

## GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS

<b>Company name</b>	<b>ENERGOINVEST,d.d.</b>	<b>Date</b>	April 2009
<b>Dept. (if any)</b>	Sarajevo		
<b>Address</b>	Hamdije Ćemerlića 2		
<b>Country</b>	BiH	<b>Member since</b>	2005
		<b>Employees</b>	800
<b>Chief Executive Officer</b>	Džemail Vlahovljak	<b>E-mail:</b>	mirsad.begic@energoinvest.com
<b>Contact person</b>	Mirsad Begić	<b>E-mail:</b>	bqso@energoinvest.com
<b>Position of the contact person</b>	Management representative for integrated management system	<b>Divison</b>	
<b>Telephone of the contact person</b>	+387 33 703 317 +387 33 703 316		

### Short description of the business

Energoinvest d.d. Sarajevo is a multidisciplinary engineering company with dominant export orientation with the anniversary more than a half a century ago of successful work (since 1951) that on «turn –key» basis gives services to the customers with high demands in the fields of construction, reconstruction, modernizing and revitalization of complex and other plants in the following fields: energy (substacion and transmission lines), process industry, automation, telecommunications, hydro and civil engineering (hydro and thermal power plants).

With our products and services established on own know-how and principles of sustainable development successfully responding to challenges of the time, high demanding market and strong competition around the world, that may witness numerous reference lists concerning designing and construction of various capital plants.

### STATEMENT OF SUPPORT

Energoinvest, d.d. – Sarajevo traditionally develops, maintains and continually improve our own practice in the field of social responsibility at the all levels of organization. Our business policies includes all 10 principles of Global Compact, and top-management supports all our implementation and continual improvement activities, expecting better understanding and implementation of positive world's practice.

Through our including and support to Global Compact of the United Nations our intention is further improvement of performances of social responsibility and spreading these principles to our suppliers and partners, as appropriate. In continuation we are summarizing activities concerning respecting principles, firmly committed to respect the same in the future.

<b>Signature</b>	<b>Position</b>	Chief Executive Officer
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**PRINCIPLE 1 BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN'S RIGHTS**

**PRINCIPLE 2 BUSINESS SHOULD MAKE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

#### Our commitment, policy and practice

Our policy is unambiguous respecting all human rights and connected positive practices. This is regulated with suitable internal documents (Articles of association , Rulebook about human rights, OH&S Manual / Procedures, Code of conduct) harmonized with laws, standards and other relevant regulations (ex Universal Declaration of Human Rights). Changes in mentioned regulations are monitoring continually and updating, if it is necessary.

#### Systems

During the last year we had complied our system of protection of health and safety at work with a new version of OHSAS 18001:2007 standards. We have successfully conducted a recertification of the System by Lloyd's Register.

Special Regulations regulate the procedure of appeal / complaint employees in case of violation of the declared human rights.

In the health and safety at work a representative of employees delegated by the trade union of the Company has included.

Activities:

- Training of all employees regarding human rights, protection of health and safety at work was implemented Each new employee pass through this training.
- Every year, establishing the dangers to health and safety at work, assessing risks, set goals and program activities to achieve goals. Achievement is regularly monitored and, as necessary, taking appropriate actions for improvement.
- TOP-management analyzes the results at least once a year.
- Lloyd's Register twice annually conducts control audit.
- Corporate Human resources functions was established in order to improve the planning system of employment, education, motivation, and retirement of employees.
- The code of conduct was innovated
- Developing and implementation OHSAS management system (in acc. To OHSAS 18001:2007) in our joint-venture company „ELPCO“ – Tripoli.
- Special attachment (Statement) contract with suppliers regarding respect for human rights was established
- Developing and implementation training activities to advance occupational health and safety awareness.

Monitoring and measurement results (outcomes)

- There are no any claims or complaints on the basis of abuse of human rights.
- All employees know their rights and obligations.
- The survey of satisfaction of employees and planned actions for improvement was conducted
- 7 corrective action in the field of protection of health and safety at work was initiated and implemented effectively .
- Monitoring of suppliers, is carrying out, as appropriate
- Improved registering, reporting and analyzing incident situations in the field of protection of health and safety at work.

<b>PRINCIPLE 3</b>	<b>BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING</b>
<b>PRINCIPLE 4</b>	<b>BUSINESS SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR.</b>
<b>PRINCIPLE 5</b>	<b>BUSINESS SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR</b>
<b>PRINCIPLE 6</b>	<b>BUSINESS SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCUPATION</b>

**Our commitment, policy and practice**

Creating adequate business environment and openness to engage in dialogue with other stakeholders for freedom of association, right to collective labour agreement, elimination of all types of forced work, elimination of child labour and elimination of discrimination in relation to employment and profession are an integral parts of our business strategy, fixed from TOP – management.

All employees are required to apply this policy, and nobody has the right to change it willfully/unilaterally

System

System of work of Company's trade union was established and effectively implemented  
System planning, recruitment, training, motivation, and retirement of employees.  
System planning, selection and employing of new employees.  
System of suppliers control .

## Activities

- Effective cooperation of the Union and TOP - management by the various issues (collective agreement, the protection of human rights, health and safety at work, the consequences of economic recession, the development of awareness and motivation of employees in the domain of different forms of savings and respect for work duty, and likewise) was established
- Corporate functions, "Human Resources" with a specific program approved by the TOP – management was established
- The introduction program of new employees in the job.
- Company's Code of conduct was innovated.
- Analysis and discussions concerning overcoming the problem of economic recession and the fate of employees. Priorities are savings and increase efficiency, but dismissal of employees is the ultimate option.
- Participation in various meetings and events organized by various government and non-governmental organizations (example: UN Development Program BiH; Foreign trade chambers; FIPA of BiH; American University in B&H; Academy of Sciences and Arts of Bosnia and Herzegovina; NGO Mosaic Foundation, and the like).

## Monitoring and measurement results (outcomes)

- Good cooperation between the Union and TOP - Management
- All employees are covered by collective agreements
- Each employee has a contract of employment, current job description and work conditions.
- No employees younger than 18 years.
- There were no incidents in the area of discrimination of employees on any basis.
- Annual medical examinations for all employees were organized
- Second place on the first B&H competition for „Socially Responsible Company of the year – DOBRO 8“ organized by Foundation for B&H Community Development „Mozaik“.
- Adequate information and involvement of senior management and employees in socially responsible activities.
- Clear criteria of selection of new employees based on knowledge, qualifications, skills and relevant work experience.
- Established criteria for selecting companies (suppliers) to participate with us in the realization of our projects / contracts.
- Dismissals of employees because of economic recession were not planned.

<b>PRINCIPLE 7</b>	<b>BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES.</b>
<b>PRINCIPLE 8</b>	<b>BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY.</b>
<b>PRINCIPLE 9</b>	<b>BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES</b>

## Our commitment and policy

Our company is committed to continuously manage environmental impacts, preventively act to eliminate pollution, making inadequate wastes, using energy and natural resources irrationally and promote greater environmental responsibility.

## System

Environmental management system (in according with ISO 14001:2004) that includes environmental impacts investigation, measurable objectives and targets, programs, procedures, inspections, audits, measurements, results collection and analysis, and improvements plans / actions and periodically reviewing outcome performance.

## Activities

- Recertification and continuously improving environmental managements system (in acc. to ISO 14001:2004)
- Developing and implementation training activities to advance environmental awareness in all company locations
- Analyses of environmental impacts and programs to reduce energy and water use, to collect, adequate separating and take away different waste, measurement of progress made against quantifiable objectives and targets.

- Sponsorship of a program to improve environmental conditions or increase awareness
- A partnership with suppliers to address environmental issues
- Developing and implementation environmental management system (in acc. to ISO 14001:2004) in our joint-venture company „ELPCO“ - Tripoli
- Improving of our reporting system, sharing experience and good practice, and tacking adequate improving actions
- Environmental inspection and auditing programs
- Periodically evaluating compliance with applicable legal and other relevant environmental requirements
- Regular monitoring key processes and operations associated with the identified significant environmental aspects
- Participation in work of Federal and Cantonal Agency for environmental protection

#### Monitoring and measurement results (outcomes)

- No-one environmental accident or complaint of interested parties
- Decrease of electric energy consumption 3% per year
- Decrease of water consumption 4% per year
- 10t of used paper and 120 cartridges for printers and copying devices was given on recycling
- All environmental unacceptable materials (e.g. battery power, neon bulb, used motor oil, computers equipment, etc.) are under strict control at the all locations
- Regular (minimum twice in a year) reviewing of the results by top-management
- Implementation all of monitoring, inspection and audit (internal and external) Programmers
- Regular (annual) inform of the public about our achievement
- Started and effective finished 10 different corrective and 3 preventive actions as results of monitoring and audit findings and top-management
- Some of expert's educations.

### **PRINCIPLE 10 BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

#### **Our commitment, policy and practice**

Avoiding all kinds of bribery, corruption, improper acts with „politics“ as well as other acts that are contrary with legal and other relevant regulations, is a strongly obligations of all members of the Board, employees and all external partners and suppliers that performs out sources processes.

It will be not condoned any violation of these policy or other participation in any illegal act such as fraud, theft, money-laundering act.

#### System

- Internal business audit system
- Human resources management system supporting the ethical behavior of employees
- System of goods purchasing, execution of services and assignment of works

#### Activities

- Review and improvement of Code of business conduct and ethics
- Regular (minimum twice of year) review of activities and results by top-management
- Internal and external business audits
- Dealing with agents and business partners
- Bidding and contracting of the new projects / services
- Internal and external communication
- Training of employees
- Extraordinary business audit from government appositive, authority

#### Monitoring and measurement result (outcomes)

- Positive results of business audit by external auditing authority for year 2007
- Some minor nonconformities during internal business audit and extraordinary business audit by government authority
- It was not evidence of significant problems and breaching of established policy and behavior rules at any level of organizational structure or business area
- Started two corrective actions in according with mentioned audits findings.