

# COMMUNIQUE

on the Progress in the Field of the  
Corporate Social Responsibility

Sector: Energy

Reporting Period: January – December 2014



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## Statement on the support of the Global Contract by Robert Dick – Chairman of the Management Board and Kalina Trifonova - Chairman of the Management Board of EVN Bulgaria EAD

EVN Bulgaria EAD has been a member of the UN Global Compact since August 2010 and a co-founder of the Bulgarian Global Compact Network since August 2010. The Company is part of the large EVN AG family - a leading Austrian company with headquarters in Lower Austria, the country's largest federal province.

EVN Bulgaria is a company with socially responsible behaviour to the society. Our long-term existence requires excellence, competence and reliability to ensure customers and partners' satisfaction. That brings sustainable success guarantee and encourages us to keep being a leading company by promoting values and positive corporate culture.

The Company completely agrees with and supports the 10 Global Compact principles with respect to human rights, labour standards, environmental affairs and anti-corruption principles. We are committed to making the Global Compact and its principles a part of our strategy, culture and daily corporate duties. EVN Bulgaria is making all the necessary efforts to involve and attract in the initiative all its employees, partners and suppliers.

EVN Bulgaria's Corporate Social Responsibility aims to achieve social, economic and environmental practices that go beyond regulatory requirements and which are implemented in a dialogue with all stakeholders. The company's policy is aimed at taking care of employees and commitment to the problems associated with the environment and the community in which the company operates.

We share the sustainable management concept and strive to observe simultaneously the technological, economic, environmental and social aspects. Our priority is to balance the interests of all stakeholders, transparency and openness to dialogue.

In the spirit of high responsibility associated with our work, we set ambitious standards of conduct. Working with state-of-the-art and highly efficient technologies, environmental responsibility, commitment towards society and human resource development.



Kalina Trifonova  
Member of the Management Board  
of EVN Bulgaria EAD



Robert Dick  
Chairman of the Management Board  
of EVN Bulgaria EAD

# Charter of the EVN Bulgaria Group

## Our vision

As an energy and environment-friendly services provider we fulfil the daily needs of our customers through our reliable and high quality services we make a sustainable contribution to their quality of life.

## Our mission

We create value through our responsibility and high profitability thus ensuring the long-term success of our Group. On this base we offer our customers quality service, our shareholders a sustainable enhancement of value and our employees attractive working conditions.

## Our values

We have defined highly ambitious standards of behaviour that correspond with the assumption of a high level of responsibility in our daily tasks. For us adherence to fundamental ethical principles and all relevant legal regulations is a matter of course.

We are committed to the principle of sustainable corporate governance and therefore endeavour to balance economic, ecological and social considerations. Our main priority is to ensure a fair and reasonable balance of the needs of all company stakeholders.

The economic responsibility of securing the long-term existence of our Group demands outstanding performance on our part. A high level of competence and reliability ensure the satisfaction of our customers and business partners. In turn, they represent the underlying basis for our sustained corporate success.

We fulfil our responsibility to the environment by endeavouring to optimally spare the natural resources, minimise waste gas emissions and promote the use of renewable energy sources. Ongoing innovations and increased efficiency are crucial to us.

Ongoing innovations and increased efficiency make a decisive contribution towards achieving these goals. The commitment we demonstrate to ensuring the well-being of our employees and fair and attractive salary levels, as well as our maintenance of a positive corporate culture featuring openness, loyalty and mutual respect are important to us. We also put our emphasis on serving people and achieving an appropriate positioning within the framework of a society shaped by a diverse range of influences. All these encompass a high level of transparency and the willingness to engage in an ongoing dialogue, both in- and outside the company.



# I. Human Rights

## *Principle 1:*

Respecting and supporting the protection of human rights.

## *Principle 2:*

Guaranteeing avoidance of actions, which violate human rights.

## 1. Internship Programme “Youth with a Future”

EVN Bulgaria’s internship programme “Youth with a Future” took place in the summer of 2014 for the ninth consecutive year. It enables young undergraduates in technical and economic programmes at various universities to work at the company during the summer months and obtain experience, which would be of great benefit for their future professional career.

There was a significant interest towards the programme in 2014, as we received more than 400 applications. After the selection procedure, 40 undergraduates were approved as interns at the Company.

The “Youth with a Future” Programme covers three months – July, August and September. A total of 27 of the interns specialized in central departments of the companies in the EVN Bulgaria Group, while 13 had their internships in various service units of the Company in Southeast Bulgaria. Each one of them received personal guidance and advice by mentors, throughout their internships.



The interns from “Youth with a Future” 2014 visited EVN Bulgaria’s training facility in Stara Zagora, where they were shown and explained the activities, carried out by the Company to make the electricity grid safe, within the “Life for the Eastern Imperial Eagle” Project.

## Internship Meeting 2014

Every year, EVN Bulgaria’s interns take part in an organized visit to Company’s facilities and in a workshop for the introduction of company’s organization. In 2014 the main subject was “Environmental Activities at EVN Bulgaria”. The “Life for the Eastern Imperial Eagle” Project was in the specific focus of the meeting. This is the first project in Bulgaria, where EU’s LIFE+ Programme supports an infrastructure company. The project activities included making safe a number of electricity poles. The interns learned how it is done and how the work at heights is performed, during their visit to EVN Bulgaria’s training facility in Stara Zagora.



In conclusion, each group presented in a creative manner, the work of the respective organizational unit of its internship.

## 2. Cooperation with Universities

In 2014 EVN Bulgaria continued its consistent policy of cooperation with universities, in order to improve the practical knowledge of students and exchange experience.

The Company extended its cooperation with the Technical University - Sofia through a memorandum of cooperation with the Power Engineering Department, signed on 11.03.2014. The document covers the cooperation for improving undergraduates' practical knowledge in the area of power engineering, information technologies etc.

This is the second memorandum, signed with a department of the Technical University - Sofia. In 2013 the Company signed a cooperation memorandum with the Department of Mechanical Engineering in the Energy Sector of the University.

The memorandums are the result of the active cooperation of EVN Bulgaria with universities, which commenced in 2011 with the signing of the memorandum of cooperation with the University of Food Technologies in Plovdiv. In 2012 another memorandum was signed – with the Technical University Sofia - Plovdiv Branch (TUSP).

Within its cooperation with universities, EVN Bulgaria initiated students' visit to Company's facilities, of interest for the future professionals, enhancing their knowledge with the technologies and innovations implemented and used by the Company. In 2014 almost 90 undergraduates from the TUSP in various engineering majors and 16 undergraduates and PhD students from the Department of Mechanical Engineering in the Energy Sector of the TU Sofia were able to visit the technical facilities of EVN Bulgaria and see the real-life operation of the hi-tech and complex systems, as well as to ask their questions to company's experts.



TUSP undergraduates observing the system for cooling through the central heating facility at the Town Hall of the Trakia residential district in Plovdiv.



EVN Bulgaria awarded undergraduates from the Technical University Sofia - Plovdiv Branch for their excellent achievements at the National Olympics in "Theoretical Power Engineering - 2014", which was organized in the period April 24 – 26, 2014.

### 3. Supporting Students

In 2014 the practical training of the students from the Professional Secondary School of Power Engineering and Electronics (PSSPEE) – Plovdiv was completed successfully. It was possible due to the cooperation between EVN Bulgaria and PSSPEE - Plovdiv, which signed in 2013 an Agreement for Production Practical Training for school year 2013/2014. Within this agreement six 12th grade students, specializing in “Electric Equipment of the Production Process” at the PSSPEE - Plovdiv started their practical training at EVN Bulgaria in a real-life working environment.

The curriculum was developed by Company’s experts, based on the specificities in the operations of EVN Bulgaria and the needs of the students. The students attended training in both the technical departments at the headquarters of the Company, and in regional customer centres, where the grid maintenance takes place. Every student, successfully finishing the practical training, received a certificate from the company.

The agreement of EVN Bulgaria with PSSPEE - Plovdiv is the result of Company’s efforts and commitment to work in partnership with educational institutions, training future professionals.

### 4. “The Hour of Ivy and Encho” Initiative

#### **Master your energy! Turn it into knowledge.**

In school year 2014/15 EVN Bulgaria carried out its sixth annual training of students in the reasonable use of energy resources and environmental protection.

EVN Bulgaria organized “energy lessons” in all 9 administrative regions in Southeast Bulgaria, serviced by EVN Bulgaria - Burgas, Kardzhali, Pazardzhik, Plovdiv, Sliven, Smolyan, Stara Zagora, Haskovo and Yambol. Further 9 schools were included in the programme from school year 2014/15. This expansion will make it possible for over 9800 students in 420 classes of the 2nd, 3rd and 4th grade at a total of 53 schools in Southeast Bulgaria to be part of the training.

In order to make the programme even more accessible and easy to understand for the students, the company developed new entertaining games and lessons on various subjects. Since last year the name of this initiative is “The Hour of Ivy and Encho. Entertainment Training in Energy and Ecology”. Children will get to know the new characters in their

textbooks – the light-bug Ivy and the rabbit Encho, who will help them learn in an accessible manner, including interesting energy advice and fascinating ways to use energy in a reasonable manner.

The entertainment lessons “The Hour of Ivy and Encho” is conducted by the lecturers in 4 school classes through the year, in the Class Sessions. For the purposes of training, the Company develops and provides free of charge the materials, approved by the Ministry of Education and Science (MES), as well as useful and entertaining gifts to the students and the class.

EVN Bulgaria’s initiative is approved by the MES and is implemented in close partnership with the Regional Education Inspectorates (REI). EVN Bulgaria started energy efficiency education at schools in 2009, as by the end of school year 2014/15 a total of 15 700 students will have undergone training for the reasonable use of the nature resources.

#### **Ivy and Encho’s Competition**

In order to diversify the energy lessons for the kids in Southeast Bulgaria, every year EVN Bulgaria organizes various competitions with awards for the participants. Depending on their age, the students recreate in various ways their understanding of the reasonable use of energy. At the end of school year 2013/2014, the company conducted a competition for the making of a model of an Ecological City. The objective of this competition was the students to present a model of their concept of an ecological city, where the electricity and water consumption would be efficient, reasonable and environment-friendly.

The fourth-graders from the Primary School “St. Kliment Ohridski”, town of Kran, (Stara Zagora region) ranked first. The second award went to the fourth-graders of the Primary School “G. Karaslavov”, Parvomay, and the students from the Primary School “St. St. Kiril and Methodius”, village of Sarnevo, Radnevo Municipality ranked the 3rd. All participants received incentive awards.

The primary school at the town of Kran received the big award, provided by EVN Bulgaria: an open-air gym and playground in the schoolyard. All the prize-winners in the competition were also awarded a visit to EVN’s modern high-efficiency co-generation power plant in Plovdiv in June 2014.



The competition took place in the period April – May 2014 in 2 stages. The evaluation of the models was carried out by EVN Bulgaria's experts together with the primary education experts from the Regional Education Inspectorates. The evaluation criteria included the technical parameters of the model, the implementation of energy efficiency ideas and measures, complex and detailed work, originality and creativity. The anonymity of the participating projects and the unbiased evaluation were ensured by the presence of a notary during the opening of the participating projects.



The open-air gym and playground in the yard of the Primary School "St. Kl. Ohridski", Kran, with a total area of 50 square meters and covered by impact-resorbing pavement. To "energy" swings and various types of sports devices were constructed.



The winners in EVN Bulgaria's children's competition for models of an "Ecological City" visited the modern co-generation power plant of EVN Bulgaria Toplofikatsia in Plovdiv on 3 June 2014.



The model of the fourth-graders from the Primary School "St. Kliment Ohridski", town of Kran, (Stara Zagora region) ranked first.



The second award went to the fourth-graders of the Primary School "G. Karaslavov", Parvomay



The students from the Primary School "St. St. Kiril and Methodius" in Sarnevo, Radnevo Municipality ranked 3rd.



## 5. The Christmas present by EVN Bulgaria

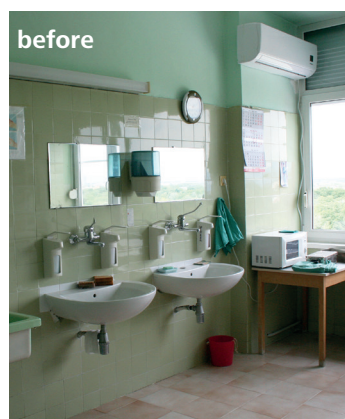
### Christmas Donation 2014

For a third year in a row EVN Bulgaria supported a socially significant project, donating money, instead of buying corporate Christmas gifts. In 2014 the Company implemented a project for an overhaul of the surgical complex at the Children's Surgery Clinic of one of the largest hospitals in Bulgaria – University Multi-Profile Active Treatment Hospital (UMPATH) "St. George" in Plovdiv.

The project was implemented in the summer months, taking into consideration the working cycles of the hospital, and it was officially opened on 10 November 2014. The renovation of the surgical complex significantly improved the working conditions and the quality of services, provided by one of the largest and most significant hospitals in Bulgaria. Apart from the construction and repair works, a new centralized oxygen, vacuum and compressed air supply system was supplied for the purposes of the manipulations, carried out in the clinic.



The ribbon was cut by Mr. Ronald Brechelmacher, chairman of the Management Board of EVN EP, Mr. Rozalin Petkov, Regional Governor of the Plovdiv Region and Prof. Karen Dzhambazov, MD, Executive Manager of UMPATH "St. George".





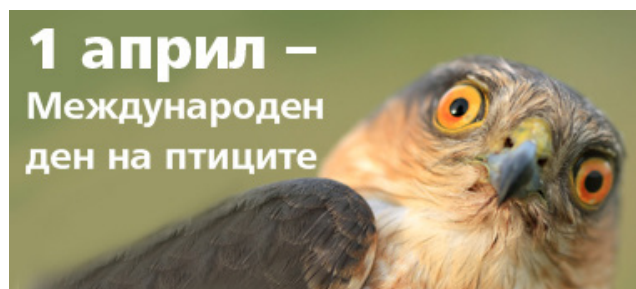
## 6. Ecocalendar

As a part of the EVN Bulgaria's consistent policy for developing a sustainable business and corporate social responsibility (CSR), since 2013 the company has been implementing the EVN Ecological Calendar initiative. The Ecocalendar includes several dates of the year. These have been chosen, with view of the international environmental initiative, on which these are focused.

The objective of the initiative is to increase the awareness among EVN Bulgaria's employees, of the environmental subjects, which are closely related to Company's business. At the same time, the initiative encourages their proactivity in the application of easy conduct measures, sparing the environment and the natural resources, in line with Company's efforts for the reasonable use of energy. Some of the dates in EVN's Ecological calendar are celebrated more intensively, transforming them into EVN Days. In 2013 these were:

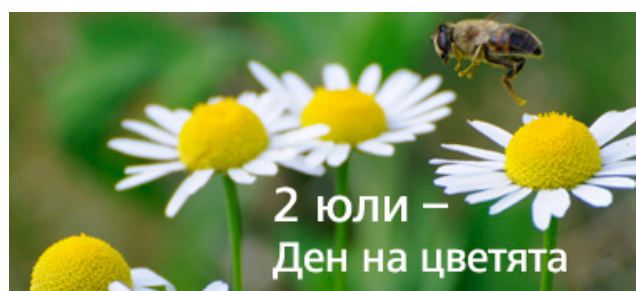
- April 1: International birds day, when a competition of photographs by employees took place
- July 2: Flowers Day, when a competition for employees' children's paintings took place
- September 16 – 22: European Mobility Week. Another photographic competition was announced for the Mobility Week, dedicated to the subject of this international initiative in 2014 "Our Streets, Our Choice".

The awarded competitors, as well as other beautiful photos and paintings were published in the internal corporate magazine for employees – "Inside EVN".



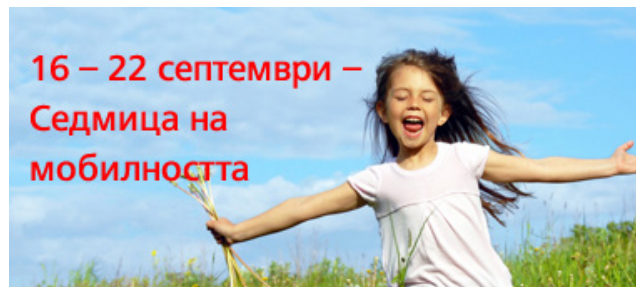
**1 април –  
Международен  
ден на птиците**

April 1: International Birds Day



**2 юли –  
Ден на цветята**

July 2: Flowers Day



**16 – 22 септември –  
Седмица на  
мобилността**

September 16 – 22: European Mobility Week

# II. Labour standards

## *Principle 3:*

Upholding the freedom of association and the effective recognition of the right of collective bargaining.

## *Principle 4:*

Eliminating all forms of forced and compulsory labour

## *Principle 5:*

Effective abolishment of child labour.

## *Principle 6:*

Eliminating the discrimination in respect of the right to employment and occupation.

## 1. Flexible working hours

In 2011 EVN Bulgaria introduced the model of a “floating” (or “flexible”) working hours in the administrative departments of the companies in Plovdiv. As a consequence of the good results, a year later this model was also introduced for employees, working in Company’s customer service centres in the other cities and town in Southeast Bulgaria.

This model of organization of the working hours, is based on the one, utilized by EVN AG, where the flexible working hours have been in operation for a number of years. According to that model, within the eight-hour working day, there is a certain period of mandatory presence of the employees on their workplace, as in the other part of the day the respective employees are given the opportunity to arrange for themselves their working hours, in accordance with their specific assignments and projects. This enables the employees to manage their working and free time more flexibly, making the workplace even more attractive. The free choice of the start and end of the workday is a premise for harmonic coordination between the corporate responsibilities and the personal interests and for increased efficiency of the employees.

## 2. Education and qualification – EVN Academy

EVN Academy is the specialized unit of EVN Bulgaria, which coordinates all the in-house and external qualification events and activities of the Company. EVN Academy’s vision is related to the targeted and long-term improvement of the skills and knowledge of the employees.

A focus in the educational programme of EVN Academy in 2014 were the leadership and HR development trainings, communication with customers, time management, efficient teamwork, written communications, economy for non-economists, technics for non-engineers etc. As a tradition the “Working under Voltage” workshop for employees, working on the grid, also took place in 2014. The main objective of all the workshops and trainings is to develop management and specialized competences.

### **A new training facility, unique in Bulgaria**

Since 2014 EVN Bulgaria has been improving the qualification of its electricians by means of trainings in a training facility for working on the electricity distribution grid in real-life conditions, which is unique in Bulgaria. The new training facility for working at actual heights on live and switched off overhead transmission lines was constructed in Stara Zagora, as its central location within Company’s licensed territory in Southeast Bulgaria will facilitate the training process. The training facility is an extended and upgraded version of the current training centre of the company.

The training facility is a part of Company's professional qualification team - EVN Academy and it was constructed for just a few months, in coordination with EVN Bulgaria's Centre for Occupational Safety and Fire Safety.

The trainings, which started from the beginning of April 2014, are carried out by qualified trainers, part of EVN Bulgaria's team, having actual experience as electricians in Company's emergency response groups. A real-life environment of the medium- and low-voltage grids, similar to those operated by the Company, have been established in the training facility. Three metal-grid poles and 24 reinforced concrete poles with the respective overhead transmission lines and equipment enable the conducting of specialized trainings at real height for the elimination of damages and failures, which makes the facility unique for its characteristics.

The specialized trainings include:

- working at height on live and switched off overhead transmission lines up to 1000 V
- working at height on switched-off 20 kV overhead transmission lines
- simulation of emergency rescues of injured employees, at height
- working on underground lines - medium- and low voltage
- making cable connections
- connections in cable distribution cabinets etc.

The training facility site is supplemented by a new concrete transformer station, further expanding the scope of the training process. An important aspect in the trainings is increasing the safety level, when repairing damages. That includes various skills for using protective equipment, when working at heights and skills for the safe use of specialized technical equipment



A poster of the internal campaign "Work Safety"

### 3. Work Safety

#### New training: working at height on live lines, up to 1000 V

In 2014 the safety subject and the related measures continued to be a top priority in EVN Bulgaria's activities. An entirely new training, unique in Bulgaria, was introduced as a logical continuation of the in-house trainings in this respect – "Working at height on live lines, up to 1000 V". It takes place at the new training facility of the company in Stara Zagora in real-life conditions.

The training was organized for the first time, not only at EVN, but in Bulgaria in general. 12 practical trainers from the Customer Service Centres were trained and qualified in the middle of the year with the help of experienced trainers from the Austrian concern EVN AG.

More than 300 electricians from the Customer Service Centres are planned to undergo the new training, as just in 2014 almost 200 employees were included in the programme. The acquired skills and knowledge are priceless for ensuring health and safety at work.

#### Internal Campaign "Work Safety"

Since September 2013 an in-house health and safety at work campaign was launched at the Customer Service Centres (CSC) and the technical central departments of EVN Bulgaria, under the motto "Work Safety". The objective of this campaign is to improve the personal responsibility of each employee, with respect to the application of the safety measures. The focus of this campaign is on the employees at the CSC and the technical central departments, because their activities are characterized by the most possible hazards for human health and life. Dedicated posters of the "Work Safety" campaign were distributed in the premises of these organizational units. The posters remind the employees to protect human life and health in their everyday operations, because of the people that matter to them:

- co-workers in the team, in which they work everyday
- family
- friends.

The internal campaign "Work Safety" aims at showing that most important for the company are the people and their safety – only through their everyday efforts EVN Bulgaria is able to offer quality products and services to its customers.



### The “Protect Life” Logo

For visualization of the in-house campaign “Work Safety” a safety logo was also introduced.

It is included in all materials, trainings, information, related to the occupational safety. The logo contains the words „Protect Life” and it is a symbol of the general efforts of the Company that the work is performed carefully and in accordance with the safety rules.

Within the “Work Safety” campaign, on 1 September 2013 the Days-without-accidents counter was implemented at each CSC. The counter counts and displays each day, when the caution and attention at the workplace have given the desired result - Work Free of Accidents. The counter is a board, where three digits can be placed one next to the other. All the employees at a CSC, reaching the first goal of 500 and the next goal of 999 days without an accident, receive awards.

### Safety certificate BS OHSAS 18001

In 2014 the companies in the EVN Bulgaria group continued the process of certification of the utilized management systems. As a result of these consistent activities, in November 2014 EVN Bulgaria Toplofikatsia received a health and safety at work certificate in accordance with international standard BS OHSAS 18001.

The certifications audit was carried out by TÜV Rheinland Bulgaria EOOD, which conducted the certification procedure, after being the winning participant in a competition, organized in accordance with the Public Procurement Act. Bringing the operations of EVN Bulgaria Toplofikatsia in

conformity with the internationally recognized standard BS OHSAS 18001 contributed to the increased awareness and motivation of the employees in respect of the safety at the workplace.

The standard for health and safety at work assessment BS OHSAS 18001 is the most popular professional safety management system. This certification is recognized in over 80 countries. The Certificate ensures that the health and safety of the employees, are a top priority of the employer.

## 4. Additional Health Insurance

The Company provides its employees with an additional health insurance program, which offers annual routine examinations by various specialists, as well as a package of additional healthcare services, for the prevention and treatment of diseases.

## 5. The EVN Ombudsman Institution

Since the spring of 2011 the EVN Ombudsman operates at EVN Bulgaria, being responsible for the maintaining of open and transparent working relations between the company and its employees. All the employees of companies within the EVN Bulgaria Group may contact the EVN Ombudsman in case of issues, which seem to be impossible to settle at a certain moment, and in demand of cooperation for the efficient solving of any inter-personal, ethical or work organization-related issues.

The EVN Ombudsman is a guarantor of the human rights and freedoms, and his objective is to give voice to any hidden pending conflicts, contribute to their settlement and improve the working environment. This institution is a true expression of the principles in the area of the human rights, included in UN’s Global Compact.

In 2014, 78 cases have been reported throughout the company. The total number of signals submitted in the four years amounts to 472 cases.

## 6. Keeping the Employees Informed Regarding the Company's Internal Recruitment

In 2012 the communications to employees, regarding free positions and in-house competitions at the company, was improved. The regular and timely in-house communication aims at informing the employees of any new positions throughout the company and possibilities for internal rotations. In this way EVN Bulgaria further extended its platform for personal and professional growth, and it takes care of improving the motivation of its employees.

## 7. Driving Values for Employees

An important subject for the internal corporate life of the Company are the driving values of EVN - ensure, encourage and enable.

The need of a common corporate culture for all 7600 employees resulted in the need of establishment of internal driving values for employees, to motivate everybody at the company to feel a part of EVN's community.

The values, developed by the EVN AG, were adopted by EVN Bulgaria at the end of 2014. Specifically developed workshops were organized in stages, for all the employees. Their objective is the employees to get to know the driving values, their meaning and application in the office, within discussions and teamwork.

### EVN Bulgaria's Driving Values:



**ensure**  
осигурявам  
sichern

#### **Ensure quality and success.**

We aim at consistency and security. Our employees are competent, reliable and focused on high quality. Everybody gives their contribution for achieving the high quality for our customers, the security of supply of electricity and environment-friendly services in line with our strategy. With our professionalism, we contribute to the growth of the company.



**encourage**  
насърчавам

#### **Encourage the personal development.**

We encourage the well-meaning attitude and help each other. The good conduct and positive atmosphere are equally important for both the success of our companies and the development of our employees. We encourage the development of skills, constant learning and constructive discussions.



**enable**  
осъществявам

#### **Enable innovations for a better future**

We not only talk, but act and thus we fulfill our objectives. We are always honest and choose the path that leads to concrete solutions. We commit ourselves to projects, which provide long-term benefits for people and nature. The sustainable development is an important objective for us.



# III. Environment

## *Principle 7:*

Supporting the preventive approaches to environment protection.

## *Principle 8:*

Undertaking initiatives to stimulate the assumption of greater responsibility to the environment.

## *Principle 9:*

Encouraging the development and distribution of environment-friendly technologies.

## 1. Biodiversity

### **Protection of the environment – caring for the storks in Bulgaria**

As a company, managing energy infrastructure, EVN Bulgaria carries out its business activities with a clear awareness of its responsibility to the environment. In the construction and operation of the facilities EVN Bulgaria aims at using the most environment-friendly and modern technologies.

With respect to the biodiversity on the territory of Southeast Bulgaria, the Company implements its projects and supports the activities of environmental organizations, related to the protection of endangered species and their habitats.

Such an activity is the installation of platforms on the medium-voltage electricity poles, which secure storks nests. This initiative is also coordinated with the respective Regional Inspectorates of Environment and Waters (RIEW). Through standard metal platforms, the nest is lifted to a safe distance above the live parts of the line. This prevents the immediate proximity and any contact of the nest and the birds with the conductors. If a bird touches live overhead transmission lines and causes a short-circuit, this is both fatal for the bird and inflicting damages to the electricity distribution grid and the consumers of electricity. With the 293 platforms, installed in 2014 the total number of the pieces of equipment, installed by EVN Bulgaria to protect the life of storks in the last 6 years, reached 1651.



In the summer, EVN Bulgaria's employees often turn into stork saviours. When the young birds learn to fly, they sometimes fall from the nests. Fortunately, the locals call the competent institutions. They often call EVN Bulgaria, if the nests are situated on poles of the electricity distribution grid. This is what happened on 28.05.2014, when employees of CSC Dimitrograd saved a young stork at the Village of Dolno Balevo. Our colleagues returned the bird to its nest, using a cherry picker. This operation was carried out in coordination with RIEW Haskovo.

### Saving the world endangered Egyptian vulture

In its activities, related to the preservation of the biodiversity EVN Bulgaria works together with the Bulgarian Society for the Protection of Birds (BSPB) based on a bilateral Memorandum of Cooperation and Understanding.

Within that partnership, the Company assists the BSPB in the prevention of the extinction of the world endangered species Egyptian vulture (*Neophron percnopterus*). The respective activities are carried out under the „Aid for the Egyptian Vulture“, financed by the LIFE+ programme of the European Commission.

One of the project activities includes the installation of protective insulators on the electricity poles, on a part of the 20 kV overhead transmission line, property of EVN Bulgaria. BSPB's team provided information on the electricity poles, classified as dangerous and situated within the territory of CSC Harmanli. The poles, located near the 4 nesting areas of the Egyptian vultures in the Eastern Rhodopes region were assigned top priority. Employees of CSC Harmanli secured a total of 71 electricity poles in May and June, installing 213 insulators and the respective 426 extenders.



### Unique insulators protect the griffon vulture

In October 2014 teams of EVN Bulgaria installed insulators, unique for Bulgaria, on a 20 kV overhead transmission line in the „Karakyu-tyuk“ area, near Sliven. These activities were part of the „Bringing the Vultures back to Bulgaria“ (LIFE08 NAT/BG/278) project of the federation of environmental organizations „Green Balkans“, under a EU programme.

„Green Balkans“ provided the insulators, necessary for rendering safe 6 metal-grid electric poles. EVN Bulgaria provided support under this project and purchased the additional insulators, necessary for equipping 8 more poles. In this way all 14 poles, identified as dangerous for the griffon vultures, were secured by EVN employees, using the new insulating equipment.

The installed insulators are of the „MST-spacers“. These are a new technical solution to render safe the metal-grid electric poles and are used for the first time in Bulgaria.

The secured electricity distribution line is situated within the „Blues Stones“ natural park, near Sliven and passes near the aviary for the adaptation of griffon vultures, maintained under the „Bringing the vultures back to Bulgaria“. The terrain is difficult and demanding and it requires the use of special metal-grid poles. In the winter of 2013 EVN Bulgaria installed on these poles another type of spiked protective equipment, aimed at preventing the birds from landing on the poles. In order to ensure further measures to protect the birds, the new MST-spacers were installed as well.

Considering the advantages of these insulators, EVN Bulgaria Elektrorazpredelenie will use such device in its „Life for the Eastern Imperial Eagle“ (Life for safe grid) project, as well.



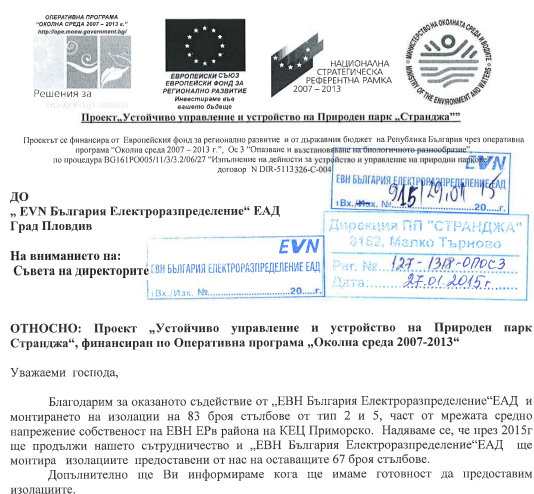
Colleagues from CSC Sliven install the new MST spacers. The photograph shows the already installed spiked protectors.

## Activity in Strandzha

EVN Bulgaria works in close cooperation with the Directorate of the Strandzha Natural Park (DNP Strandzha) based on a project, financed by Operational Programme Environment – “Sustainable Management and Development of the Strandzha Natural Park”. The joint work included rendering safe 150 electric poles. In the beginning of 2014 DNP Strandzha identified the high-risk poles in the park, situated within the territory of CSC Primorsko – in the area of the Towns of Malko Tarnovo and Ahtopol.

EVN Bulgaria installed at its expense the insulation materials, purchased for the purposes of the project, to render safe the poles, forming part of the 20 kV overhead transmission line. In this way in 2014 employees of the company rendered safe 83 electric poles.

The purpose of this operation is to protect the populations of protected bird species of the orders Ciconiiformes and Falconiformes in the park.



С уважение:

Инж. Владимир Димитров  
Директор ДПП „Странджа“

EVN Bulgaria received a letter of gratitude from DNP Strandzha, thanking the Company for its help.

## 2. Life for Safe Grid Project

EVN Bulgaria’s “Life for safe grid” project is co-financed by the LIFE+ programme of the European Commission and developed with the contribution by the Bulgarian Society for the Protection of Birds (BSPB). The complete name of the project is “Improvement of the protection of the globally endangered Eastern Imperial Eagle in Bulgaria by reducing the death rate, resulting from electricity distribution lines”. The project implementation went according to the plan in 2014

In conformity with the requirements for the communication of the project objectives and results, since the spring of 2014 a special website with address [www.lifeforsafegrid.bg](http://www.lifeforsafegrid.bg) has been in operation. The website, containing detailed information on the project activities is maintained by EVN Bulgaria.



On 11 June 2014 in Stara Zagora, EVN Bulgaria organized the training seminar within the “Life for safe grid” project. The event “Training Seminar for the Presentation of Equipment and Methods for Rendering Safe the Electricity Distribution Grid” aimed at increasing the awareness among the participants of the practical activities within the project for the protection of the population of the endangered species – Eastern Imperial Eagle (*Aquila heliaca*) and reducing the bird deaths from contacts with the electricity distribution grid.

The seminar took place at an expert-technical level in the presence of specialists of EVN Bulgaria, BSPB, “Green Balkans”, the Ministry of Environment and Waters (MEW), the RIEW directorates, natural and national parks etc. The presentation part included information on BSPB’s experience and EVN Bulgaria’s activities for the insulation of poles, installation of protective insulators, diverters, bird



platforms etc. Company's experts presented the equipment and technologies used to protect the birds and render safe certain elements of the technical infrastructure. The MEW made a presentation of the current regulatory and technical requirements in this respect. The BSPB presented also the bird protection experience in Hungary, which was highly appraised by all participants.

The practical part of the seminar included visits to the new training facility of EVN Bulgaria in Stara Zagora, where a practical demonstration for rendering safe the poles in the grid took place. The participants inspected also the technical innovations, used by the Company on the grid to make it safe and protect birds' lives – transforming overhead transmission lines into underground lines, used of special poles, installation of stork nesting platforms.

The Life for safe grid project was approved by the EC in July 2013 as the beneficiary was EVN Bulgaria Elektrorazpredelenie. Thus the Company became the first ever infrastructure company in Bulgaria, implementing a project with financing under EC's LIFE+ programme. The total project value is almost EUR 4 million, as the activities shall be carried out in a 5-year period – from 2013 to 2018.

The project envisages comprehensive investment activities, related to the making of the electricity distribution grid safe. Among EVN Bulgaria's priorities are:

- Cabling (moving underground) of the "Nadezhda" and "Oreshnik" transmission lines in the Topolovgrad municipality, with a total length of 45 km.
- Installation of a covered conductor line on the "Bulgarin" transmission line in the Harmanli municipality, with a total length of 15 km.
- Installation of bird-protection insulators on a total of 2740 poles.

The Eastern Imperial Eagle is an endangered species, included in the Red Book and the list of Endangered Species of the International Union for Conservation Nature and Natural Resources.

In Bulgaria the habitats of the Eastern Imperial Eagle are situated within the licensed territory of EVN Bulgaria Elektrorazpredelenie in the southeastern part of the country – in the areas of the Strandzha and Sakar mountains.

EVN Bulgaria's "Life for the Eastern Imperial Eagle" project is a continuation of the long-term support, which the company extended for BSPB's project "Conservation of the Eastern Imperial Eagle and Saker Falcon in their key habitats in the Natura 2000 Network in Bulgaria". BSPB's project finished in December 2013, as within that project EVN Bulgaria installed insulators on a total of 561 poles of the electricity distribution grid.

The good results of this first cooperation between EVN Bulgaria and BSPB for the conservation of the Eastern Imperial Eagle were noticed and highly appraised on international level. On May 21 2014, the project was awarded the prestigious "NATURA 2000" award, in the "Conservation" category. The award was given for the first time by the European Commission in order to celebrate and promote the best nature conservation practices in Europe. A total of 163 projects in 5 categories were nominated.

### 3. Integrated Quality and Environment Management System

#### Waste Management

In compliance with its environmental policy and socially responsible conduct EVN Bulgaria continued in 2014 its program for separate collection of production and hazardous waste. These types of waste are collected and handed over for utilization and decontamination by appropriately licensed companies.

In 2014 the Company handed over for recycling over 33 t of paper, equal to approximately 600 trees, saved from cutting. The proper waste management at the companies in the group results in saving of natural resources through recycling and waste utilization, as at the same time it prevents the pollution of the environment by hazardous substances, by decontamination of the waste, which cannot be used in any other manner.

#### Environmental Management Certificate ISO 14001

Four companies in the EVN Bulgaria Group have certificates for the conformity of their respective environment management systems with the requirements of the international standard ISO 14001: EVN Bulgaria Elektrorazpredelenie, EVN Bulgaria Elektrosnabdavane, EVN Bulgaria Toplofikatsia and EVN Trading South East Europe. In 2014 all the companies successfully passed the supervisory audit, confirming their certification.

The certification and supervisory audits are carried out by TÜV Rheinland Bulgaria EOOD, which carried out the certification, after being awarded a contract. Bringing the operations of EVN Bulgaria in conformity with the internationally recognized standard ISO 14001 enhances the opportunities for the identification of measures for the protection of the environment and prevention of the pollution.

## 4. Investments in Modern and Environment-Friendly Production of Electricity and Heat

### Investment and repair programme 2014 of EVN Bulgaria Toplofikatsia

EVN invests in modern technologies for electric and thermal power ranks among the top investors in Bulgaria. A new co-generation power plant of EVN Bulgaria has been in operation in Plovdiv since 2011. It is the most modern facility of this type on the Balkans. The co-generation for the simultaneous production of electricity and heat has an extremely high efficiency ratio, significantly reducing the harmful emissions in the area during the generation of every MWh of electricity and heat, as compared to the conventional energy production methods. EVN's investment in the construction of the co-generation power plant amounted to BGN 100 million.

In 2013 EVN Bulgaria implemented an innovative project for cooling buildings during the summer months, using the resources of the central heating system. This innovative service transforms the heat from the cogeneration system of EVN Bulgaria Toplofikatsia EAD during the summer months, into cooling energy, thus reducing the harmful emissions and losses of energy.



The first building, included in the project, was the modern administration of the town-hall of the Trakia district in Plovdiv. In July 2014 EVN Bulgaria Toplofikatsia commissioned a second intelligent cooling installation in Plovdiv. Because of the large size of Trimontsium Ramada Hotel building, its installation capacity is four times greater than the capacity of the first one – 1.25 MW vs 0.33 MW of Trakia Regional Mayoralty.

Among the key investments in 2014 was the controlled demolition of an old 120-meter smoke-stack at the Heating Plant "South" in Plovdiv, at the place of which the Company plans to construct a substituting modern installation for the production of hot water with rated heating power up to 40 MW. The 120 meter smoke-stack which had not been in operation for three years was successfully demolished on 14.10.2014, as a part of EVN Bulgaria Toplofikatsia's programme for upgrading the production facilities and observing the contemporary environmental standards in Plovdiv.

The demolition plan was coordinated with the institutions, including the bodies of the Ministry of Interior and the Plovdiv Municipality. It included the complete demolition of the decommissioned facility by using explosives at its base, followed by destruction and crushing of the concrete elements of the structure. The construction waste was disposed of at a licensed landfill, and after that the area of the site was recovered, smoothed and cleaned.

The smokestack was constructed in the period 1978 –1980 and it was used to conduct the smoke from 3 water-heating and 2 steam boilers. As a part of the preparation of the demolition, EVN Bulgaria Toplofikatsia cleaned 60 tons of ash, accumulated through the years in the cone of the stack, from burning oil. The new, modern facility, planned at the place of the stack and the boilers will significantly improve the technical and economic and the environmental indicators of the entire power plant, in accordance with the modern standards. The substitution facility will use natural gas as main fuel, and as a backup-fuel – industrial gasoil. In this way the combustion facilities at the heating plant will be substituted by modern equipment with much better technological parameters and higher efficiency rates. The objective is to achieve the modern energy efficiency indicators and cover the standards for permissible nitrogen oxide, carbon oxide, sulphur dioxide and dust emissions.





# V. Anti-corruption

## *Principle 10:*

Supporting the anti-corruption initiatives and policy of transparency.

As an international company which offers services in the field of energy and environment, we serve as a model for imitation in both domestic and foreign market. To establish the good reputation and business success of EVN Bulgaria, we attached great importance to the honesty and observance of the law by all our employees.

- high ethical standard,
- transparent business relations,
- right to organize meetings and strikes.

## 1. 12 Principles of Loyal Communication with Our Customers

EVN Bulgaria has developed 12 Principles of Loyal Communication with our Customers. Every company's employee is familiar with the principles and strictly observes them in his/her relations with our customers. The purpose of the company is to conduct a policy of transparency and customer satisfaction through offering high-quality services.

The document, containing all 12 principles, was published in the internal network (Intranet) of EVN Bulgaria to be available to the employees, while at the same time it is being distributed in each and every of the 34 offices of the company.

## 2. Social Responsibility Clause of the Companies in the EVN Group

EVN Bulgaria has developed a social responsibility clause, which is effective with respect to all the companies in the EVN Group and bounds with the performance and compliance with the following basic principles and rules, all of EVN's suppliers and sub-contractors:

- respect of the human rights,
- prohibition of child or compulsory labour,
- prohibition of discrimination or abuse at the workplace,
- healthy and safe working conditions at the workplace,
- labour and social law provisions,
- transparency of the working hours and remuneration,
- protection of the environment,
- reduction of the use of resources, the production of waste and emissions,

## 3. Compliance – It Is Good Energy

The honesty and lawful behaviour of the employees has a central place in the corporate culture of The EVN Group. The ethical and upright behaviour is a precondition for good image, and thus – for company's success.

In this respect the implementation of a Compliance management system (CMS) started in October 2013 at EVN, including at EVN Bulgaria. The main item in this system is EVN's Code of Conduct.

The Code has been prepared based on EVN's Charter, formulating the vision, mission and the basic values of the Company. Furthermore, the Code outlines the main principles of conduct at EVN in various areas, such as fighting corruption, labour safety and relations with business partners and customers.

The implementation of the CMS aims at ensuring the observation of the lawful conduct within EVN. The three main pillars of the CMS are:

1. Prevention through awareness.
2. Identification of the violations of the Code of Conduct and Signaling.
3. Reaction, through analysis and improvement.

The project for the implementation of the CMS in EVN Bulgaria was successfully completed at the end of 2014. Within the explanatory in-house campaign about the Compliance, a total of 89 trainings of all employees were conducted, attended by 2372 people or 99% of the entire staff of the Company. The finalization of the project included the „How Well Do You Know Compliance?“ test, which was programmed interactively in EVN Bulgaria's Intranet. The summarized positive results of the test evidence the good awareness of the Compliance principles.

With respect to the Christmas and New Year's holidays and the existing tradition to exchange gifts and invitations for celebrations and similar events, and based on the positive feedback, about the first Compliance test, another Christmas test was organized. Using real-life examples, it guided EVN Bulgaria's employees on the proper conduct, in accordance with EVN's Code of Conduct.

## 4. Alliance with the Loyal Customers

In 2014 EVN Bulgaria continued its campaign "Alliance with the loyal customers". Its main objective was to protect the principles of equal attitude towards all customers of the Company: supply of electricity to everybody, who regularly pay for the electricity that they have consumed, and adequate measures against non-performing customers.

As a part of the activities for the protection of its loyal customers, the company regularly carries out series of inspections on the lawful use of electricity in Southeast Bulgaria. In 2014 EVN Bulgaria achieved a record rate of discovering unlawful use of electricity. In 39 000 on-site inspections of household and business customers (which is 7% lower than the previous year) 10 300 cases of violations of the Energy Act and the General Terms and Conditions of the Electricity Sale Contracts (approved by the State Energy and Water Regulatory Commission) were discovered. That is more than twice the level in 2013.

The discovered electricity thefts in 2014 amounted to 14 Million kWh – 21% more than the previous year.

In 2014 the number of thefts of items from the equipment of the electricity distribution grid peaked, compared the reduction trend in the preceding years. Throughout the territory of the Company in 2014 EVN Bulgaria registered almost 300 cases of thefts of electric equipment, which is two and a half times more than the preceding year. The stolen items include conductors (from overhead and underground transmission lines) with a total length of 38 800 m. Further thefts in Company's territory, included electricity meters, transformers, fuses and other equipment in the transformer stations. The values of the reported material damages, suffered by the Company exceeded BGN 412 000 – money, which could be invested in the improvement of the power supply and customer services.

EVN Bulgaria continues to point the attention of the general public to the risks, involved in the thefts from the electricity infrastructure. These cause not only significant financial damages to the company, but are also the main reason for a

number of power failures and interruptions in the supply for a large number of customers. In order to preserve the security of the supply EVN Bulgaria applies all necessary measures to guarantee the fastest possible restoration of the grid. A part of these measures include the joint initiative for increased cooperation with the police, for inspections and limitation of thefts. The efforts are focused on the implementation of measures for joint actions throughout the territory of the company in Southeast Bulgaria.

## 5. Reporting

The companies in the EVN Bulgaria Group carry out their operations in accordance with the requirements of the applicable Bulgarian legislation. Therefore they prepare annual financial statements, in accordance with the International Financial Reporting Standards. The statements are audited by independent auditors and published in with the business register of the Republic of Bulgaria, so that they are available to the general public.

**Always here, always with you.**  
**EVN Bulgaria**

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