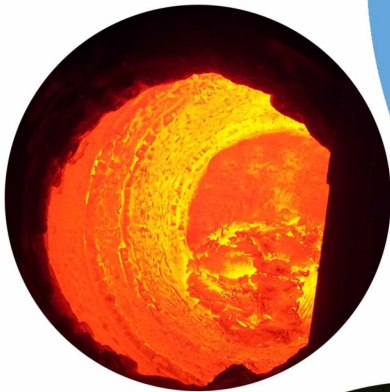
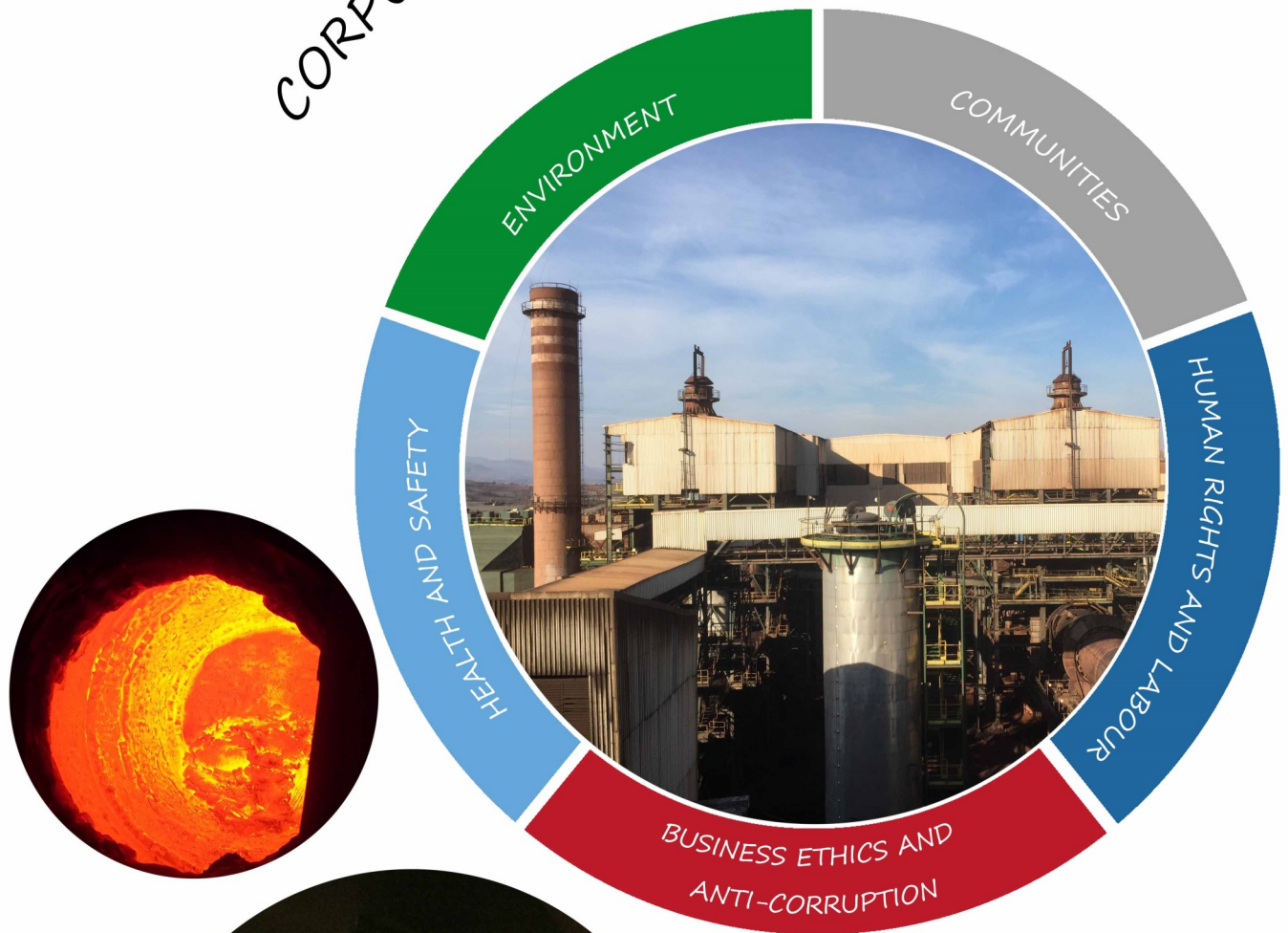


CORPORATE SOCIAL RESPONSIBILITY



REPORT 2015



cunico
CUNICO RESOURCES NV



FOREWORD

FENI Industries is the 1st European producer of ferronickel and moreover one of the leading companies in Macedonia. That gives us higher obligations and furthermore forces us to be even more corporately and socially responsible. This is also reinforcing our motivation.

World crisis in the metallurgy is seriously impacting us. In order to overpass this crisis, we need to adapt ourselves to our environment. This is the general law of the evolution. Only species that are able to adapt themselves to their changing environment are able to survive. This adaption to our environment shall concern all aspects: Improving our internal organization, improving our process and improving our social and corporate responsibilities towards our stakeholder. We believe thus that Social Responsibility is not only giving means through financing or sponsorships, but could involve better cooperation with our various stakeholders (municipalities, associations, and workers). Many projects could be done together, not only involving financial aspect, and still be of great contribution to the society.

Hence the difficult times that we are facing, we keep our commitment towards social responsibilities, towards our stakeholders because we are convinced that this commitment is generating a more responsible environment that will help us eventually to overcome this crisis.



Yusuf Mirakhmedov
Executive Director



Feni Industries– Panorama from the roof of electrical furnace

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FENI Industries is a pyro-metallurgical ferronickel production plant, located in Kavadarci, Macedonia. Historically, FENI Industries started its operation in 1982 but it is in the last decade, after becoming member of Cunico Resources group in 2005, that FENI has accomplished full growth and development. With 879 employees (December 2015), today FENI is one of the leading companies on national level in regards to investments, employments, environment, as well as in regards of corporate social responsibility.

The primary product of FENI is nickel metal in form of ferronickel. It represents an alloy that contains approximately 20% nickel and 80% iron, produced by smelting and refining various nickel ores that contains from 0.9% to 2.2% nickel and from 15% to 40% iron. Since ferronickel is basic raw material for stainless steel production, it is exported to

the steel plants around the world (Europe, Asia, America). The slag from FENI Industries, especially convertor slag represents a secondary product from ferronickel production that FENI successfully commercialized and now it is also being sold out worldwide. Generally it is used as a sand blasting material in the shipyard industry, construction, road and embankment material, pipeline fixator etc.

On a group level, FENI is a subsidiary of Cunico resources N. V. (Cunico). The business portfolio of Cunico is composed of two smelter facilities: FENI in Macedonia and NewCo Ferronickeli in Kosovo, two fully operational mining enterprises in Guatemala, Guaxilan S.A. and Mayaniquel S.A., and a marketing and sales branch, Cunico Marketing FZE, located in Dubai, UAE.



Feni Industries – Panorama from the new Slag Disposal

FENI INDUSTRIES part of Cunico Resources N. V.

Cunico Resources N. V. (Cunico) is a multinational group of mining and metals companies and represents the largest ferronickel producer in Europe and the fourth largest in the world.

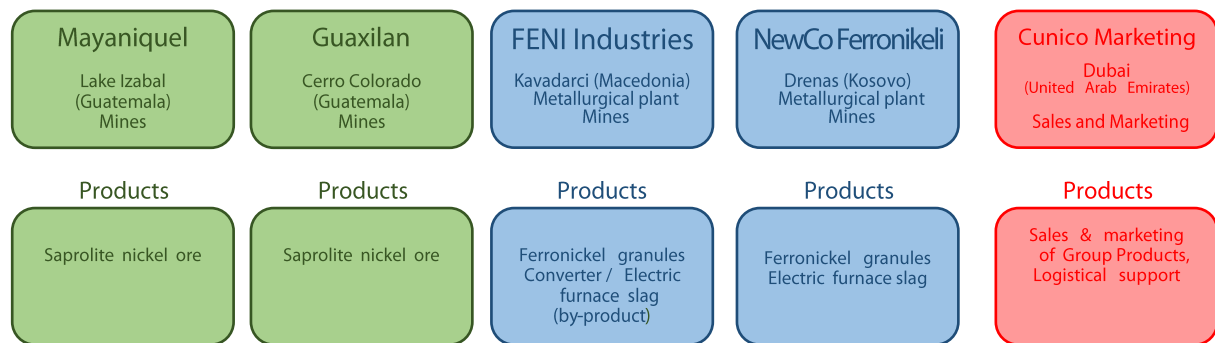
FENI Industries is a pyro-metallurgical ferronickel producing plant in Kavadarci, Macedonia, that after becoming a member of Cunico group in 2005 has achieved full growth and development and has increased its production from 5 000 to 20 000 tons of nickel in form of ferronickel per year.

New Co Ferronikeli represents a part of Cunico Group since 2007. The facility includes a nickel production plant, in Glogovac (Drenas) in Kosovo, as well as mineral deposits in the vicinity of the plant.

Guaxilan S.A., is a mining company, located in Guatemala and has become part of the group in 2012.

Mayaniquel S.A., is the newest mining project acquisition of Cunico Resources. Located in Guatemala, it represents the second mining asset in this country that is owned by the Group since 2014.

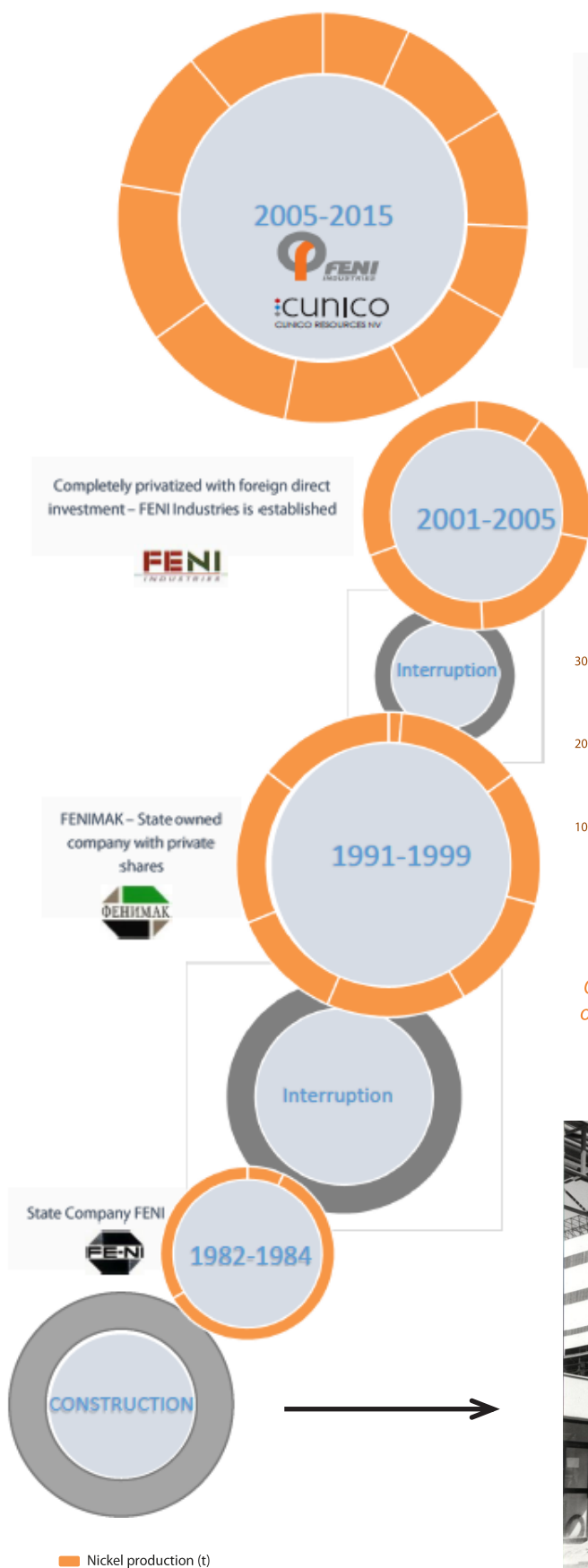
Cunico Marketing FZE with headquarter in Dubai, UAE is a subsidiary of Cunico for marketing and sales and represents a part of the group since its existence.



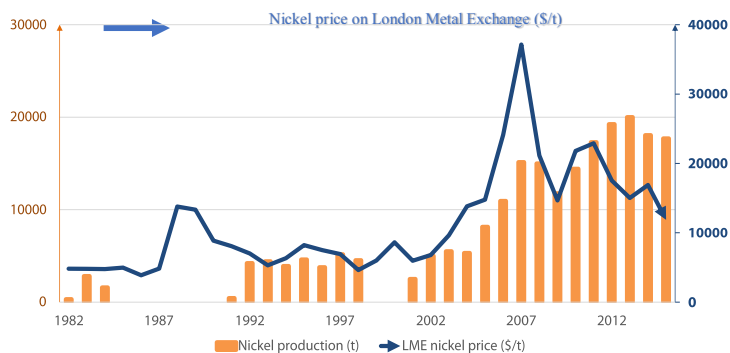
Location of Cunico's subsidiaries



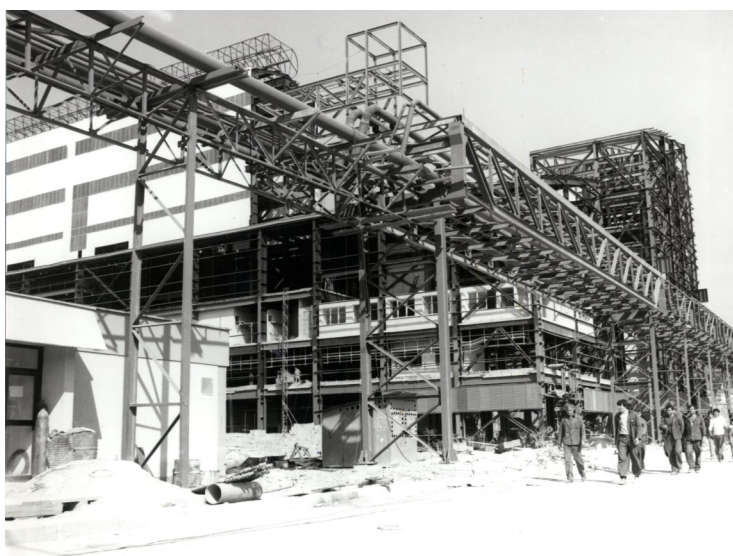
History of the FENI smelting plant



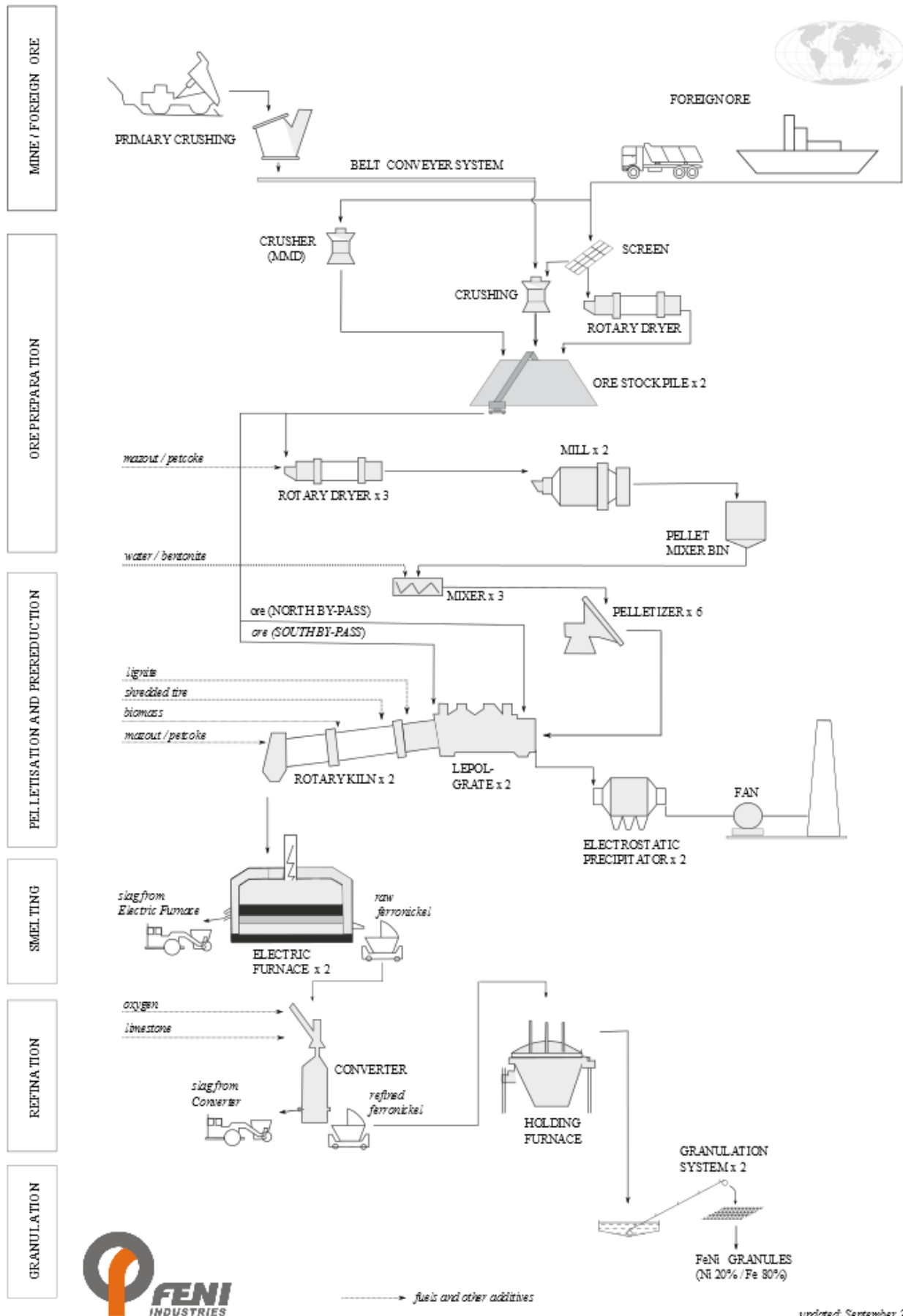
- 2005 Richer %Ni ore (Far-East ores). Start work with 2 RK / 1EF;
- 2006 New EF technology, new granulation system, 2ndEF;
- 2007 New drier, new ESP3;
- 2008 IPPC Permit, ISO 9001:2008, EF2 stopped, 2 new driers;
- 2009 ISO 14001: 2004, Economic crisis;
- 2010 EF2 restarted, REACH, 2 bypasses for ore, export slag;
- 2011 Sizer, granulation 2, fine fraction transport;
- 2012 ESP4, water collection, new slag dump, 6th pelletizer;
- 2013 Biomass, petcoke, truck washing station, Slag disposal recultivation;
- 2014 Continuous emission monitoring system, quencher-scrubber de-dusting system of EF, burners for solid fuel.
- 2015 New installation for crushing the slag from electric furnaces.



Overview of an annual production of nickel in Feni and the price of nickel on the London Stock Exchange since the establishment of Feni until today



» FENI INDUSTRIES PROCESS DIAGRAM «



Company's main focus for 2015, in the field of developing the human resources, was to enhance the concept of trainings and other types of professional upgrading the capacity of each employee, regarding their competence in the operational processes and implementation of the working procedures on daily basis. In this direction, in 2015, a budget for attendance of several international seminars, conferences and other manifestation for exchange of experiences, was approved. Throughout the preparation of this plan, all the organizational departments were equally included for participating on the abovementioned trainings.

The HR department in 2015 has suggested new contents for trainings were accepted in the field of the culture of living that affects the employee on personal level. For example, the anti-smoking campaign, lecture on healthy food, the importance of physical activities, anti-stress campaign on work etc. Our employees were honored to listen the advices of eminent experts from our country to discuss on these subjects and to ask for solutions on concrete problems.

The abovementioned was incorporated in the concept of corporate responsibility.



First Aid exercises on working place

HIGHLIGHTS IN 2015

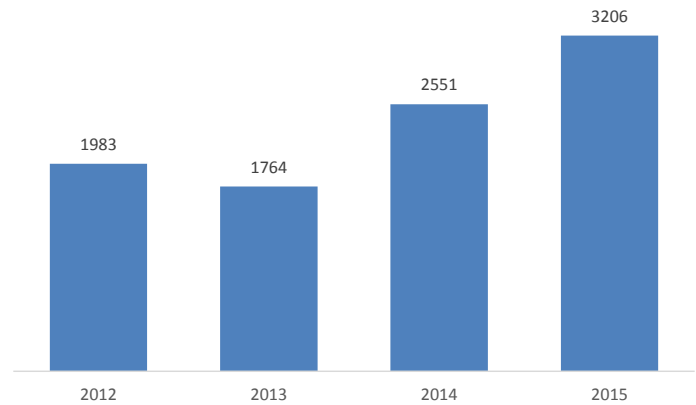
- The procedure for recruiting new staff is specified and innovated in order to achieve the highest level of disinterestedness and objectiveness with improvement of the structure of tests, interviews and the practical part of the examination etc. with implementation of double codes in the overall procedure. With that the subjective influence of the committee for that procedure is minimized and at the same time secures equal treatment for all interested candidates;
- Anti-smoking campaign, lectures for healthy eating habits, for decreasing work – stress, for the necessity of physical activities etc.;
- Preparation and implementation for participation on international seminars and conference;
- Continuous upgrade of the HR module, that is at the same time and in the same sense one of the targets for 2016;
- The third collective agreement was signed between the Employer and the Union organization;
- Two new procedures were implemented: procedure for newly employed and procedure for evaluation of the labor output of the employees.

OBJECTIVES FOR 2016

- Training for implementation the Evaluation Procedures of the labor output of the employees for all participants in the process;
- Preparation of proposal- plan for access of the staff from Health and Safety Department during the work in the HR module correlated with this subject and improvement of the same with necessary changes;
- Harmonization of the act for systematization of the new organizational structure, with all following activities arising from the same;
- Improvement of the procedure for selection and admission of new employees represents permanent objectives.



Participation in training for "Investors in people".



Number of trainings 2012 - 2015

Application of the tool for investments in the employees is our long term objective. The large companies in the world consider it a prestige, to own a certificate "Investor in people" in company's portfolio. The experience of the training has shown that Feni Industries has absolved a lot of the elements of this tool that has pretensions to become a standard.

Social dialog

In 2015, the third collective agreement was signed in order to regulate the rights, obligations and responsibilities of the employees in FENI Industries. The mark for the last quarter of 2015 was the influence of the global economic financial crises that affect negatively on the metal producing sector and at the end of the year resulted with change in the shareholders structure. Beside the financial difficulties K-15 was payed off in the legitimate time limit. Although in December, measures has been taken in order to mitigate the consequences form the impact of the crisis – the salaries were reduced by 10% and the bonus for 50%, however the average salary paid in December for Feni, amounted to 21,913 denars and was higher than the average wage of the salaries in this industry in the period from October - December 2015 in the amount of 20,130 denars.



Interview with Dusko Damov, mechanical technician and responsible for fluids in Steam plant in WU Energetics, he is one of the generation of employees who participated in all development phases of FENI project. This generation of employees opens the cycle of retirement, but also the cycle of functional succession of values acquired in the working process in Feni to the younger generations.

Mr. Damov, from today's perspective, can you give us your retrospective and review of your working experience and time in Feni.

I've been working in Feni continuously since 1978, until today, for 38 years. All periods through which FENI has passed, starting from the construction, the equipment placement and installation, its commissioning, represented a challenge for us, at that time as young beginners, to succeed in the tasks and simultaneously to form ourselves as successful workers and to grow as people who worked at the plant and accomplish the existence of our families. I was employed for the construction of the boiler plant and also for the functioning of the former, on different working positions according to the needs and the time and I want to emphasize that this department has been actively operational even during the temporary stoppage of the plant. I am especially proud of the fact that we as workers, have always given our maximum and with that we have contributed with all our efforts, for the plant to survive even in difficult times.

Did you have the opportunity to improvement yourself during your working engagement?

I have a diary in which I've written everyday events, actions and activities related to the work, which on one side helped me to look into projects and technical literature and now once I'm retired I can say that I've been upgraded myself constantly and today I am retiring as an employee that gave his maximum efforts.

What is your message to the younger colleagues?

Let's never forget to mention the efforts and means that are invested in the construction and the improvements on the performance of the plant and not be discouraged by the current moments of crisis. If we all contribute when and where is possible and each of us is dedicated to his/hers part of the obligations, then we will find solution for every problem.

We know you as an active person. How are you planning to fulfill your retirement days?

I'm writing family history, almanac with chronology of events connected with my best friends, under the title "Upon my view" whereas I show my review of social events. I've written a text of around 250 pages for some events in FENI, from my point of view. Who knows, maybe one day they will be published.

FENI Industries is continuously working on improvement of health and safety at work, as part of the overall improvement of the working conditions, that represents important strategy, not only for better safety of the employees but also for positive impact on the productivity.

In order to implement the requests in connection to Safety at work, deriving from the Law for Health and Safety at work, the Department for Health and Safety at work in our company, regularly and in continuity conducts educational lectures and trainings as for the management team also for the all employees. The employees are expected to respect and follow the given procedures and regulations for work in order to create healthy and safe working environment, in which everybody will be responsible for our own safety and also the safety of our colleagues.

Important part of the company's corporative culture is also the general concern for the health of our employees, that is followed by organizing of regular medical checkups in order to follow the physical condition of the employees through Medical Reports.



Обука од аспект на БЗР на вработените во РЕ Топење

HIGHLIGHTS IN 2015

- Raising awareness of the employees, for safety at work, throughout specialized campaigns and trainings, publication and distribution of the Manual for Health and Safety at work;
- Implementation of the recommendation, identified by the Department for H&S, through regular controls;
- Upgrading the system for managing with contractors and suppliers;
- Review and update of the Safety Statement and the Evaluation of risks for all working positions;
- Completion of the Department for Security and Health at Work with professionals and receiving national accreditation for H&S training according to our program pursuant a authorized institution;
- Continual following and control of the health of employees in Feni Industries, Nova Inzinereng, Nova logistic and Doniks throughout organized medical check-ups.
- Renewed Permit for working with sources with ionization emissions;
- Visit of the International conference for health and safety at work;
- Supplying new equipment for firefighting protection;
- Conducting training and exercise for firefighting protection.

OBJECTIVES FOR 2016

- Upgrading the program for training and campaigns on subjects that cover the specific working positions;
- Preparation of working manuals from the aspect of health and safety at work for each working position;
- Review and upgrade of the Rulebook for personal protection means;
- Additional engagement of the management team in the part for health and safety at work with denouncement of the potential risk/ danger to the Department for Health and Safety;
- Suppling a software for H&S for more efficient overview and update on the data for L,Z.S, trainings, injuries, reports for controls, medical checkups etc.;
- Marking the space for vehicles for contractors and visitors that are entering and/ or working in the plant.

Special trainings and campaigns for safety at work

In 2015 the legal obligation for training from the aspect of Health and Safety at work, was renewed, that is conducted on every three years for all of the employees. At the same time with the legal training, the Department for H&S continued with organizing special trainings for the working positions that are under great risk of accidents and injuries, distribution of informational flayers for safety at work and working manuals from the aspect of Health and safety at work. All the abovementioned was adjusted according to the needs of the process and the need for augmented safety at work especially in time of revamping activities and some bigger interventions on places where there is bigger number of workers (contractors).



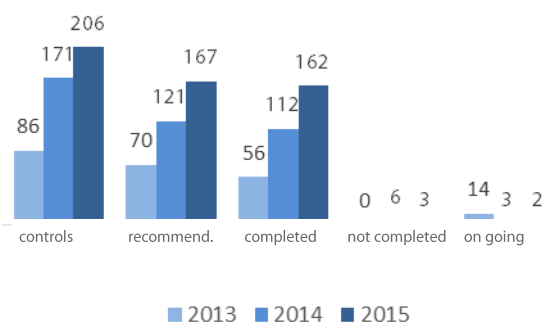
External First-Aid training for one section of the forces for protection and saving



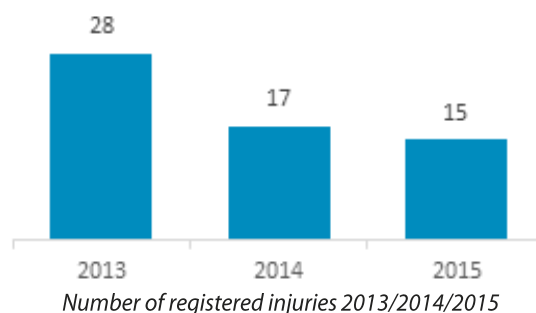
According to the working manual for safe cleaning of the ore layers in the Mill and conducted training on one part of the employees by the Department for Health and Safety at work that was successfully implemented as practical exercise in collaboration with the Ambulance in FENI, the Firefighting Unit and part of the employees in WU Separation.

Implementation of the recommendations office OSH when performing controls

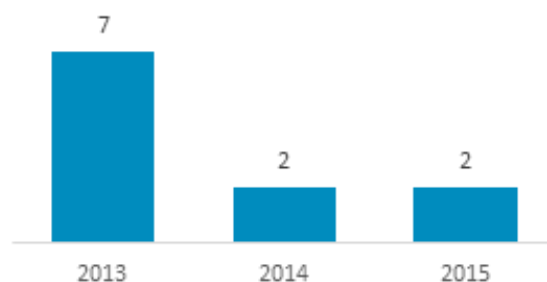
The increased number of controls in aspect of safety at work and on time implementation of the given recommendations for overtaking preventive measures has resulted with reduced number of injuries and the severity thereof, with reduced values of the indexes on the frequency and severity of the injuries.



Number of Health and Safety controls conducted in 2013/2014/2015 (comparison)



Number of registered injuries 2013/2014/2015



Number of injuries of engaged contractors 2013/2014/2015

Upgrading the system to manage contractors and suppliers

The constant upgrading and established communications with designated persons responsible for safety and health at work by the contractors has resulted with less number of incidents and accidents at work.

An updated statement of safety and risk assessment of all workplaces

According to the new workplaces systematization, it's updated risk assessment of all workplaces by a licensed company. The entire project took a year in which were updated total of 206 different workplaces. Office for Safety and Health at work actively participated in monitoring and determining the risk of each workplace by signing a statement of safety and risk assessment for each workplace.

Received Authorization to perform professional work for safety at work

Office for Safety and Health at Work is completed with the new members, thereby fulfill the legal right to obtain authorization from the Ministry of Labour and Social Policy to perform professional work for safety at work, and its about: Concept for Security Statement, Assessment of risk and the development and implementation of Programs for training employees for safe performance of work.



Република Македонија
МИНИСТЕРСТВО ЗА ТРУД И СОЦИЈАЛНА ПОЛИТИКА

Врз основа на член 45 од Законот за безбедност и здравје при работу („Службен весник на РМ“ бр.52/07), и Правилникот за условите на работните, организационите, техничките и другите услови кои треба да ги исполнува правното или физичкото лице за вработување на стручни работници („Службен весник на РМ“ бр.37/08), „Ајс Канадарски за труд и социјална политика“ го издава следното

ОБЛАСТУВАЊЕ
 за вработување на стручни работници за безбедност при работа

Проценка на ризик

Друштво за ископ на руд, производство на метали, трговија и услуги **Феникс Индустри АД Канадарски**
 (правно или физичко лице)

с. Возарци Канадарски
 (адреса на седините)

с. Возарци Канадарски
(адреса на деловни простории)

4020359
(ЕДМБГ)


Екземплет број: 212...

Дата на издавање: 07.12.2015година

Министер за труд и социјална политика


д-р **Бранка Јанева** **Кеменски**




	РЕПУБЛИКА МАКЕДОНИЈА		Број 140	
	Дирекција за развојнако сигурност		Датум: 05.05.2015 Влезен: 05.05.2016	
<p>Врз основа на чл. 51 став 2 на Законот за планирањето и работата на организите на државната управе /Службен весник на Република Македонија, бр. 50/2005 и член 7 на Законот за заштита на индустриското претпријатие и развојнако сигурност /Службен весник на Република Македонија, бр. 46/2002 и бр. 115/2007, Дирекцијата за развојнако сигурност ја издава следниот:</p>				
Д О З В О Л А				
за вршете на дејност со извори на индустриското претпријатие				
1. Основни податоци:				
Носител на дозволата:				
Единствено државно брое на претпријатие		00109775424		
Име на претпријатие		Фени Индустрис АД Кавадарци		
Седиште на претпријатие		с. Велозари, Кавадарци		
Телефон:		Електронски е-пошта:		
020/241 526		Факс: 093 418 435		fenig@feni.mk
Област/регион на која се работи				
Констатиновото Даскалско, главен извор на директор				
2. Дополнителни податоци:				
<ul style="list-style-type: none"> Дејност за која се издава дозволата: Индустриски мерачи Иницијал на индустриското претпријатие со кој се користат за вршете на дејноста: 				
Матери / произведениот	Лиценца на користење / лиценца	Развојнак	Почетна активност (MW)	Датум на почетна активност
Техничко Материал	РЕ. Томас / Јанево 1 / Источ	С-137	3700	Ноември 2004
Техничко Материал	РЕ. Томас / Јанево 2 / Запад	С-137	3700	Јануари 2004
Техничко Материал	РЕ. Томас / Јанево 3 / Источ	С-137	3700	Јануари 2004

Изготвила:
А.В. Јанево
Директор на Дирекцијата за развојнако сигурност

Сведетел:
Димитар Багдасар, помошник на директорот



ДИРЕКТОР

Др. Јанево

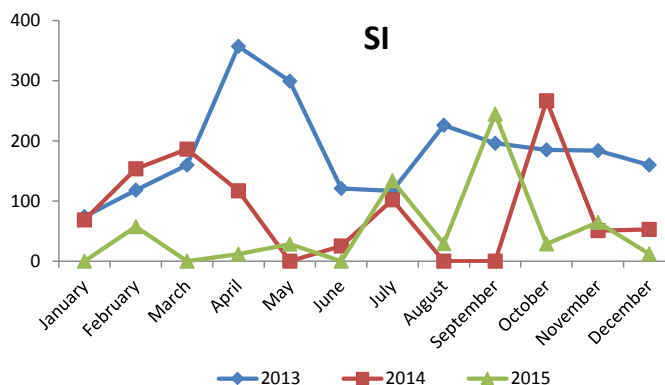
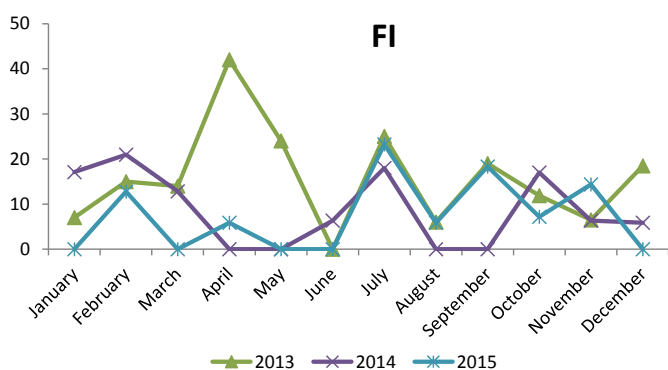


The license for working with sources of ionizing radiation is renewed

*Participation at the 8th Conference of safe work -2015
in Portugal from 22-25 of September 2015*

Indexes for Safety and Health at Work

FI (Frequency index) = (total number of injuries incurred in the month x 1,000,000 hours, ie index of frequency) / total number of worked and paid hours during the month. For the year 2015, FI = 7 (FI <15).
SI (Severity index) = (number of lost calendar days in the month because of injury at work x 1,000,000) / total number of worked and paid hours during the month. For the year 2015, SI = 51 (SI <150).



Indexes for Health and Safety at Work, in 2013/2014/2015

Purchase of new equipment for fire protection

The constant upgrading and acquisition of modern FFE enables timely and safe intervention of FFU.



Purchased new firefighting equipment



Purchased new off-road vehicle equipped with FFE

Conducted trainings and exercises for Firefighting

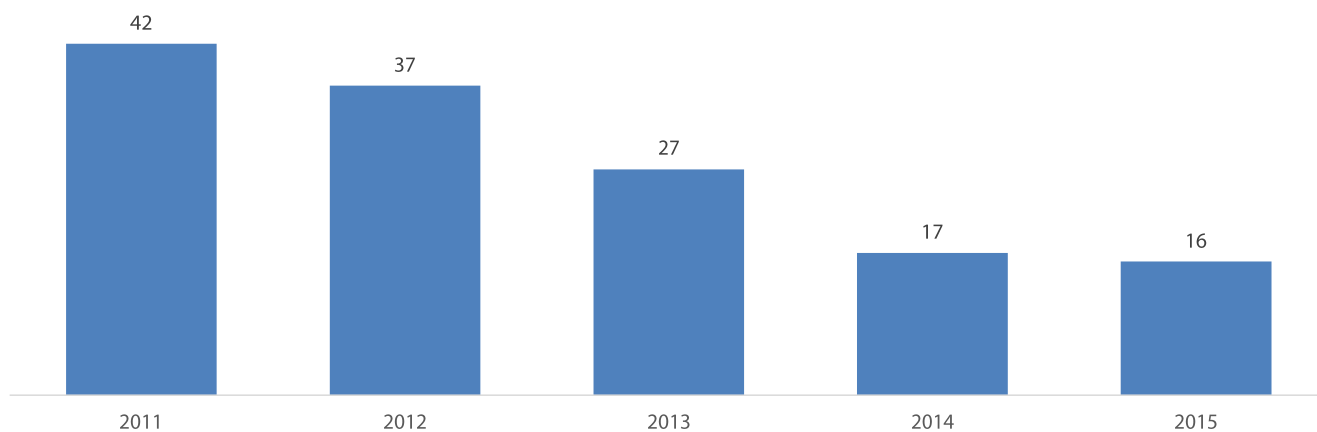
Continuously every year we conduct regular training and exercises as part of preventive protective measures for fire protection and intervention in involving injury ,with the medical team of Feni Industries.



Training of Feni`s firefighters



Feni`s FFU participate in firefighting , to help the FFD of Kavadarci



Number of registered fires in Feni Industry from 2011 to 2015

In 2015 FENI Industries was operated according to the implemented Environmental Management System that is consistent with the requirements of ISO 14001: 2004. One of the main efforts of the company remains the decrease of the environmental impact, which is a result of the plants daily activities.

Special care is continually vested in the improvement of air quality, reducing emissions to water, saving water resources and saving energy with special emphasis on energy efficiency.

Energy efficiency and energy savings are vital for environment protection. They represent the most effective way to achieve energy sustainable future.

With using of the alternative fuels, as biomass, we are making preserving and saving fossil fuels for future generations.

In 2015 FENI Industries maximize the use of biomass as an alternative and environmentally-friendly fuel substituting the lignite.

Results from the Installed system for continuous monitoring of ambient air in the vicinity of FENI Industries shows that in recent years there has been significant progress in the reduction of emissions of particulate matter in the air.



View of Department Refination in FENI Industries

HIGHLIGHTS IN 2015

- Installation of a new bag filter on Old dryer;
- Installation of a new equipment for crushing the slag from electric furnaces;
- Signing a contract with an authorized company for waste packaging;
- Signing a contract with a company to undertake waste tires and rubber belts, and delivering a large quantities of used tires from vehicles and rubber bands;
- Starting a project for the selection of plastic bottles within the factory in special containers and their transfer to a non-governmental organization;
- Increasing the usage of biomaterial (olives seeds) as a biofuel substituting the lignite;
- Examination of sludge from thickeners (carried out in Italy) for the possibility of using Filter press;
- Project for collecting proposals for energy efficiency in Feni, and presentation for energy efficiency;
- Participation in the Panel discussion "Energy modeling within climate change and COP 21".

TARGETS FOR 2016

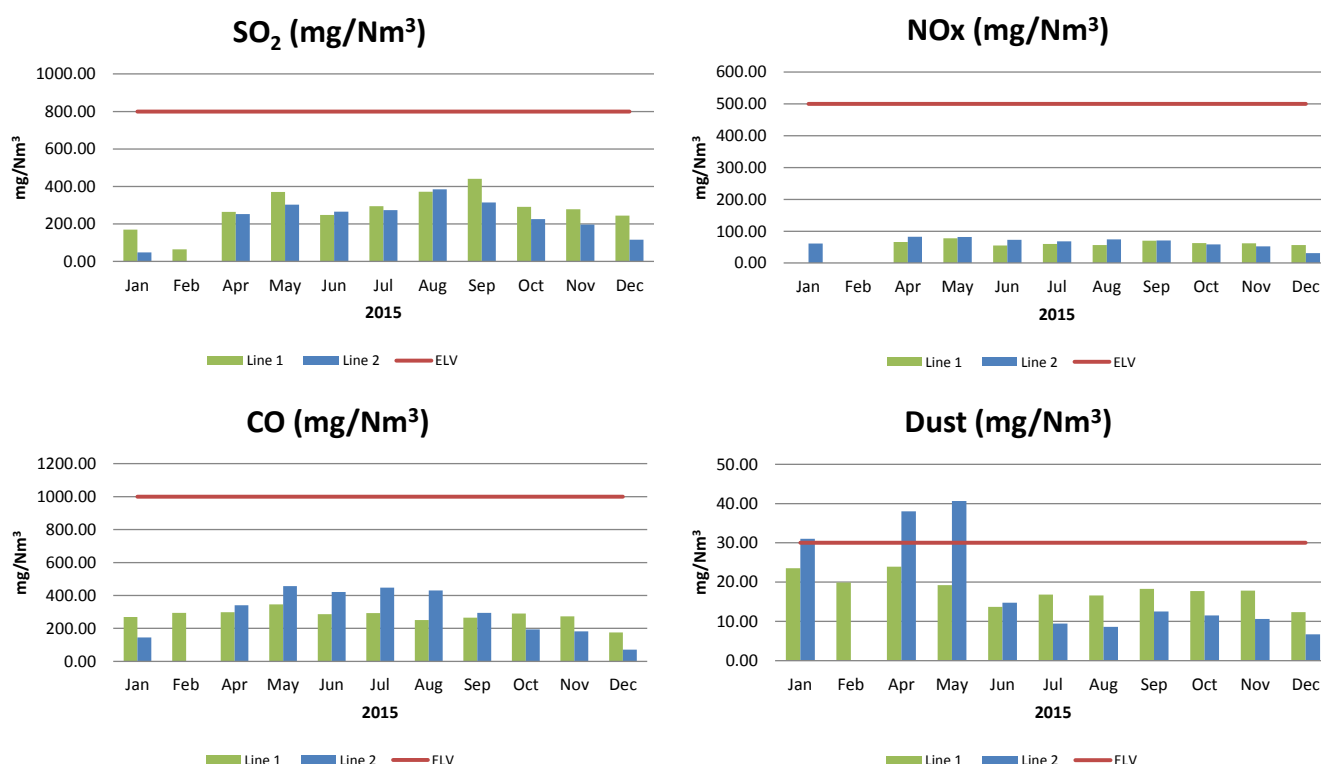
- To continue with improving of the System for recirculation of waste water with installing the Filter Press;
- Planning and building of a canal along the streets as well as their blacktop pavement;
- Establishing a „Green team " with proper mechanization and regular cleaning of the main streets, which will further reduce fugitive emissions;
- Planting new bedding plants and formation of a green belt on a predefined location;
- Declaration of the slag from electro furnaces as a side product and not a waste;
- Finding the market and sale of slag from Electric Furnace;
- Installing a bypass between the two Converters, connecting them before the fans;
- Increasing the control of opening the auxiliary chimneys in Pelletization;
- Using more biomass (biofuel) as an alternative fuel for lignite;
- Monitoring of bag filters in the Ore Preparation;
- Drone usage. For environment monitoring.

Emissions

In 2015 the company continued with implementation of measures for reducing the emission of air pollutants, by installing a new bag filter on Old Dryer, thus, emissions of dust from the area of Ore Preparation significantly are reduced.

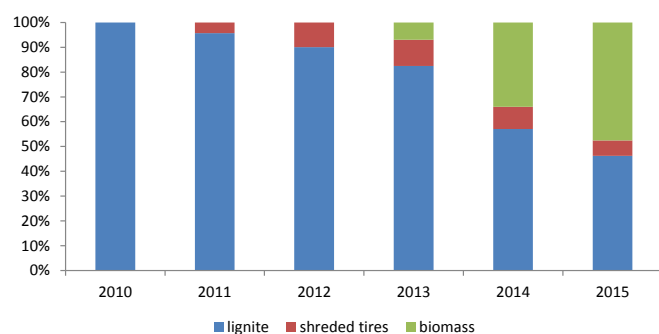
Emissions monitoring

FENI Industries is one of the few companies in Macedonia with Continual Emissions Monitoring System. Emissions of SO₂, NO_x and CO from both lines in FENI Industries (in Pelletization) are significantly below the Emission Limit Values (ELV) from domestic and European regulations. Dust emissions are below the Emission Limit Value (ELV), except in the months April and May, when on Line 2 is observed dust emission over (ELV), which was a signal for a Remount of Electrostatic Filter on Line 2 in Pelletization. After the completed remount of the Electrostatic Filter on Line 2, in May 2015, these emissions are within the prescribed limits.



Results from the System for Continuous Monitoring of Emissions

Increased use of biomass



Percentage share of solid fuels



Biomass used in FENI as a substitute for lignite

In 2015 the amount of used biomass is increased, so that, this year about 50% of lignite were replaced with biomass as an alternative fuel. This biomass is an environmentally friendly product, it is a residue from the production of olive oil and a renewable resource with a very low sulfur content.

Monitoring of ambient air

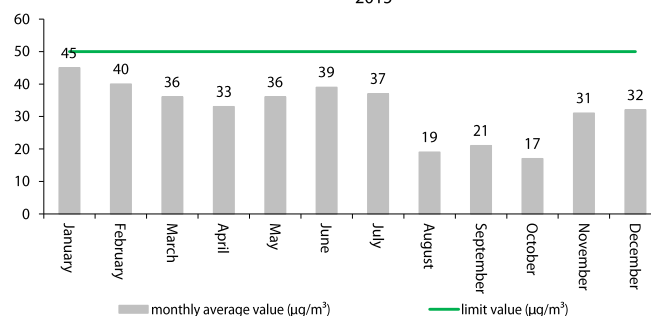
Besides performing continuous monitoring of the emissions, FENI perform continuous monitoring of the imissions as monitoring of the quality of the ambient air (PM10), in v.Shivec which is the nearest populated area around Feni. This monitoringr is done by an automated system for continuous monitoring of ambient air (Airpointer). The results of this monitoring shows that the ambient air around FENI during the whole year is in accordance with the national regulations.

Comparison of the ambient air in Shivec village and Kavadarci

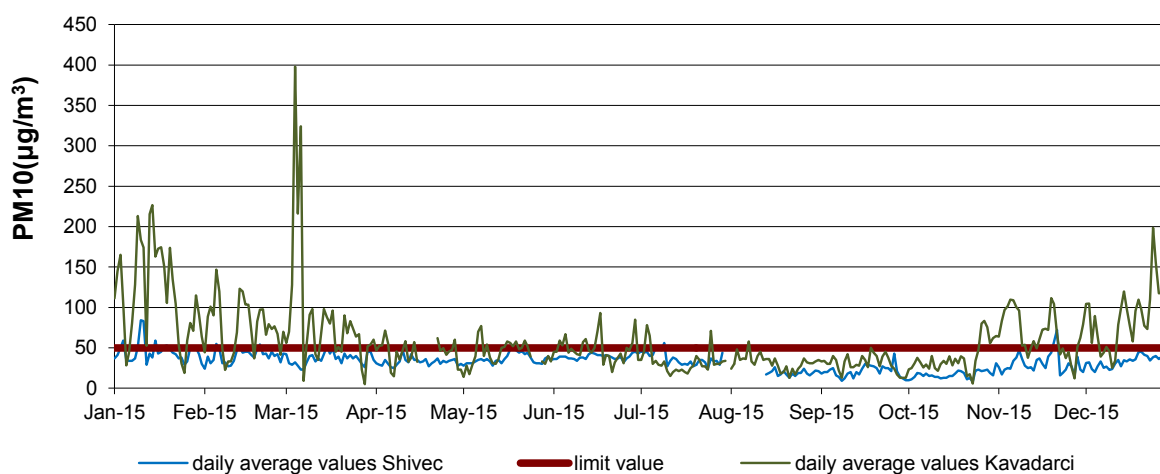
Department of environment of Feni Industri is making comparison of the quality of the ambient air, more precisely the PM10 particles in Kavadarci with the quality of the ambient air in v.Shivec. The chart below shows that the values for PM10 particles are much higher in Kavadarci than the surrounding in FENI. It is obvious that the higher values ofa PM10 in Kavadarci occur in winter period during the heating season, the rest part of the year, values of the PM10 particles are within the prescribed limits.

The average value of the PM10 particles annually in 2015 near Feni Industri is 32 $\mu\text{g}/\text{m}^3$, and the value of PM10 particles on a daily basis was higher than 50 $\mu\text{g}/\text{m}^3$ only 13 days of the year which is in accordance with the national regulations that allows 35 times of outrange. These results are confirmed by the monitoring of PM10 and SO₂ which in the nearby surrounding of Feni Industri (in both villages Shivec and Vozarci) is performed by accredited laboratory.

Monthly average values of PM10 measured by Airpointer at Shivec for 2015



Comparison of the ambient air quality in Shivec and Kavadarci for 2015



New equipment for slag crushing

On the disposal of slag in v.Vozarci is installed a new equipment for crushing which is planned to perform the processing of the slag in electric furnaces in forms of fine grain as a secondary raw material (by-product) of Feni Industry can find application in the industry and construction.



New equipment for crushing the slag from electric furnaces



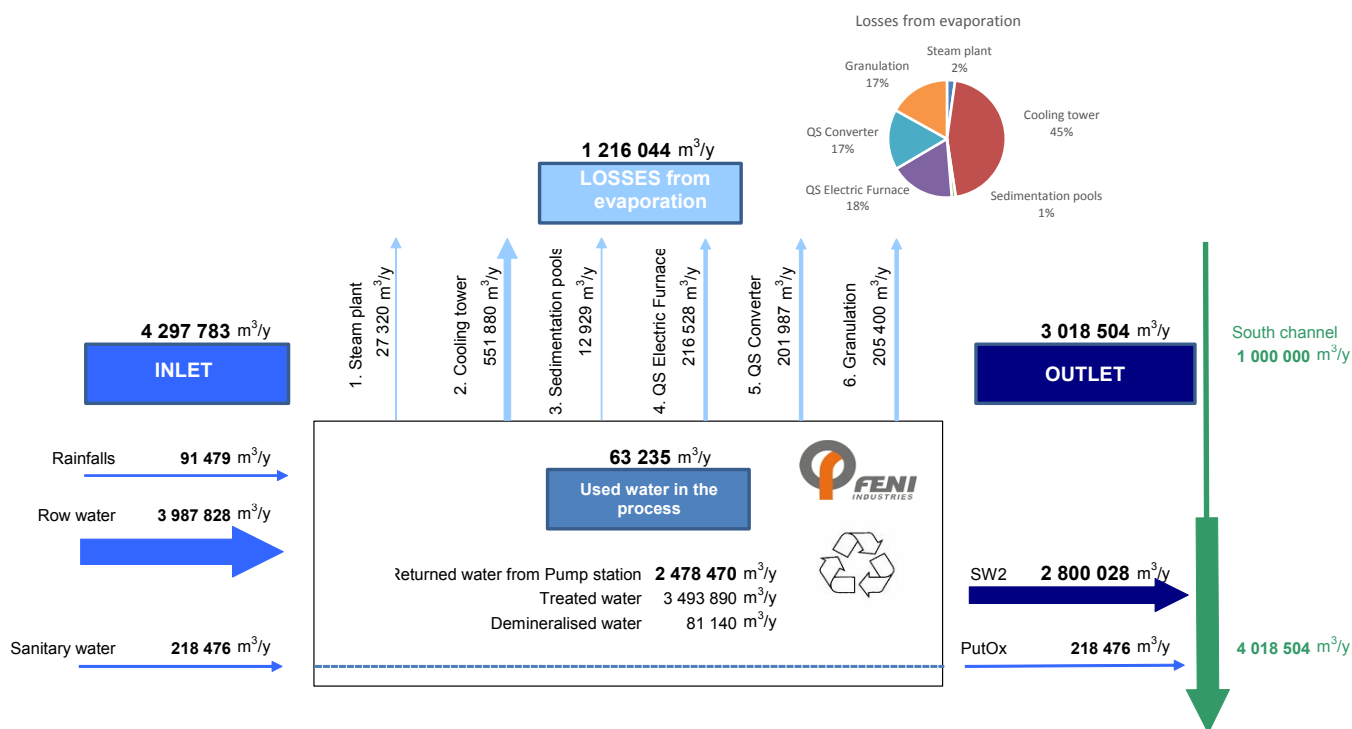
Crushed slag from electric furnaces

Water

In 2015 the company is continuously working on increasing the control of consumption of technical water that in the future would receive a reduction of the water consumption and decreasing the amount of the water that is discharged into the recipient the river Crna. In the reporting year, the department of environment began with tracking the amount of rainfall in Feni Industri on a daily basis.

Technical water in Feni Industri is used for furnace cooling, in the systems for water de-dusting and for cleaning the streets in the plant. The sewerage waste waters are completely separated from the atmospheric water and before they are discharged in the river Crna are treated in the station for sanitary water – Putox. On annual basis in 2015 are consumed around 4 000 000 m³ technical water and around 218 000 m³ sanitary water.

WATER BALANCE - FENI Industries 2015

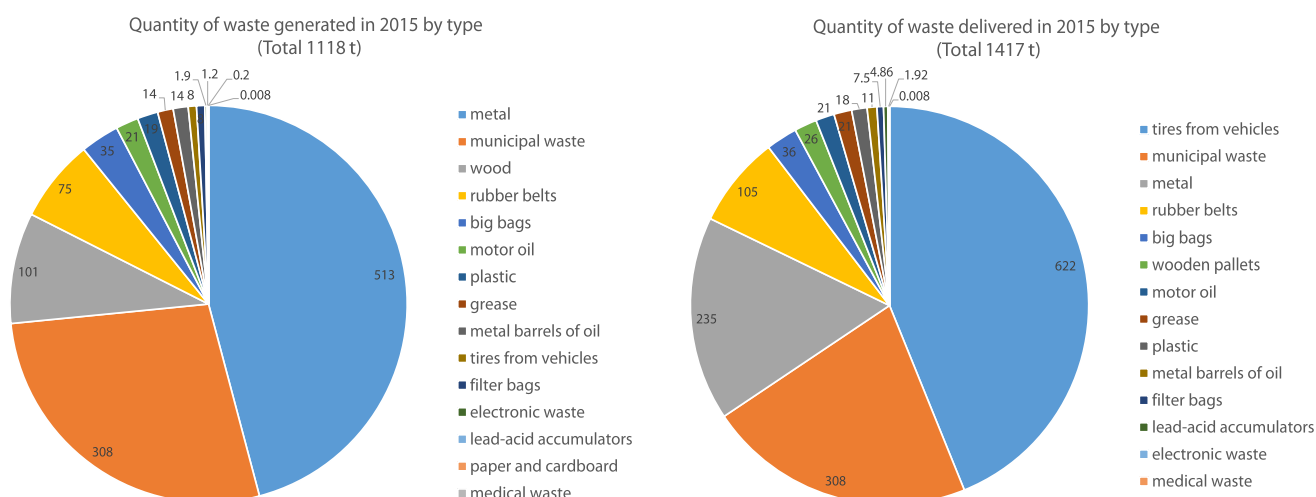


Waste

In 2015 were created total 1 118 tons of waste without taking into account the slag, that as inert waste is disposed on its own Slag Disposal.

For all types of waste is analyzed their origin and are collected on location for temporary storage of waste, which are taken from different firms that FENI has contracts.

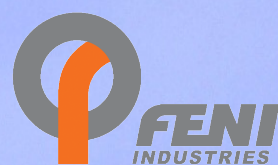
In 2015 are delivered totally 1417 tons of waste on different Companies which are authorized to undertake different types of waste, fully complying with the laws on waste treatment.



FENI Industries in 2015 with figures

- In 2015 *зодина* are produced total 17 700 t commercial nickel;
- 50 % from the lignite in 2015 is replaced with biomass;
- More than 3200 trainings are performed ;
- From 2009 till 2015 are reported 19 projects for CSR national reward from which 10 are rewarded – 3 with a trophy and 7 with a plaque;
- The total emission of SO_2 is decreased by 16% compared to last year;
- The number of injuries in Feni in 2015 is decreased by 46% compared to 2013 ;
- The annual average value of PM10 in v.Shivec for 2015 is $32 \mu\text{g}/\text{m}^3$;
- 140 new suppliers are included;
- Total 879 direct employees and more than 4000 other workers on a daily basis through other various contractors, transporters, servicers, suppliers and so on. ;
- Total 1417 tons of waste is delivered for recycling;
- The number of fires in Feni in 2015 is decreased by 62% compared to 2011.





 **cunico**
CUNICO RESOURCES NV



As established continuity and practice in Feni Industries in 2015 we continued to improvements in the business ethics of the entire operation. The concept of ethical conduct-honesty, trust and integrity remains the leading strand of business policy and practice for achieving the set business goals and sustainable development of the company.

We apply this practice of high ethical standards in all segments of the overall business of the company starting from the employees, management, shareholders, transmitting it to the suppliers, customers, the community and all concerned groups.

The applied model of business (corporate) ethics in Feni Industries is not only measuring the results of the business through reports, comparisons and financial indicators but also an evolved system through transparent corporate open access, according to the B2B model (business to business), Feni Industries is approaching its acting and relationships with all suppliers, partners and associates with attempts for finding a mutually acceptable methods to improve mutual business, at the same time finding new partners and ethical recognition of the entire business community, while retaining the established principle of continuous zero tolerance for corruption.



Feni Industries winner of an award for "Ethical Management"

HIGHLIGHTS IN 2015

Supply Process

- Evaluation of suppliers relationships;
- Establishment of new relations with Suppliers - partners;
- Evaluation of suppliers in terms of CSR through the principles of the UN Global Compact;
- Purchase procedure - improvements;
- Communication with Suppliers;

Concept for Ethical Governance

- Business ethic procedure;
- Ethical Governance Award;
- Participation in international CSR conferences

OBJECTIVES FOR 2016

- Continuation and upgrade of fair and transparent system of suppliers, further expansion of the number of approved suppliers, creating opportunities for entry of new contractors;
- Revision and improvement of the system for quality;
- Continuation and preservation of the ZERO TOLERANCE to corruptive behavior policy;
- Continuation and promotion of ethical management;
- Competition: Design and structure of the front page of the CSR report in 2015 by secondary school students in general on the applicable purchase system in Feni Industries.

FENI INDUSTRIES as a member of the Global Compact for social responsibility of the United Nations in the implementation of its already recognized, good social practices, exercise the motto "Think globally act locally". In context of this motto in the activities scheduled for 2015, were included contents related to the audit of the Millennium Goals 2015.

Во тој правец е и поставената цел во 2015 за спроведување постапка за Дизајнирање и Изработка на Насловна страна на Извештајот за КОО на ФЕНИ Индустрѝ за 2015 од надворешни соработници, да ја поттикнеме креативноста на ученици од средни училишта по пат на отворен конкурс за истата притоа едуцирајќи ги младите за принципите на корпоративната општествена одговорност, а особено применетите КОО практики во ФЕНИ Индустрѝ.

Purchasing procedure

Facing serious disruptions in the stock exchange listings of Feni Industries product, ferronickel, on the downside, the purchasing department was even more emphasized in finding ways for more economical purchases, while taking in consideration not to disrupt the purchase process established, which is a continuous process that will not compromise. In the second half of 2015 we have put on a test our process, although well-known and accepted of the majority of suppliers and partners, in the supply chain, while mutually searching for new models to straighten the trust and defining ways for cooperation with collaborators, and at the same time applying it on new suppliers, both domestic and foreign.

Purchasing procedures as established process without compromises, continued to be applied in such operating environment, and they are already very well-known and accepted practice by all Feni Industries suppliers and partners. With the largest number of suppliers, business cooperation agreement was introduced and applied, for the regulation of payments and in accordance with the newly introduced law on financial discipline in the country.



Secondary Purchasing Committee

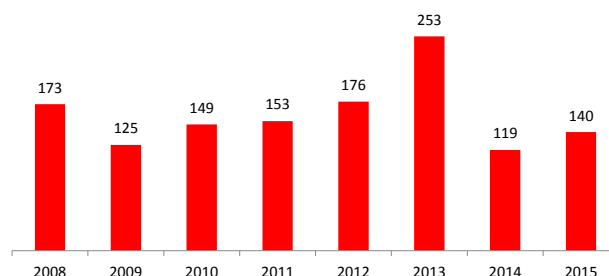
The process of purchasing without any changes covers the current supply levels: collecting offers from the initiators of the requisitions, approval by the sector manager, delivery of the requisitions to all potential suppliers without any discrimination, collecting offers upon requisitions, evaluation of the offers, comparative tables upon obtained offers, a selection of best offer according to all criteria (quality, delivery deadlines, means of delivery, payment, warranty, certificates ...) through a process of selection of authorized Purchase Committee, primary and secondary, composed of managers and employees from different departments in the company.

After selecting the best offer, an official order for the appropriate supplier is prepared and the object or the service is effectuated. Furthermore, the subject or the service should be delivered according to the specified deadlines and accepted in Feni Industries for each there is a quality and quantity admission and finally receipt invoice. There is a special approach developed in order to have insight of the incompatibilities (reclamations) where the Committees through a special procedure approach toward solution of the former.

This purchasing process is unambiguous, fair and transparent and it simultaneously excludes corruptive opportunities.

This method of selection of offers confirms the independent, transparent and anti-corruptive approach on business ethics in Feni Industries.

Newly approved suppliers per year



The purchasing department continually upgrades and follows up the approved suppliers data base, by maintaining it and keeping it open for new suppliers at all times. Furthermore, it must be noted that through evaluation of suppliers, there are companies that are no longer in the base of approved suppliers due to various business and technical reasons.

The table indicator that follows the newly approved suppliers is upgraded every year and represents a clear indicator of the transparency in process of purchasing, its openness and indiscriminating access towards suppliers, and also an indicator for anti-corruptive measures that are implemented in Feni Industries in order to secure fair purchase.

Such approach in managing the supplying process represents a strong impulse of security and ethics in the operation within Feni but also among the suppliers that follow this process. This is actually pointed out in the received replays in the questionnaires that the suppliers fill in each year upon Feni's request and which are used as a toll for managing and developing professional relations with all the suppliers. Evidence of this is the total number of suppliers in the data base, which is constantly growing throughout the years thus reaching 1879 suppliers in 2015. As for the same year for 2015 a number of 140 newly approved suppliers entered the base, which represents an increase of 8,0 % in comparison to the year before.



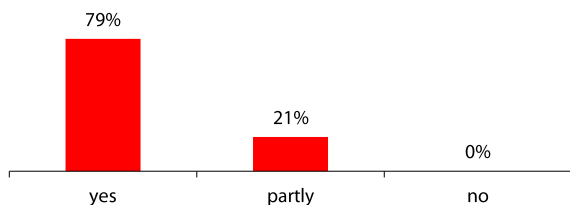
Representatives of the companies members of the Macedonian Global Compact Network, visiting factory

Evaluation of relations with suppliers

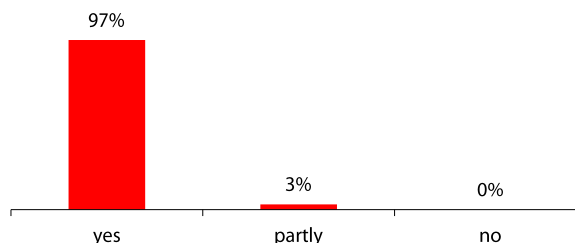
According to the systematic requirements, every year, the Purchasing Department administers supplier-vendor relationship evaluation questionnaire and the obtained results are summarized in an appropriate reviews.

Evaluated data unambiguously shows that FENI is on the right path toward open cooperation with all suppliers, at the same time corrective and preventive, so as to further improve the relations with them.

Is FENI open for cooperation with new suppliers?



Does FENI's purchasing procedure prevent corruption?



Evaluation of suppliers in terms of CSR principles

Project: Cover Page for CSR Report 2015

Within the targets for 2015, the CSR Team in Feni made an Objective The Cover Page for the CSR Report 2015 to be made by a competition from foreign producers-Outsourcing. As a target group was determined II-nd year in High School Dobri Daskalov from Kavadarci. Rulebook and Program for the competition was drafted and together with the teaching staff of the high school were made lectures on CSR and CSR practices in order to raise awareness of CSR to the young generations.

The task was "Designing and making the cover page on the FFENI Industries CSR Report 2015".

We got six (6) team offers in the requested period, and opening of the Offers was on very ethic and transparent way. A mixed commission was made with members of CSR Team from Feni Industries on one side and teachers, mentors in this project, from the high school, on the other side. After the election of three best teams, they were invited in FENI to present their Page. The committee awarded with first prize:

Strashe Naumov and Borce Stavrov

students in the Second Year in High School "Dobri Daskalov" Kavadarci.

Their Page is a Cover Page on this CSR Report 2015.



Winners of the Project: Cover Page of the FENI Industries CSR Report 2015

This successful project speaks to the openness and transparency of the positive practices of the company Feni on the same time sending a strong message of encouragement to all the participants of the community how to treat business ethics, transparency and generally to corporate social responsibility.



Presentation of the Project: Cover Page for the CSR Report 2015 to the students in the high school



Part of the Commission for the project: Cover Page CSR Report 2015

Smelter NewCo Ferronikeli Drenas (Kosovo)



The facility includes a nickel production plant as well as mineral deposits in the vicinity of the plant. The plant, located in Drenas (Glogovac), was in a state of disrepair at the time of acquisition, as a result of bombing during the Kosovo conflict in the late 1990's and subsequent general neglect. After the takeover however, Cunico Resources was able to renovate and refurbish the NewCo Ferronikeli plant in less than 18 months and in 2007, it was successfully re-commissioned. Current production is approx. 9,000 tons a year. The NewCo Ferronikeli plant is a two lines plant. It was built in 1984 using largely Soviet technology, but with certain key elements such as the electric furnaces, rotary kilns and casting machines, based on Western designs.

Both FENI Industries and NewCo Ferronikeli produce high quality low carbon ferronickel in granules, and the fact that the two plants are similar but yet not exactly the same and the ore recipes also differ, gives Cunico flexibility i.e. competitive advantage over other ferronickel producers, since Cunico can accommodate various quality requirements of its clients, thus meeting the exact needs of the ferronickel consumers.



Liquid ferronickel granulation



NewCo Ferronikeli plant stock piles

Mines Guaxilan and Mayaniquel, Guatemala

With the acquisition in 2012 and 2014 of two mines in Guatemala (Central America), Cunico Resources secured its nickel ore resources on the long term.

- 2012: Guaxilan SA, (Los Amates)
- 2014: Mayaniquel SA (Panzos)



Based on these mining acquisitions with combined estimated resources above 20 million tons, today Cunico Resources is totally integrated producer.

Guatemalan ore is unique, containing both high nickel content (1.8-2.0%) and high iron content (15-25%). Ore is transported by road to the port of Puerto Barrios, on the Atlantic Ocean and transported by vessel to the port of Thessaloniki, Greece. Sailing duration is approx. 25 days.



Mining operations in Guatemala

The concept of community is an integral part of the business strategy of Feni Industries.

The company has extensive experience in this field and constantly contributes for the development of the community.

The strategic determination of supporting projects that are of interest and benefit to the majority of citizens continues, but Feni also treasures other forms of support: individual projects support, charity events, support for the marginal groups, organizing for students to do internship, cooperating with NGOs etc.

Feni Industries continues with the sponsorship of the basketball club from Kavadarci, which was three times champion of the major Macedonian Basketball League and two times champion of the Macedonian Cup.

The end of this year was rounded with the construction and the sanctification of St. Paraskeva Church in Kavadarci, which represents monumental sample of the early Christian architecture. The sanctification and the holy liturgy were held by the Archbishop of the Macedonian Orthodox Church his Beatitude Mr. Mr. Stefan.

„СВЕТА ПРЕПОДОБНА ПАРАСКЕВА-ПЕТКА“ ЗА ЛЉУБОВ И СРЕЌА ЗА СИТЕ

Храм во византиски стил го краси центарот на Кавадарци

18 октомври 2015 - 14:31

Зад проектот за изградба на црквата стојат ктиторите „Фени Индустрii“, општина Кавадарци, „Кожувчанка“ и „Градба промет“, како и уште бројни други донатори, фирми и граѓани од Кавадарци и Македонија, а со благослов и духовно водство на Митрополитот Повардарски г. Агатангел.



Во Кавадарци беше осветена новоизградената црква „Света Преподобна Параскева-Петка“. Осветувањето го изврши Неговото блаженство, Архиепископот Охридски и Македонски г. г. Стефан, во сослужение на владциите Петар и Агатангел, по што следувахе и свечена литургија.



Зашитничката на Кавадарци, Света Петка доби свој храм

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HIGHLIGHTS IN 2015

- **Capital investments**
St. Paraskeva Church ;
- **Sport and sport activities**
KK FENI, Academy, sport tournaments;
- **Education**
Scholarships, practices for students, seminars, congresses, panel discussions;
- **For the youngest ones**
Support of summer camps, socializing, donations;
- **Associations and NGOs**
Cooperation with nongovernmental organizations, participation in many environmental actions, Eco quiz.

OBJECTIVES FOR 2016

In regards of our continuity for community investments, as a company, we strive towards fulfillment of our long-term targets for 2016:

- The Tikves grape harvesting;
- Support of BC Feni Industry;
- Development of new talents through the academy of the same basketball club;
- Continuance of the EKO Quiz as well;
- Cooperation with the center and school for children with special needs.



The sanctification and the holy liturgy of the St. Paraskeva Church in Kavadarci

Debates and events in Feni Industries

Gender equality

Feni Industries is involved in the campaign to sign the Istanbul Convention on the prevention of violence against women and prevent domestic violence. For this purpose in cooperation with the National Council for Gender Equality was organized a debate during which the Convention was presented by Mrs. Savka Todorovska—President of the National Council and for the situation in our country debated the present employees of Feni Industries.



Children with special need as guests in Feni Industries

Open Friday

Every last Friday of the month, Feni Industries organized "Open Day" event that allows citizens to learn about the technological process, the progress that Feni has achieved in recent years in many fields such as production, investment, ecology, and all other public information which are in the interest of the citizens and the general public.

In 2015, guests participants in the Open Day were the students from primary and secondary schools in the republic, students from the Faculty of Business Economics at the University American College Skopje, primary school teachers from Kavadarci, who participated in the Eco quiz, then representatives of companies that are members of the Macedonian global Compact network and other interested citizens.



Students from primary schools participating in the "Open Friday"



Debate for gender equality

Socializing with children with special needs

Traditionally FENI Industries is socializing with children with special needs for the Easter holidays, on the sales of Easter eggs, market, and pre-New Year friendship of children with basketball players and it was marked also the international Day of persons with disabilities.



Primary school teachers from Kavadarci participating in the Eco quiz visiting the factory



Representatives of companies that are members of the Macedonian Global Compact Network, visiting factory

BC Feni Industries

For almost a decade, the sport and sports activities are an integral part of the socially responsible activities of Feni Industries. Apart from the expected successes and achievements of Feni Industries basketball club, the policy for socially responsible action and participation in educational programs are integral part of the strategy of continuous development and building a brand of the Feni Industries basketball team.



BC Feni Industries

Participation in many environmental actions

Ecology week

On the occasion of the ecology week in 2015, Feni took part in the action for cleaning the dam of the Tikves lake which was organized by "ED TISOVEC" v.Vozarci and "NVO ZONA" Kavadarci.

This action was attended by students from "POU Strasho Pindzur" from v.Vozarci, "ZSHUC Gjorce Petrov", "Red Cross" Kavadarci, "Kreaktiv", "SPPMD", "HEC Tikves", "Angro promet", "Tikveshko pole" and the Mayor and the local self-government of the Municipality of Kavadarci.



Cleaning the dam of Lake Tikves

The day of the tree

In Macedonia another action "Tree Day" was organized on the December 2. During the action on the territory of the Municipality of Kavadarci were planted 146,000 plants of trees from different species such as: acacia, maple, ash and cypress. This action was completed with logistical support from "Makedonski shumi" subsidiary of "BOR" Kavadarci. As same as every year, Feni Industries took an active part in this action and planted plants in the Tisovec area. Beside this location, in the Municipality of Kavadarci there were planting actions on the following locations: "Velova cesma" near the village Mrzen Oraovec, then on "Kalnica" near Vatasas, and on the Monastery "Moklishte", along the route of 5 small hydroelectric power plants on an area of 50 ha.



The day of the tree

Eco Quiz 2015

In December 2015 for the second time was organized Eco quiz for all students from fifth grade in Kavadarci Municipality. The interest that children showed for the quiz, the experience of last year, the involvement of parents in preparing children for the same, the atmosphere of the final game, and knowledge of the participants are indicators suggesting that eco quiz will become traditional.



Several media reported about Eco quiz 2015



Winners of the eco quiz 2014 on excursion in Krushevo



Master Zorka Vckova,
Counselor for education,
Municipality Kavadarci

„In the recent years we constantly talk about environmental pollution, ecological disasters, threat of global warming. Continually we appeal to raise the awareness of the citizens for keeping the environment, but the result are still unsatisfactory. The Ministry of education and science introduced reforms in this regard and in the teaching process introduced educational content for ecology. Behavioral habits that contribute to environmental protection acquired from young age and essential knowledge is supplemented with key guidelines and practical usage brings results. For that purpose the Local government Kavadarci through the primary schools in the municipality with collaboration with Feni Industry and Environmental Association Tisovec in 2014 signed Memorandum of Cooperation and started an Eco quiz with the fifth grades in order to make it traditional and to be expanded on a regional and state level. In 2015 the quiz was held for the second time and the results as from the first and the second year are visible. The interest from the schools, the student and the parents was large and during preparing the students with the submitted material despite the adoption of the basic knowledge of the students, many parents helping their children gained solid knowledge that could be seen from their addressing to the committee of the quiz. The goal of this quiz is achieved which can be seen in the schools thru the activities of the students and we hope that it will not only continue in our community but will become a national competition.“



All participants on Eco quiz 2015



Sashko Danov –
Environmental Association
"Tisovec" Vozarci Kavadarci

"Cooperation of the Environmental Association "Tisovec" Vozarci, Kavadarci with Feni Kavadarci last for several years, but the project ECO QUIZ represented a real challenge in terms of the environmental education in the educational system of RM and strengthen its sustainability at the local level, but also for all involved parties because main participants were school-age children from 5th grade. All partners in this project fully and dedicated has worked to the organization of this quiz taking into account the maximum fulfillment of criteria objectivity and impartiality aimed to achieve children satisfaction, from participating in it and contributing in building environmental habits from an early age.

I would like to express the hope that the experience from this project will create space for further cooperation for which all parties formally agreed through a Memorandum of Cooperation."

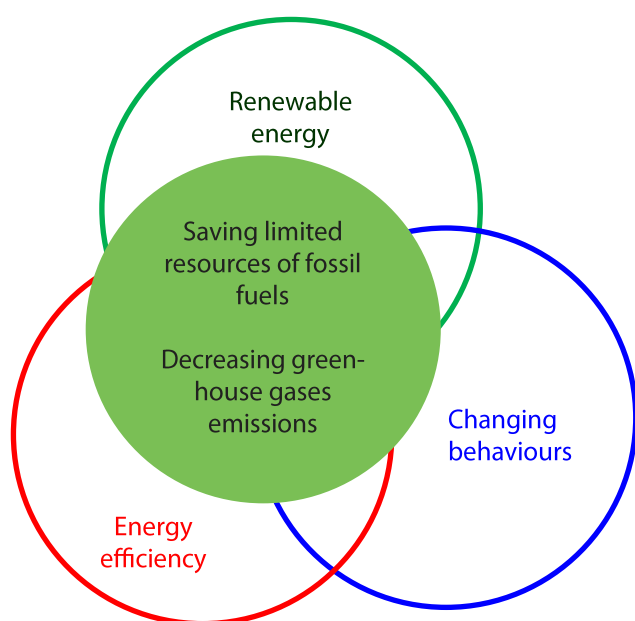
Introduction

When we listen or read in the media about renewable energy, the first image that comes to us is a marginal source of energy, with windmill or solar panel. The first impression is that renewable energy is a nice project, but that this remains more in the domain of the dream and of the good thinking, a little bit far from the reality of our energetic world.

This was maybe true when I was a child, in the 70's. In 2016, 40 years later, renewable energy represent more than 20% of the global final energy.....And this share continues to grow, year after year.

The 'boom' of renewable energies is promoted by the scenario of the global warming. In order to mitigate this predicted raise of the temperature, countries must decrease their emission of GHG gases (such as CO2 for example).

However, when we mention renewable energy, we need also to mention energy efficiency. The primary interest of the renewable energy is to substitute fossil energy (which are limited). However, the development of renewable energies will not be enough to compensate integrally our current consumption of energy. We need also to improve how we are using our energy (energy efficiency) and probably to change our behaviour (sharing, degrowth).



Why renewable energy?

- Renewable energy resources exist over wide geographical areas, in contrast to other energy sources, which are concentrated in a limited number of countries;
- Most of the time, renewable energies are non emitting energy (no emission of GHG for example for solar or wind energy). With the raise of the awareness of the global warming due to GHG (green houses gases) - see recent success for the COP21 at Paris in December 2015), alternative energies which are not emitting CO2 are in full development.

Definitions

What is renewable energy?

Renewable energy is generally defined as energy that is collected from resources which are naturally replenished on a human time-scale, such as sunlight, wind, rain, tides, waves, and geothermal heat.

(source: Wikipedia)

What is energy efficiency?

Efficient energy use, sometimes simply called **energy efficiency**, is the goal to reduce the amount of energy required to provide products and services. For example, insulating a home allows a building to use less heating and cooling energy to achieve and maintain a comfortable temperature. Installing fluorescent lights, LED lights or natural skylights reduces the amount of energy required to attain the same level of illumination compared with using traditional incandescent light bulbs.

(Wikipedia)

Changing / adapting our behaviours.

This depends from us. No need of a patent to share a car. New technologies (smartphone, net-economy) could assist this sharing. More and more people are using applications such as bla-bla car or zip-car in order to share the usage of the car. It exist mainly 2 ways:

Either a passenger owns his car and is proposing passenger to travel with him, sharing the cost (fuel, pay-toll);

Or cars are made available for many users.

At the end, the environment is winning by decreasing gas emission. This sharing economy is at its beginning. It has to be developed but also this must be framed.

Another way exist to decrease our consumption of energy: the de-growing. Why always the society needs to grow? Why could not we live simpler? Why do we need always newest model of smartphones?

Examples of renewable energy

Wind power.

We could distinguish onshore and off-shore wind power. Onshore wind is an inexpensive source of electricity, competitive with or in many places cheaper than coal or gas plants. The average size of turbine delivered to the market was 1.9 MW in 2013. Wind power doesn't generate greenhouse gas. In 2015 wind power constituted 15.6% of all installed power generation capacity in the EU and it generates around 11.4% of its power.



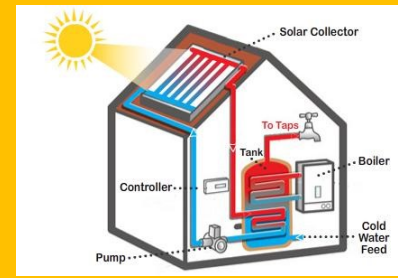
Solar photovoltaic (PV).

Converting the energy from the sun into a direct current. Solar PV is now, after hydro and wind power, the third most important renewable energy source in terms of globally installed capacity. Solar PV is starting to play a substantial role in electricity generation in some countries, meeting an estimated 7.8% of annual electricity demand in Italy, nearly 6% in Greece, 5% in Germany, and much higher daily peaks in many countries.



Solar Thermal Energy (STE).

Not to be confused with the solar photovoltaic. The sun is heating the water, either through flat mirrors or through curved concentrating lenses. Heat water could be used after heat-exchanger to heat pools or household water, or could be converted in energy (with turbine).



Concentrator photovoltaics (CPV) is a photovoltaic technology that contrary to conventional flat-plate PV systems uses lenses and curved mirrors to focus sunlight onto small, but highly efficient, multi-junction (MJ) solar cells.

In addition, CPV systems often use solar trackers and sometimes a cooling system to further increase their efficiency. Ongoing research and development is rapidly improving their competitiveness in the utility-scale segment and in areas of high solar insolation.



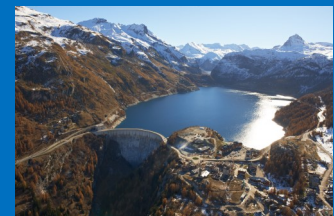
Geothermal energy is thermal energy generated and stored in the Earth. Geothermal power is cost effective, reliable, sustainable, and environmentally friendly,[8] but has historically been limited to areas near tectonic plate boundaries.

Recent technological advances have dramatically expanded the range and size of viable resources, especially for applications such as home heating, opening a potential for widespread exploitation.



Hydropower is power derived from the energy of falling water or fast running water. Most hydroelectric power comes from the potential energy of dammed water driving a water turbine and generator. The power extracted from the water depends on the volume and on the difference in height between the source and the water's outflow.

In 2013 hydropower generated almost 16% of the world's total electricity



Marine power or ocean power

The term marine energy encompasses both wave power i.e. power from surface waves, and tidal power i.e. obtained from the kinetic energy of large bodies of moving water.

The oceans have a tremendous amount of energy and are close to many of the most concentrated populations. Ocean energy has the potential of providing a substantial amount of new renewable energy around the world.



Bioenergy (biomass / biofuel / biogas).

A biofuel is a fuel that is produced through contemporary biological processes, such as agriculture and anaerobic digestion, rather than a fuel produced by geological processes such as those involved in the formation of fossil fuels, such as coal and petroleum. Biofuels can be derived directly from plants, or indirectly from agricultural, commercial, domestic, and/or industrial wastes.



Concentrated solar power (also called concentrating solar power, concentrated solar thermal, and CSP) systems generate solar power by using mirrors or lenses to concentrate a large area of sunlight, or solar thermal energy, onto a small area.

Electricity is generated when the concentrated light is converted to heat, which drives a heat engine (usually a steam turbine) connected to an electrical power generator.



Are the renewable energies clean energies?

The word 'renewable energy' is often understood as 'clean energy' or 'clean and sure energy'. However, the definition is different: A clean energy doesn't generate pollutants (or little), or it generates pollutants that disappears quickly and without impact for the environment. A renewable energy is not automatically a clean energy, and conversely.

For instance, the collect and the combustion of biomass is generating disturbances (deforestation, decreasing of the biodiversity, etc) and some pollutants (NOx, fine particles

and this is the case for the wood).

According WHO, almost 1.7 million premature deaths per year are due to the indoor air pollution generated from the cooking in South East Asia (especially India), where 700 millions of people are depending from solid fuels (wood, coal, vegetable waste, animal waste) and from traditional ovens for cooking

(source: Wikipedia)

Example of biodiesel

In Germany, 1 hectare of colza could produce 1400—1500 liters of biodiesel. This biodiesel could be used pure or could be mixed with traditional (petroleum) diesel. In Germany, 1 station from 10 is proposing biodiesel (5% bio-diesel in the mix). In Macedonia, some gas stations (from MakPetrol) are proposing the biodiesel B6 (6% of biodiesel mixed with petroleum diesel).



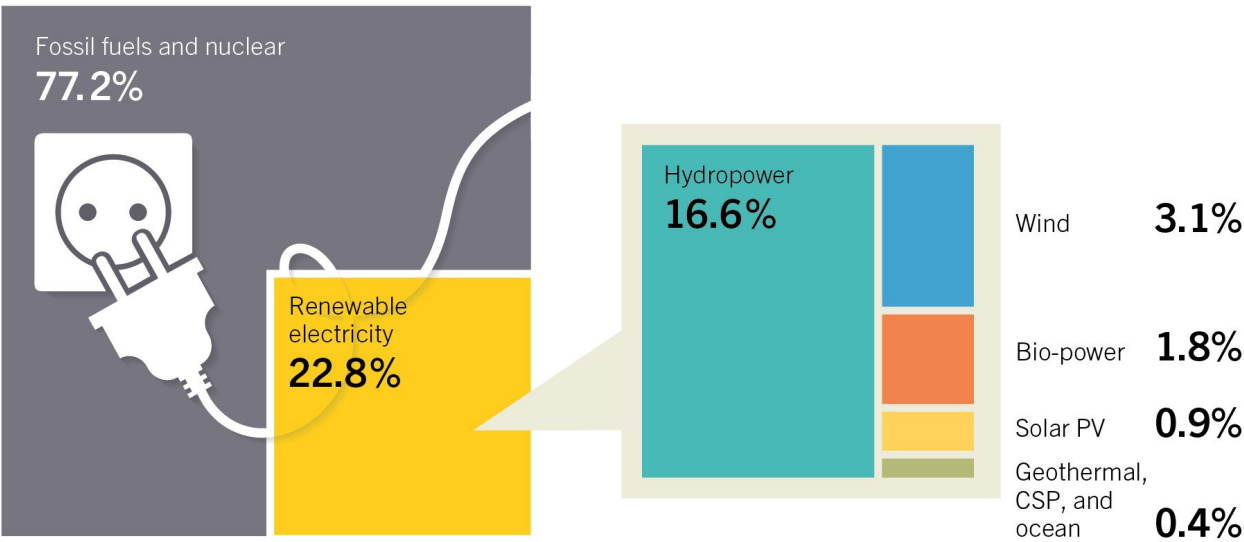
	Diesel	Cooking oil	B100	B5
EMISSIONS				
Unburned hydrocarbons, ppm	3	14	9	3
CO, %	0	0.01	0	0
NOx, ppm	237	214	248	240
Particulates (opacity %)	2.9	1.6	1.1	2.4
FUEL ECONOMY				
City (L/100 km)	11.7	11.8	10.7	10.8
Highway (L/100 km)	5.3	5.6	5.3	4.9
ACCELERATION				
0-50 km/h, sec.	4.5	4.5	4.5	4.5
0-100 km/h, sec.	15	14.9	14.5	14.2

Table: Comparison of the performance of the Volkswagen Jetta GTI 2002 - based on table 'Users Report 2012)

Pro	Cons
Biodegradable	Global picture to consider (needs fertilizer and pesticides to cultivate crops, i.e. colza)
Less emission (lower sulphur for example)	In 2015, biodiesel is more expensive to produce than petroleum diesel
Could be produced locally (and then stimulate local economy)	Less available (In Germany, available in 10% of gas station)
Renewable	Could damage rubber hose in engines Increase NOx A little bit lower energy efficiency (1-2%)

Some figures about renewable energies

Estimated Renewable Energy Share of Global Electricity Production, End-2014



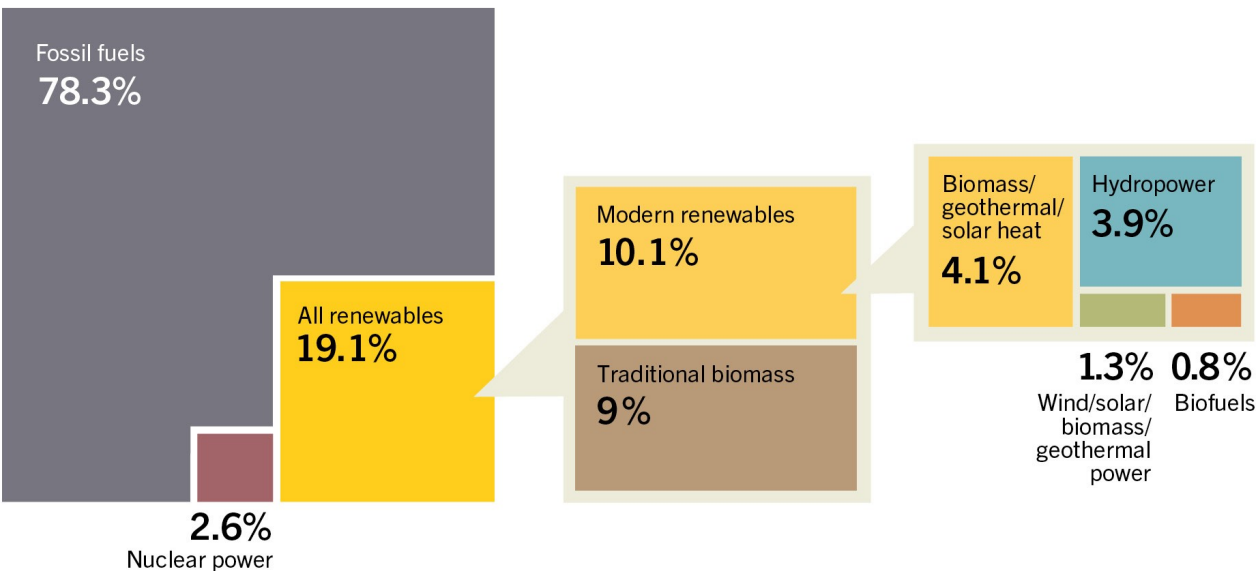
Based on renewable generating capacity in operation at year-end 2014.

REN21 Renewables 2015 Global Status Report



Globally, 22.8% of the total electricity generated in 2014 was obtained from renewable energy sources, of which 16.6% were obtained from hydropower, 3.1% from wind, 1.8% bio power, photovoltaics 0.9% and 0.4 % is geothermal energy.

Estimated Renewable Energy Share of Global Final Energy Consumption, 2013



REN21 Renewables 2015 Global Status Report

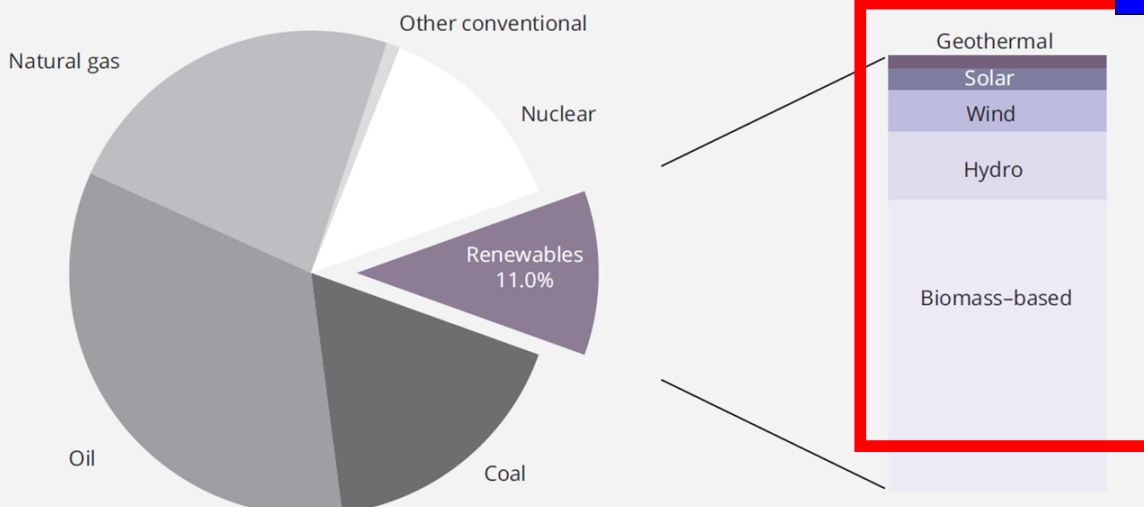


19.1% of all the global final energy consumption in 2013 (including electricity, transport and heating) was obtained from renewable energy sources, of which 9% are provided by traditional biomass, 3.9% hydropower, and only 0.8% biofuels.

Renewable energy in Europe



Figure 1.1 Shares in gross inland energy consumption (EU-28, 2012)



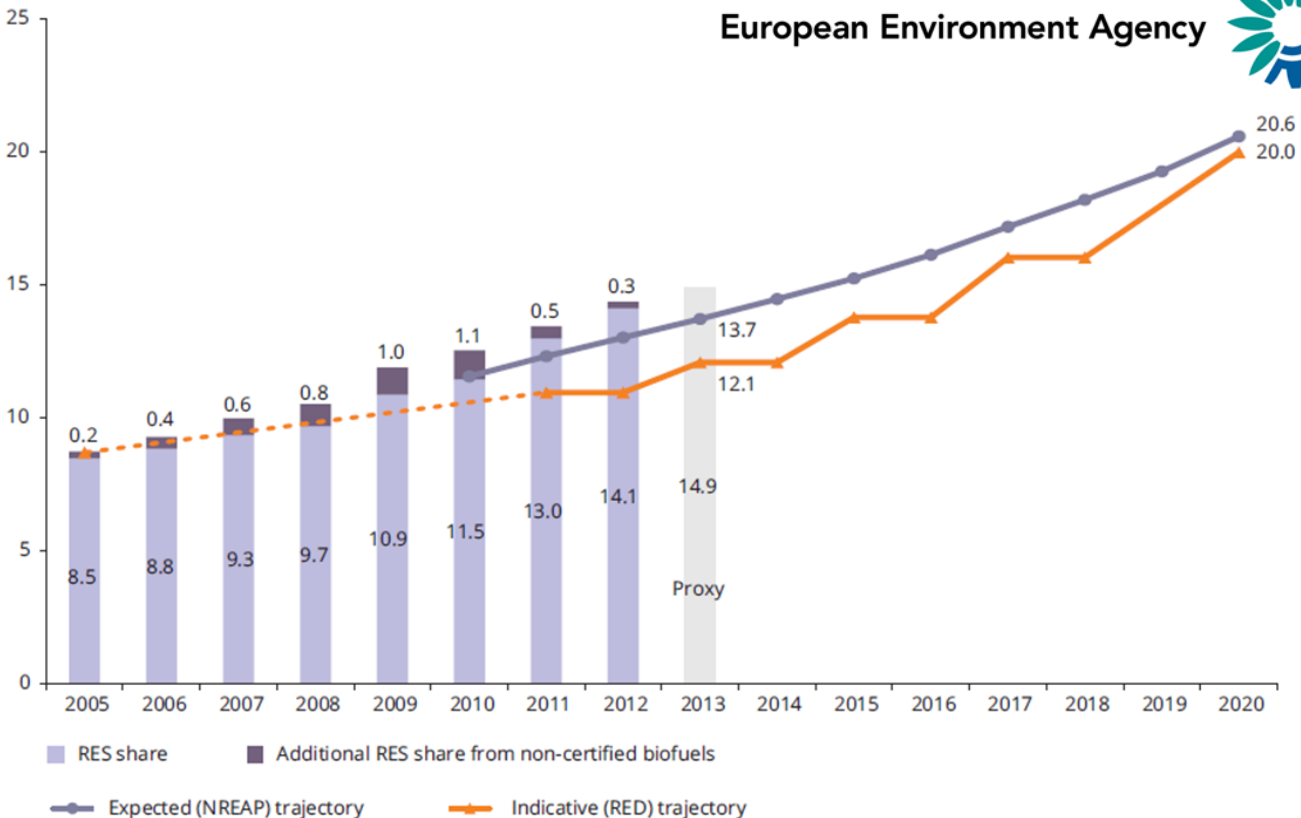
Note: Shares in the graph are presented against GIEC, in order to provide a snapshot of the EU energy system. By contrast, progress towards the 20 % RES target for 2020 is calculated against gross final energy consumption (GFEC), in accordance with provisions under the RED. GIEC and GFEC are defined in the list of acronyms, units and terms at the end of this report.

Source: Eurostat, 2014b.

In Europe, only 11% of the total energy used in 2012 was obtained from renewable energy sources, of which most of the biomass, followed by water, wind, solar and very little geothermal energy.

Figure 2.1 EU actual and approximated progress to interim and 2020 targets

RES shares in gross final consumption (%)

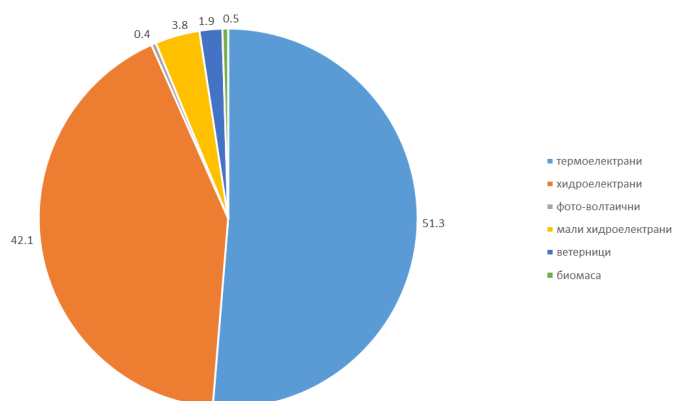


According to the European Environment Agency, the projected target for 2020 is 20% of the total energy used in Europe to be obtained from renewable energy sources.

Renewable energy in Macedonia



Sources of electricity in Macedonia (29/10/2015)

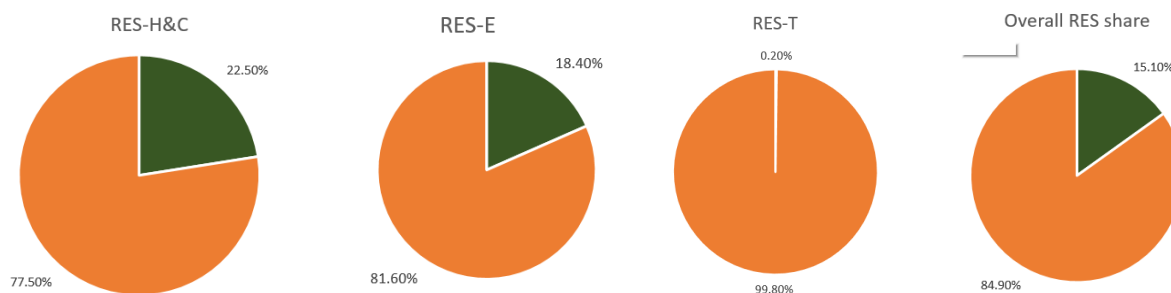


The graph is made according to data from ELEM

Objective: Increasing the use of renewable energy sources (RES) is one of the priorities of the Republic of Macedonia Government in the energy sector.

In 2010 it was adopted the Strategy for RES in the Republic of Macedonia by 2020. The strategy defines the objectives for the use of RES and the effective ways to accomplish these goals. Under this strategy, the percentage of renewable energy sources that take part in the final energy consumption by 2020 should be 21%

(source: "National economic reform program 2015 - Republic of Macedonia").



Electricity, heating and cooling, transport and overall energy from renewable sources . source: First Macedonian progress report on the promotion and use of energy from renewable sources - Ministry of Economy

These relatively good figures for the overall renewable energy sources (RES) shall be nuanced:

- Indeed, the 22.5% of renewable energy accounted for heating and cooling is directly coming from the wood for household heating! The wood is a biomass, accounted as renewable energy, but it generated air quality issues with high level of fine particles in the air;
- If Macedonia goes into the direction of decreasing the participation of wood for the heating, then the overall part of renewable energy will decrease (without wood heating, the overall share of RES is 11%). If Macedonia remains with wood for household, then the global share of RES will look good, even if this is not enough (15%, to compare with the 20% of RES targeted with Kyoto Protocol), but the air pollution to fine particles will remain extremely high;
- The participation of biodiesel in the transport remains marginal in 2013, with less than 1% from total consumption.

Енергетска мапа



Hydropower plant Tikves - Kavadarci

Renewable energy in FENI

FENI is using renewable energies sources (RES):
Indirectly by purchasing electricity which is produced from RES;

Directly by processing biofuels such as biomass (from olive pulp or from sunflower) which are substituting traditional fuels (lignite or coal).

FENI is finding its advantages by using such biofuels:

This is available locally (or regionally);

This contains low sulphur content (compared to traditional solid fuels such as lignite);

We are improving our emissions to the air;

We need less de-sulphurization of our final product (and thus this is cheaper).

We believe at FENI that biofuel must be additionally developed, even locally.

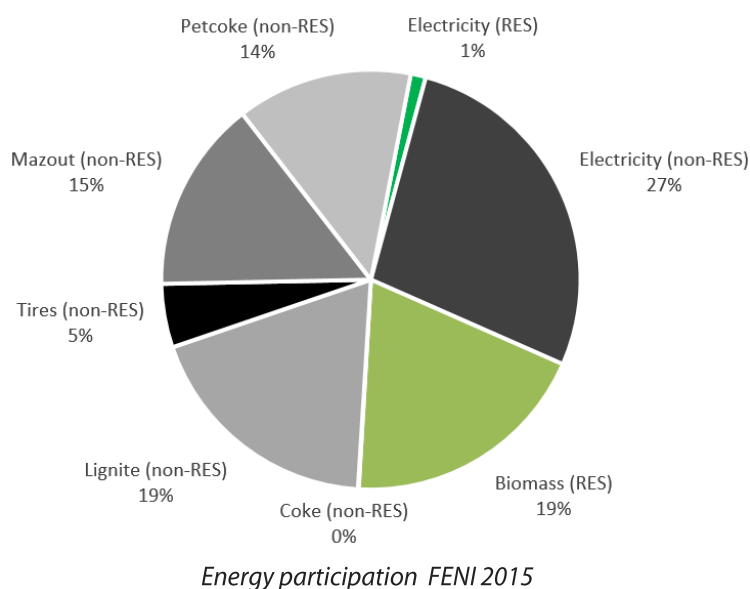
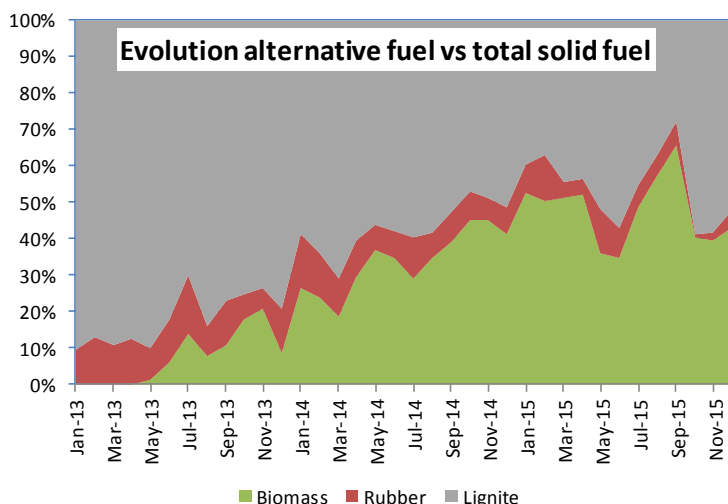
For example, we are considering using as biofuel the vineyards shoots (remaining after cutting vineyard plant) from Tikves area? This will:

Stimulate local development.

Encourage short distribution route;

Prevent this biomass to be burnt widely in the nature, without energy valorisation.

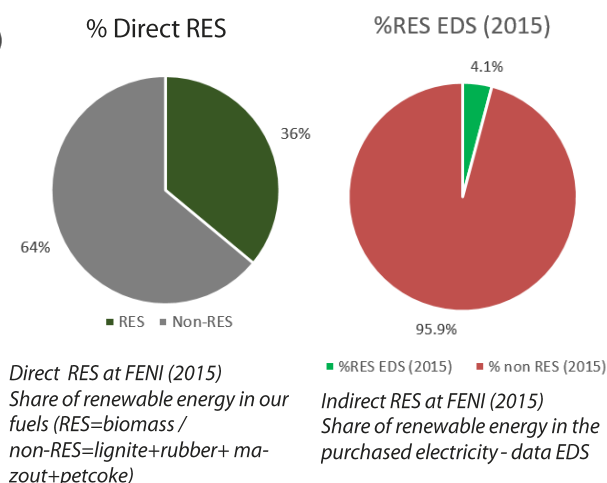
However, such development must be framed at the regulation level and some financial incentives developed.



Are shredded tires renewable energies?

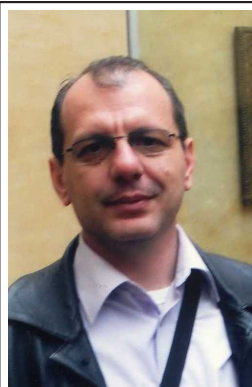
This question makes debate. Some state such as Michigan (US) wants to call burning tires 'renewable energy'. According to FENI, this is better to call them alternative fuel rather than renewable energy. Not because of potential emissions to the air:

- Our process at FENI with after burner chambers allows to co-incinerate safely this fuel and;
- Renewable energies doesn't mean that they are not generating emission to the air (see biodiesel or wood for example) but because by definition renewable concerns resources which are naturally replenished on a human timescale.



FENI in 2015 used 20.5% of energy from RES (Renewable Energy Sources):

- 19.3% directly from biomass in rotary-kilns;
- 1.2% indirectly from electricity (The electricity we purchased in 2015 was with average 4.1% from RES. This RES are from Macedonia (mainly hydroelectricity)).



IN MEMORIAM

Todor Andonov, manager of WU Energetics, Maintenance Department.

Todor Andonov worked in Feni Industries for 22 years and during his working career, he build himself into a professional, competent, responsible and dedicated person to his working tasks, loyal to his goals, mission

and vision of the company and was acting with credibility and integrity on professional as well as on personal plan.

Toshe was always cheerful, sensible and pleasant, always willing to help others with the knowledge and experience that he possessed and he was always ready to share it with colleagues. Fascinating with his simplicity, honesty, organization, perfection and vision, he had an exceptional and irreplaceable role in the team managed by him, yet he was also sharing work related problems but also personal problems, dilemmas, happiness and successes.

Feni Industries lost professional, dedicated and loyal employee, and his team will lack his wise and sensible word.



CSR Team of FENI Industries

Autorship:

This report was prepared by the CSR Team of FENI Industries (from left to right): Ankica Stoshic, Kiril Veljanov, Ana Andova, Lazar Trajkov, Viktor Trajkov, Sneze Brzakov and Olivier Desevedavy.

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