradual removal from operation of this equipment and its disposal through specialised companies. Currently this ambitious programme is at its final stages. All PCB-containing equipment was removed by now from operation. The only few pieces of such equipment still in storage will be delivered for final disposal to specialised companies during the 2023.

The Company is also aware that the transformer oil recovery and storage facility in operation at its headquarter site in Chisinau, may potentially represent a source of soil and groundwater contamination. Premier Energy Distribution will therefore investigate this aspect through a specialised soil and groundwater study. In case any contamination would be confirmed, the Company will implement the remediation measures required.

Premier Energy Distribution will also review the wastes management practices and will adjust them if necessary, in line with the best industry practices.

2.4 Health, Safety and Security

The Company implemented a set of procedures addressing health and safety risks associated with the Company's operations and activities in line with the regulatory requirements and recommendations provided by external safety consultant.

These processes aimed at ensuring safe working conditions to all staff and contractors and include the following:

- the identification and periodical revision of Occupational Health and Safety (OHS) risks associated with each job position;
- provision of appropriate personal protective equipment (PPE) to all its employees as needed based on job specifics;
- performing OHS inspections at all operational facilities based on an inspection plan defined on annual basis;

- documenting any deviations from Company procedures and implementation of required remedial actions (including actions to prevent reoccurrence);
- delivery of OHS training to all staff, according to a training programme, and tailored to the needs of the job positions.

Procedures defining the course of action during all types of emergency situations are also in place and the Company staff is permanently trained in their implementation.

Premier Energy Distribution has dedicated procedures for safety incidents and accidents notification, investigation, classification and reporting. These procedures ensure that both the workplace incidents and accidents (involving own Company and contractors staff) as well as those associated with third parties (for example due to breaches of protection areas around electrical installations or because of access into Company facilities).

Incidents and accidents are recorded and reported as part of the Company statistics and tracked based on a set of defined Key Performance Indicators (KPIs). These records indicate some punctual serious and very serious accidents involving both Company or contractor staff and a relatively high occurrence of incidents and accidents related to vehicle traffic accidents and to community members and, despite the above-indicated management processes and resources put in place by the Company.

Serious workplace incidents and accidents recorded are associated with the high risk tasks associated with the Company's activities, including work at height and electrical works. Vehicle traffic accidents involving Company staff and contractors have also very high incidence. The accidents involving community members are the result of direct contact with live power facilities mainly due to unauthorised access to Company infrastructure.

To address these issues Premier Energy Distribution will define and implement a program of measures to reduce the occurrence incidents involving Company staff and third parties, including, but not limited to, measures such as regular risk assessments, field safety management planning, enhancing practical training sessions for high-risk works, improving field works supervision, assessing transportation routes and sensitivities, providing defensive driving courses to all relevant employees among other risk management activities.

2.5 Land Acquisition, Involuntary Resettlement and Economic Displacement

As the largest distribution system operator in the Republic of Moldova, Premier Energy Distribution operates an extensive distribution network, most of which developed during soviet times under a significantly different land tenure context. While most assets are located on public land, a limited number of electrical infrastructure elements are still located on third-party private properties.

Whenever possible and feasible, as part of the electrical infrastructure rehabilitation and upgrade, the Company is actively working towards moving existing infrastructure elements from the private properties to the public domain.

The Company also makes best efforts to minimise damages to third-party properties and to agricultural land. For example whenever possible, construction works or planned interventions to existing infrastructure located on agricultural land are scheduled after the harvest of the affected land.

For the cases when avoidance of such damages is not possible (e.g. in the case of unplanned works and interventions to remediate an incident), losses incurred by the land owners or land users are evaluated and compensated according to the legal requirements, via a negotiated contract with the respective land owner or land user. The Company will ensure that the damage prevention and compensation procedure is known to its stakeholders.

2.6 Biodiversity Conservation

The Company adopted a series of commitments and mitigation measures aimed at minimising the impacts on biodiversity as result of ongoing operational activities and from projects implementation.

Typical mitigation measures implemented in relation to biodiversity conservation include among others banning pesticides use for vegetation maintenance at Company's facilities and exclusive use of mechanical methods for vegetation mowing and for tree branches trimming along the power lines corridors as well as adequate removal and management of vegetation maintenance wastes. To compensate for the impacts associated with the trees branches trimming (mandatory measure for operational safety reasons), the Company organises trees planting campaigns in cooperation with local authorities.

The Company is also managing bird interactions with the electrical infrastructure based on a procedure setting requirements regarding avoidance of planned maintenance works execution during birds nesting season at infrastructure accommodating bird nests as well as measures required during nests identification and removal works and interventions addressing incidents.

Premier Energy Distribution also initiated and implements a programme for installation of devices to prevent birds' electrocution on the poles of the overhead high-voltage power lines.

As approximately 260 km of electrical distribution lines are located adjacently to or within protected areas, for each new extension project implemented by the Company will determine whether it interferes with the natural protected areas. In the case of those projects located in protected areas, will notify and consult the environmental authorities on the level of environmental assessment required, in line with the national regulatory provisions and in order to mitigate the risks of works in sensitive areas.

2.7 Cultural Heritage

Company project works associated with potential cultural heritage risks and impacts are linked with projects involving excavation works. Cultural heritage risks are therefore primarily associated with installation of underground electrical cables (i.e. trenching works) and to lesser extent with the overhead electrical lines projects (limited to the footprint of excavations for poles foundations).

Such associated risks associated with the Company's electrical infrastructure extension projects are addressed as part of the projects permitting procedures.

As further precautionary measure, in line with best international practice, the Company will adjust existing practices to define the measures and course of action to be implemented in case of accidental discovery of archaeological objects during the excavation works associated with the projects implemented by the Company. These measures will be defined in a so-called Chance Finds Procedure for implementation by contractors at all projects involving trenching excavation works.

2.8 Stakeholder Engagement and Information Disclosure

The Company has developed and will keep the Stakeholder Engagement Plan (SEP) updated to ensure that all external parties are aware of the planned engagement and communication channels if they wish to learn more about the project. The SEP is built on existing engagement processes implemented by the Company, but also aiming at providing a framework for an extended further engagement with the stakeholders, improved information disclosure. The SEP will be disclosed on the corporate website.

The Company has established several communication channels available for one way and two-way communication with their stakeholders including:

- postal address for regular mail communication;

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- telephone numbers, for customer service available 24/7, 365 days;
 - telefax number;
 - email address;
 - Company's social media page;
 - Telegram account, used mainly for service updates.
 - Annual Corporate Social Responsibility (CSR) Reports published on Premier Energy Distribution website

Also, the Company website (www.premierenergydistribution.md) available in Romanian and Russian language represents an important information source with respect to Premier Energy Distribution operation as it features:

- presentation of the Company, its organisation structure and key policies (CSR policy, Human Rights Policy, Ethical Conduct Policy, Anticorruption Policy);
- commercial information on the company services, tariffs, and relevant legal framework
- Company reports
- Company press releases
- contact details for the Company and of the local offices.

Effort by the Company to provide bi-lingual information (Romanian and Russian), both online and in the local offices is ongoing.

The Company uses a procedure on the management of grievances received via formal letters. The formal letters addressed by the indicated process are qualified as request letters, petitions, complaint letters, information letter and proposal letters and are responded by the Company within a timeframe not exceeding 30 days from the formal letter's date.

This grievance management process is conducted in line with applicable legislation and internal company procedures (e.g., for handling damages to home appliances in case of power supply interruption or damages to private property). Grievances can be logged online, via the Company's website, by using dedicated forms, by phone or at the counter, in the Company offices (<https://www.premierenergydistribution.md/ro/formulare>).

All the correspondence under the grievance process is logged and tracked for timely resolution. The claims received includes requests for compensation of damages associated with the Company operations which are duly addressed by the Company.

Company Contact Information:

Postal address:

ICS Premier Energy Distribution S.A., 4 Andrei Doga Street, Chisinau, Republic of Moldova

Telephone and email contact details:

+373 22 43 11 11

ot24@premierenergy.md

<https://www.premierenergydistribution.md>