

GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS

Company name	ENERGOINVEST, d.d.	Period covered	03/2011 – 03/2012
Address	Sarajevo, Hamdije Ćemerlića 2, Bosnia and Herzegovina	Member since	2005
General Manager	M.Sc., Enes Čengić, B.Sc.El.Eng.	Employees	711
		E-mail:	generalmanager@energoinvest.com

Short description of the business

Energoinvest d.d.-Sarajevo is a multidisciplinary engineering company with dominant export orientation, the leading company in Bosnia and Herzegovina with the scope of activities in the fields of design and realization of complex plants in the country and abroad.

Drawing on the wide-ranging experience and considerable resources Energoinvest's business doctrine has been evolving through sixty years, with all efforts being directed to create portfolio of activities in respect of clients' needs and requirements.

Key to its success is in partnership work with clients providing wide range of services from design, engineering, research and development, technology and know how transfer, representation and financial management to delivering total solutions to the customers in the following fields: energy (substations and transmission lines), process industry, automation, telecommunications, hydro and civil engineering (hydro and thermal power plants).

Statement of continued support

March 26th 2012.

To our stakeholders:

I am pleased to confirm that Energoinvest reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

In this annual Communication on Progress we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely

M.Sc. Enes Čengić
General Manager

Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

Commitment, policy and goals

Energoinvest actively supports the Universal Declaration of Human Rights. We will not carry out business with any countries or regimes where flagrant human rights abuses are known e.g. torture, politically motivated disappearances etc. 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, and other relevant regulations.

We implement Occupational Health and Safety System in accordance with a standard OHSAS 18001. System is regularly assessed by our internal auditors and externally by certification body Lloyd's Register. Also, representative of employees, delegated by the trade union of the Company, has been continually included.

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

Implementation

- a. Trainings of all employees regarding human rights and awareness of importance of protection of occupational health and safety. Each new employee passes through this training.
- b. Every year, we identify hazards to health and safety, assess risks, set goals and program activities to achieve goals. Achievement is regularly monitored and, as necessary, we take appropriate actions for improvement.
- c. Conducting of internal and external audits and corrective actions in accordance with findings.
- d. Corporate Human resources functions conduct planning and realization of employment, education, motivation, and retirement of employees in accordance with corporate Policy.
- e. Program for providing of medical examination of all women and other employees on the specific (in accordance with law requirements) work places.
- f. Improving of our reporting system, sharing experience and good practice, and taking adequate improving actions.

Measurement of outcomes

- a. There are no any claims or complaints on the basis of abuse of human rights.
- b. All employees know their rights and obligations.
- c. The survey of satisfaction of employees was conducted and actions for improvement were planned.
- d. Two corrective actions in the field of protection of health and safety at work was initiated and implemented effectively.
- e. Monitoring of subcontractors and suppliers is carrying out, as appropriate.

- f. Improved registering, reporting and analyzing incident situations in the field of protection of health and safety at work. Regarding of the absence from job, there were 5 major, 3 medium and 2 minor incidents.
- g. Monitoring and review of realization of objectives. Mostly, objectives were realized effectively.

Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Commitment, policy and goals

Energoinvest supports the ILO Core Conventions and will not do business with any organisation who uses forced or child labour. 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 established by General Manager.

Implementation

- a. Effective cooperation of the Trade union and General Manager by the various issues: collective agreement, the protection of human rights, occupational health and safety, the consequences of economic recession, the development of awareness and motivation of employees in the domain of different forms of savings and respecting of work duties.
- b. Corporate functions, "Human Resources" implemented own specific program approved by the General Manager.
- c. Company's Code of conduct was innovated.
- d. Participation in various meetings and events organized by various government and non-governmental organizations (example: UN Development Program B&H; Foreign trade chambers; American University in B&H; Academy of Sciences and Arts of Bosnia and Herzegovina).

Measurement of outcomes

- a. Good cooperation between the trade union and General Manager
- b. All employees are covered by collective agreements
- c. Each employee has a contract of employment, current job description and work conditions.
- d. No employees younger than 18 years.
- e. There were no incidents in the area of discrimination of employees on any basis.
- f. Annual medical examinations for all women and planed specific work places were realized and regarding results it was taken necessary actions

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Commitment, policy and goals

Energoinvest has Environmental Policy and we are committed to continuously manage environmental impacts, preventively act to eliminate pollution, reduce generating dangerous wastes, rationally use energy and natural resources and promote greater environmental responsibility. We implement Environmental management system according to standard ISO 14001.

Implementation

- a. Identification of environmental aspects and associated environmental impacts.
- b. Identification and monitoring of the applicable legal requirements.
- c. Setting environmental objectives and targets and formulating programme(s) to achieve them.
- d. Developing and implementation training activities to advance environmental awareness in all company locations and all sites of projects realization
- e. Analyses of environmental impacts and programs to reduce energy and water use, to collect, adequate separating and disposal of different kind of waste, measurement of achieved progress against quantifiable objectives and targets.
- f. Improving of our reporting system, sharing experience and good practice, and taking adequate improving actions.
- g. Carrying out environmental inspection and auditing programs (internally and externally)
- h. Periodically evaluating compliance with applicable legal and other relevant environmental requirements
- i. Management review of system and environmental performances

Measurement of outcomes

a. Electrical energy consumption:

Total consumption per year (kWh):	Average consumption per month and per person:	Average consumption per month and per m ² of working area:
a. 2011: 2.369.056	a. 2011: 171,22 kWh	a. 2011: 8,29 kWh
b. 2010: 2.613.354	b. 2010: 178,88 kWh	b. 2010: 8,80 kWh
c. Index 2011/2010: 0,9065	c. Index 2011/2010: 0,9572	c. Indeks 2011/2010: 0,942

b. Drinking water consumption:

Total consumption per year (m ³):	Average consumption per month and per person:	Average consumption per month and per m ² of working area:
a. 2011: 11.179	a. 2011: 0,81 m³	a. 2011: 0,0366 m³
b. 2010: 11.944	b. 2010: 0,86 m³	b. 2010: 0,0391 m³
c. Index 2011/2010: 0,936	c. Index 2011/2010: 0,94	c. Indeks 2011/2010: 0,936

- c. 16 tons of used paper and 225 cartridges for printers and copying devices were given for recycling.
- d. All environmental unacceptable materials (e.g. battery power, neon bulb, used motor oil, computers equipment, etc.- about 3.000 kilograms) are delivered to authorised operator for further handling according to the regulations.
- e. Regular reviewing of the results by top-management
- f. Implementation all of monitoring, inspection and audit (internal and external) Programmes.
- g. Started and effective finished 3 corrective actions as results of monitoring and audit findings.
- h. All objectives and targets were achieved effectively.
- i. There is no environmental accident or complaint of interested parties.

Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Commitment, policy and goals

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 not be abolished any violation of these policy or other participation in any illegal act such as fraud, theft, money-laundering act. Energoinvest supports the UN Convention against Corruption and we will not operate in countries or with organisations that are corrupt.

Implementation

- a. Review and improvement of Code of business conduct and ethics.
- b. Regular review of activities and results by Top-management.
- c. Internal and external business audits.
- d. Dealing with agents and business partners.
- e. Bidding and contracting of the new projects / services.
- f. Internal and external communication.
- g. Training of employees.

Measurement of outcomes

- a. Energoinvest has not been involved in any legal cases, rulings or other events related to corruption and bribery.
- b. Positive results of business audit provided by external authority - Deloitte for year 2010.