

United Nations Global Compact  
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**GLOBAL COMPACT**  
**ANNUAL COMMUNICATION ON PROGRESS 2017**  
**MAKPETROL A.D. SKOPJE**  
**REPUBLIC OF MACEDONIA**

Company name	Makpetrol A.D. Skopje	Date	December 2017
Address	n°4 Snt. Cyril and Methodius str. 1000 Skopje	Member since	2004
Country	Macedonia	Employees	1,700
Chief Executive Officer	Andreja Josifovski	e-mail	board@makpetrol.com.mk
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Position of the contact person	Manager	Division	Department of development and investment-development
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## STATEMENT OF SUPPORT

With its developed infrastructure of warehouses and petrol station, MAKPETROL A.D. Skopje (further in the text as Makpetrol), for more than 70 years supplies the economy and the citizens of Republic of Macedonia with oil products. Makpetrol is recognized as a Company fostering good environmental practices of the responsible behavior based on usual industrial standards, environmental protection and protection of the human rights. Its business principles are based on professionalism, teamwork, transparency and responsible participation in social events and activities. Makpetrol is actively engaged to increase the quality of the social living. The health and the safety of its employees, as well as of the customers and overall citizens are included in the regular activities within the frames of a corporative management of exceptional quality. Makpetrol is committed to convey further its principals to its employees, partners, clients and the public and to remain the leading energy company on the Macedonian market.

The quality of the offer as well as the services is what differentiates the Company from the others. It is continuously improving and investing in technical and visual modernization of its facilities and developing new types of fuels in compliance with the European regulations for quality.

Makpetrol develops its position in the application of natural gas and biofuels. The Company was the first to invest in the magisterial gas pipeline, and first in establishing biodiesel refinery and introducing it on the domestic fuel market. Biodiesel is produced in sustainable manner and fulfils sustainability criteria.

All these activities in extremely strained economic conditions are directed towards the consumer who has to estimate these efforts and give its confidence to our company. Each employee in the company should be devoted to this determination.

Keeping up with trends, the Company continuous to make further investments in the construction, purchasing new, modern and high-tech equipment. It is also inseparable part of the social millennium, actively supporting activities of wide social importance, especially those within the environmental sector. The Company also expresses its effort for higher quality social life through its regular activities, and for the health and the safety of its employees and of the citizens in general.

The business success of Makpetrol is due to its highly educated, well trained, experienced and highly motivated personnel. The Company is also open for young and educated individuals who are ready to face the challenges.

All these statements represents a guarantee that further on Makpetrol will still be the leading energy company on the Macedonian market, always prepared to respond to the energy needs of the society and, as until now, will remain an instigator of the economy sector in the Republic of Macedonia.

The Company uses the principles of Global Compact as a platform for encouraging and promoting good corporate governance and learning experiences in the areas of human rights, labor, environment and anti-corruption. This Communication on Progress provides an overview of recent activities in support of the Global Compact's objectives.

With this communication the Company expresses our intent to support and advance those principles within our sphere of influence.

The Company commits to making Global Compact and its principles part of the strategy, culture and day-to-day operations of our company and undertake to make a clear statement of this commitment- both to our employees, partners, clients, and to the public. It supports public accountability and transparency and will report on progress made in a public manner.

**President of the Board of Directors of  
Makpetrol A.D.  
Andreja Josifovski**

## **Brief history of the Company**

Makpetrol was founded in 1947 as a company trading in oil and oil products, under the name Jugopetrol Skopje, with 85 employees and several petrol stations. In 1974 the company expands its activities for road transport and shipping, organized as a working unit (R.O.). Four years later (1980) the Company has changed its name to RO MAKPETROL Skopje. In 1989 registered as a social enterprise (O.P.) for internal and external trade, and next, in 1990 transformed into joint stock Company with mixed ownership. Five years later (1995) transformed into joint stock company (JSC), which completes the transformation of MAKPETROL AD from mixed ownership into Trade Company in private ownership. Thus completing a process that forms the basis for further successful growth, development and growth in new directions and new fields.

The joint stock company is in full private ownership (1998), and its shares are listed on the MSE.

## **Brief description of the business**

Makpetrol is the largest company for trading with oil products in Macedonia with more than 70 years of experience and a powerful infrastructure of distribution that covers all major and secondary cities and services the main transport corridors in the country. The Company invested in the development of the gas system in the country. Through a joint venture with the Macedonian government, Makpetrol operates and manages with the transmission system of natural gas in the country.

In 2014/15 Makpterol rebranded its products and put emphasize on their quality. The new Makpetrol ULTRA fuels are specially designed fuels with cutting edge technology of additives and other technological procedures. They offer increased economy, power and acceleration, improved engine lubrication and decreased exhaust fumes and particles emission. The new fuels offer significantly more advantages compared to the existing gasolines and diesel fuels present on our market. The ULTRA fuels are in compliance with the European standards as well as with the Rulebook on the liquid fuels quality in Republic of Macedonia.

The Company has seized the opportunity offered by new regulation which sets shares of biofuels to be introduced on the Macedonian fuel market by entering the business of production of sustainable biodiesel. It launched the first and so far the only factory for production of biodiesel in the country whose fuel has been sold only at its own petrol stations as biodiesel B6. In line with its policy of acting ahead of regulatory requirements, the Company is constantly renovating the product mix.

It is investing also in methane capacities. Up to now 5 filling station for methane have been constructed and put into operation. The strategic goal of Makpetrol is development of network of methane filling stations throughout the whole territory of the Republic of Macedonia.

Makpetrol continues to provide superior quality and fosters highly ethical, environmentally sustainable and socially responsible business practices. The business activity is realized within the frames of a corporative management of exceptional quality. These include the usual industrial standards, environmental protection and protection of the human rights.

Along with the observance of the social rules and relevant legislation, Makpetrol bases its system of quality management, environment and information safety, and food safety system on the introduction of standards:

- In 2004 it certified the System of Quality Management according to ISO 9001:2000;
- In 2007 it certified the Environmental Management System according to ISO 14001:2004;
- In 2009 it certified Food Safety Management System of hotel MAKPETROL Struga and MAKPETROL Mavrovo according to ISO 22000 (HACCP);
- In May 2014 it certified the Information Security Management System according to ISO 27001:2013;

ISO certificates are issued by the certification body Qality-Austria which is accredited by IQNet-The International Certification Network.

Each year, the certification body Qality-Austria performs audits of the integrated quality, environment and information safety system and the food safety system in Makpetrol, whether they meet the requirements of the international standards ISO 9001:2015, ISO 14001:2015, ISO 27001:2013 and ISO 22000 and every three years certification audits are being performed:

- In November 2013 the biodiesel (FAME) production plant successfully implemented and it is certified according to the system ISCC (International Sustainability and Carbon Certification). The certification audits in the biodiesel (FAME) production plant are performed by SGS each year.

Makpetrol has its own independent laboratory with qualified and trained personnel and has on its disposal the latest equipment to test and to control the quality of oil products and biodiesel. It is the only one in the region which received accreditation and whose testing results are internationally recognized.

For each scope of work there are numerous operating guidelines and procedures adapted such as:

- Operating guidelines and procedures for the for environmental protection management system;
- Operating guidelines and procedures for quality management system;
- Operating guidelines and procedures for risk management;
- Operating guidelines and procedures for information security management system;
- Procedure and instructions on how to recognize mobbing and how and to whom to report, etc.

Furthermore, as philanthropy has always been a synonym for a well-organized and managed company, Makpetrol does not differ from the large world corporations. Apart from the numerous donations, the Company is founder and sponsor of the Karate Sport Club, the Bowling Sport Club and the Mountaineering Club, as well as the Blood Donors Club organizing regular blood donning actions.

## **Makpetrol business facts**

- In 2017 Makpetrol, marked the 70th anniversary of its establishment in 1947;
- It is the largest private company for oil products distribution and trading listed in the official market of the Macedonian Stock Exchange;
- There are 1,700 employees in 2017 with various professional qualifications;
- There are 128 petrol stations throughout the Republic of Macedonia, and there is ongoing process of modernization and modern visual appearance in order to improve the quality of products and services to users;
- Own brand of fuels and oils:
  - Ultra fuels
  - Biodiesel B100 SF
  - Lubex
  - Antifreeze
  - Crystal car
- Own alternative fuels: biodiesel B6. The annual production capacity of the biodiesel plant is 20.000 - 30.000 tons of biodiesel fuel;
- Annual consumption of fuel is 357.008 tonnes, including kerosene and natural gas and LPG;
- The total consumption of kerosene is 20.332 tonnes;
- Total consumption of natural gas and methane is 62.168 and 179 tonnes respectively;
- Warehouses with total available capacity of 150.000 m3, located on the territory of the Republic of Macedonia;
- Conducted external and internal audits on implemented standards of the integrated quality management, environment safety, information safety and food safety system;
- Own fleet: the newest type of tank-cars;
- HR system: continuous learning
- Social responsibility: environmental and humanitarian actions.

**News in the biodiesel sector:** On the basis of the license obtained by the Energy Regulatory Committee, biodiesel blend is present under the name biodiesel B6, which means blend of 6% pure biodiesel with 94% fossil diesel. In order to boost the consumption of the biodiesel, the Company lowered biodiesel blend price making it competitive with the fossil diesel, Ultra Diesel Bio jet. Nevertheless, this situation is unsustainable because the biodiesel production prices are higher than the sale price and in the near future the company will set the price higher than the conventional diesel again. On the other hand, the government still does not show any interest in promoting biofuels through various measures and incentives in order to fulfill what is required in the Directive 2009/28/EC of the European Parliament and of the Council.

**Boosting the methane consumption:** Makpetrol is also investing in methane capacities. Up to now 5 filling station for methane have been constructed and put into operation: The strategic goal of Makpetrol is development of network of methane filling stations throughout the whole territory of the Republic of Macedonia.

**Customer care:** The Company provides additional values for its customers through various programs and services. Besides the existing Verna standard card with pre-pay and post-pay, in 2014 the marketing management of the company developed a Loyalty Program which was introduced in 2015 and is ongoing project. The aim is to develop a base of loyal customers that would enjoy special rewards and offers from the Company as well as an exclusive opportunity to a large number of promotional actions for special products, preferential prices of all sales of Makpetrol.

**Environmental protection:**

- The VOC Directive (94/63/EC) on the control of volatile organic compound emissions resulting from the storage of petrol and its distribution from terminals to service stations
- The Seveso II Directive (Council Directive 96/82/EC) on the control of major-accident hazards involving dangerous substances. As accidents may nevertheless occur the Directive it also aims at limiting the consequences of such accidents not only for human health but also for the environment.



The programmes related to Environmental protection are presented in the section „Environmental protection”.

**Employees care:** Since 2015 employees had the opportunity to run tests of HLA molecular typing at the Institute of Transfusion Medicine of Republic of Macedonia, Department of Molecular Biology and transplantation immunology, free of charge. This was provided by the government, the Ministry of Health of Macedonia, because Makpetrol is proven to be a humanitarian company that showed specific results in blood donation since 1976, when the Company's Association of blood donors were formed.

Additionally, By the syndicate initiative with approval by the board of Directors, employees had a chance to run diversity of tests in one of the most reputable hospital in Skopje, „Acibadem Sistina Hospital” at preferential prices.

**Risk management:** In 2015, Standardization, Quality Management and Environmental Protection Departments, started a process of improving the risk management processes in each Division and in each scope of work. The aim is:

- To provide employees at all levels in the company with practical framework of the process of risk management which will enable them to identify more easily, to evaluate, to treat, to monitor and to report the risk;
- Each employee to be able to understand and to participate in the risk management processes;
- To contribute to the risk management to be implemented in the planning and decision making processes;
- To integrate all the risks in the company;
- To integrate the risk management into the organizational culture.

In such new risk management system, all risks within the company will be more coordinated and the efficiency of risk management in the organizational culture will be improved significantly.

## HUMAN RIGHTS

### PRINCIPLE 1

#### **BUSINESSES SHOULD SUPPORT AND RESPECT PROTECTION OF THE INTERNATIONALLY ACKNOWLEDGED HUMAN RIGHTS**

##### **Our commitment and policy**

In Makpetrol one of the most important duties is to offer its employees satisfactory working conditions and to insure their safety.

The Company abide by the laws of the countries where it operate, and strives to uphold the principles of the Universal Declaration of Human Rights. The internationally acknowledged human rights are a universal value so it constantly strive for them to be respected and protected.

Makpetrol strives to work not only in accordance with the appropriate legal legislative, but also its behavior is in accordance with the basic values of Makpetrol- sincerity, integrity, as well as, respect towards people.

Human Rights Policy and Human Rights Statement reflect internationally recognized principles- including the United Nations Global Compact and the Universal Declaration's of Human Rights. The Company is against human right abuses and child labor and have a "zero tolerance" attitude to these issues.

##### **Measurable Results or Outcomes**

Makpetrol has implemented human rights protection policy. The company is providing good working environment, creates safe and healthy working conditions. The company has its own human rights management system, health and safety management system and monitoring system.

The professional health and safety management of Makpetrol is based on the principles of prevention, ensuring our employees healthy and safe working environment in accordance with the industrial standards and the appropriate applicable laws and regulations. The senior management of Makpetrol entrusts the responsibility to its local affiliates or subsidiaries to

implement this policy and to guarantee observance of the applicable laws and regulations for health protection and safety at work. Makpetrol provides its employees appropriate training in all health and safety relevant areas.

Makpetrol recognizes that Health and Safety is of paramount importance to us and is taken into account in every management decision is made and every process it's carry out. Health and safety is paramount in our thinking and decision making.

Transparent in its operations, Makpetrol cooperates with suppliers that share the same responsible attitude; equal approach opportunities to the products, services, funding, donations and sponsorships etc.

Makpetrol guarantees freedom of association and the company does not use forced work force. The Makpetrol Human Rights Policy Statement is based upon the Code of Conduct to determine in principles our understanding and responsibility regarding Human Rights within our business environment.

As a signatory to the UN Global Compact, Makpetrol regards human rights as universal values which guide our conduct in all spheres of our activities. Makpetrol respects, fulfils and supports the fulfillment of human rights as contained in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labor Organization. The Company considers human rights as an essential expression of the social pillar of Corporate Social Responsibility to which it adheres.

While governments have the primary responsibility for realizing human rights, Makpetrol has accepted responsibilities to respect, fulfill and support the fulfillment of human rights within its sphere of influence and not to become complicit in human rights violation, as understood under current international law.

Makpetrol's sphere of influence includes individuals and groups to whom it have a certain political, contractual, economic or geographic proximity. The concrete responsibilities depend on the business context, the human rights issues at stake as well as the available alternative options.

Furthermore, Makpetrol uses its influence so that business partners in consortia as well as its suppliers and contractors comply with human rights standards. Lastly, Makpetrol is aware of its responsibilities to support the fulfillment of human rights in the wider society.

## **PRINCIPLE 2**

### **BUSINESSES SHOULD PROVIDE GUARANTEE THAT THEY SHALL NOT PARTICIPATE IN THE ABUSE OF THE HUMAN RIGHTS**

#### **Our commitment and policy**

Makpetrol respects and have implemented the human rights protection and development system. It does not participate in any form of human rights abuse. It sees as its main responsibility to protect its employees of any kind of abuse. Makpetrol respects the human rights of its employees and obtaining good and safe working conditions. It creates satisfactory and safe working conditions, takes steps to prevent injuries; regular health and safety worker training system to detect threats to health and safety; access to bathroom and potable water.

It does not cooperate with partners which take part of all the forms of human abuse. Creating business relations that will result with mutual benefit for Makpetrol, as well as for the business partners.

#### **Measurable Results or Outcomes**

Code of professional conduct is implemented as a strategic policy in Makpetrol.

The Company strengthen the rights of equality, safety, personal, economic, social and cultural freedom.

It constantly provide full and transparent information to all its employees, customers and partners.

Makpetrol as a company has defined several areas of responsibility towards: shareholders, buyers, employees, business partners and society. The Management has a task to continuously define the priorities and to change them, when it is necessary.

Makpetrol continuously makes efforts to provide safe conditions of work wherein occurrence of possible risk of any kind is being eliminated.

It is aware that safe operation does not depend only on technically operative equipment, but also on the competent people and on the appropriate behavior towards safety.

Makpetrol believes that its employees are its most valuable asset and encourages a health work-life balance that ensures that the workplace is clean, safe and healthy at all time.

Human rights cover a wide range of aspects of social, economic and political life and are comprehensive in nature. They protect human dignity on an equal basis and serve to meet the needs of human beings. As interests and needs of different groups and actors are different, Makpetrol considers and applies human rights as a way of balancing the interests and needs of all relevant stakeholders in a practical and culturally sensitive way. It fulfills the human rights through adequate policies and programs. Since the Company has an asset equity share of 50% or greater or has a controlling interest, it has a direct responsibility to respect the human rights of the people in the surrounding communities, shareholders and stakeholders as well. Makpetrol monitors implementation of its human rights policy and reports on it in line with international reporting guidelines.

## **LABOR STANDARDS**

### **PRINCIPLE 3**

#### **BUSSINESSES SHOULD SUPPORT FREEDOM OF ASSOCIATION AND EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE AGREEMENT**

##### **Our commitment and policy**

Makpetrol regulates the labor contracts with employees in accordance with the collective agreement and it fully in compliance with the Law on Labor Rights of the Republic of Macedonia, as well as the European Union's standards on Labor Rights.

Makpetrol within its scope of work tends to create working area that is safe, composed of professionals who within their working rely on team work and confidence.

Makpetrol is committed to enable and support professional development of its employees; we are keeping our employees informed and involved.

##### **Measurable Results or Outcomes**

Within our company there is a representative Syndicate organization.

Due to the need of the employees and their rights, our company supports and participates to the collective agreement ensuring to the employees freedom of association.

Makpetrol respects the right of all employees to form or to join trade unions according to their choice and it shall monitor the results of the individual corporate agreements in accordance with the local laws and regulations.

## **PRINCIPLE 4**

### **BUSINESSES SHOULD SUPPORT ELIMINATION OF ALL TYPES OF FORCED WORK AND WORK UNDER THREAT BY FORCE**

#### **Our commitment and policy**

The business policy excludes any form of forced work and work under threat by force. It does not use forced labor of any form.

#### **A brief description of our Processes or Systems**

Employment is on a voluntary basis, and each employee may leave its work post under clearly defined rules. All Makpetrol employees have freedom of making decisions. The working hours are determined, according to the law, and each employee is pension, health and socially insured.

The Company complies with the laws on working hours and employment rights in the country we operate.

It is respectful to its employee's right to join and form independent trade unions and freedom of association.

#### **Measurable Results or Outcomes**

Makpetrol has established Code of Conduct, and as a document clearly defines the elimination of all types of forced work and work under threat by force.

## **PRINCIPLE 5**

### **BUSINESSES SHOULD SUPPORT EFFECTIVE ABOLITION OF CHILD LABOR**

#### **Our commitment and policy**

In Makpetrol exists clear written rules not to use child labor especially working at phases related with operations with dangerous liquid and gases.

It does not employ engage or otherwise use any child labor in circumstances such that the tasks performed by any such child labor could reasonably be foreseen to cause either physical or emotional impairment to the development of such child;

#### **A brief description of our Processes or Systems**

Child labor is not policy and practice of our company. Our policy of employment does not allow the engagement of child labor in any segments of our business especially in the hazardous areas where Makeptrol is doing its core business (exp. Dangerous liquid and gases).

## **PRINCIPLE 6**

### **BUSINESSES SHOULD SUPPORT ELIMINATION OF DISCRIMINATION IN RELATION TO EMPLOYMENT AND PROFESSION**

#### **Our commitment and policy**

Makpetrol will recruited and retain employees on the basis of the necessary qualifications and working capabilities without any discrimination.

The company shall not support or be involved in any discrimination in hiring practices, payments and promotions, trainings or termination of employment. The Company shall not discriminate in reference to the age, race, ethnicity, religion, nation of origin, class, disability or gender, gender identification or sexual orientation, trade union membership, political orientation.

Makpetrol shall not allow or tolerate any in adequate behavior, including gestures, verbal and physical contact considered as sexual harassment, threats, abuse and exploitation and it is determined to protect its employees in the activities against this kind of behavior.



Each employee who works for Makpetrol contributes to the Company's success and to the creation of respectable company. By working together, employees create new possibilities for the Company's business.

### **Measurable Results or Outcomes**

Makpetrol is obliged to create working environment based on mutual confidence, whereby each individual who works for Makpetrol will be treated with respect and dignity.

Makpetrol obtains equal possibilities for all employees through strictly defined and consistently applicable standards and with established management system.

Makpetrol makes efforts to provide fair treatment and respect towards all employees. No harassment, discrimination and degradation of any kind will be tolerated at the working position towards the employees, suppliers and others.

The training program which is part of the Makpetrol's development strategy, conducts training activities in various sectors such as for safety, technical and environmental aspects, skills development.

## ENVIRONMENTAL PROTECTION

### PRINCIPLE 7

**BUSINESSES SHOULD SUPPORT PREVENTIVE ACCESS TOWARDS THE CHALLENGES OF THE HUMAN ENVIRONMENT**

### PRINCIPLE 8

**BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

### PRINCIPLE 9

**BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

#### **Our commitment and policy**

Makpetrol is a legal entity that, by the scope of work and activities is involved in all environmental aspects.

The environmental protection, observing the legal requirements and the common industrial standards are at the top of the management agenda of Makpetrol. The objective of the company is to combine the factors for quality, environment and human aspects in one integrated management system which strives towards sustainable economic success.

Maintaining business within the frames of good corporate management, in accordance with the appropriate laws and regulations (the internal acts of the Company) thereby taking in regard the basic human rights and environmental protection.

One of the fundamental business principles of Makpetrol is to achieve success in all business activities of its scope of work, thereby taking maximal concern for health, safety, as well as for environmental protection.

Protection of the human environment is the integral part of the policy and practice in Makpetrol.

It strive to introduce new environmentally sustainable technologies in our facilities (plant, offices, storages etc.).

In terms of environmental protection there are elaborations for all storage facilities and petrol stations for which Makpetrol receives written approvals by the Ministry of Environment and Physical Planning. In consistency with the regulations, Makpetrol is obliged to prepare elaborations for environmental protection. For the purpose of fulfilling this obligation, elaborations of this kind have been prepared. These elaborates clearly indicate that Makpetrol buildings are fully equipped from technical and functional point of view, taking into account the projected measures for environmental protection. The actions and measures are constantly monitored.

The essential target of Makpetrol is to support the environmental protection, waste management and to prevent the pollution influence which would be in balance with the social – economic requirements. ISO 14001:2015-Environment management system is necessary for the Company, as well as for the whole state for the purpose of obtaining global sustainable development, for the interest of future generations.

Makpetrol possess A-integrated ecology license for the Installation for production of biodiesel. Makpetrol laboratory was accredited according to ISO EN 17025 by Accreditation Office of the Republic of Macedonia.

#### **A brief description of our Processes or Systems**

Makpetrol has divisions which are devoted to environmental protection.

Our company is implementing technical solutions and equipment which are decreasing the possibilities of environmental attack.

In 2010, for the purpose of fulfilling the statute requirement of R.M., Makpetrol assigned authorized person in the position Waste Manager.

#### **Measures and outcomes**

Standardization, Quality Management and Environmental Protection Departments for 2017 reports on the following:

### ***Management of commercial waste***

Pursuant to the Law on Waste Management, specific locations have been determined for vessels/containers for collection of commercial waste in the facilities and the office buildings of Makpetrol. Commercial waste should not be mixed with hazardous waste. The covers of the waste bins are with appropriate color and properly labeled. The waste is selected in the containers as follows:

- Paper and cardboard- blue/white color;
- Packaging-yellow color;
- Mixed municipal waste-green color.

The waste is collected by a company hired by Makpetrol. Uncontrolled collection of the waste is also carried out by the informal collectors.

There are special containers for collection of waste paper and waste plastic placed in the corridors in the office buildings of Makpetrol. The frequency of the collection of the waste is as needed, by a company hired by Makpetrol. (Waste plastic-Grinteh LLC and waste paper Ltd. Eco-Club).

There were placed recycling containers in Makpetrol building, its facilities and gas station.

Type of waste	Identification of the waste lists	Amount of waste handled	
		2016	2017
Mixed municipal waste( m <sup>3</sup> )	200301	≈ 7500	≈ <b>8000</b>
Paper and cardboard (Kg)	200101	≈ 4000	<b>2500</b>
Plastic ( m <sup>3</sup> )	200139	≈ 70	≈ <b>45</b>

*Figure: Amount of commercial waste handled*



*Figure: Commercial waste management in Office buildings Makpetrol / selection of plastic and paper waste*

### ***Management of hazardous waste***

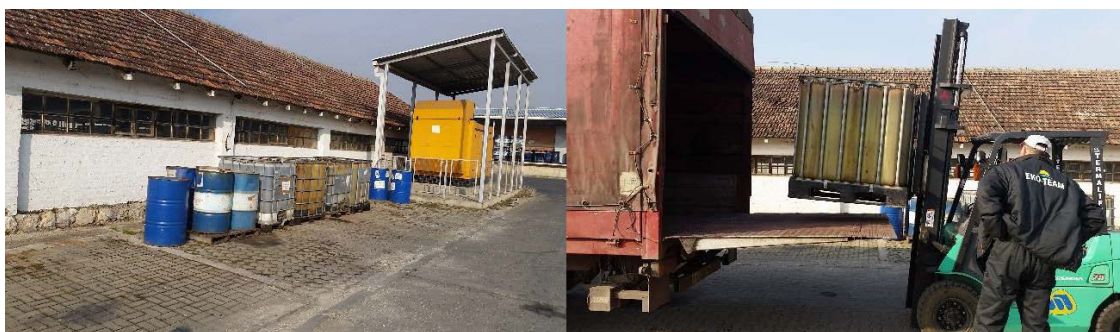
The hazardous waste, i.e. the residual of the sediment of fuel from a gas station/warehouse which cannot be used as enhancer of the calorific value of other solid and liquid fuels is collected from the gas station/warehouse in special containers (barrels, containers) and temporarily stored in a warehouse until its collection by authorized company accompanied by appropriate documentation.

Solid and liquid hazardous waste from the plant for production of biodiesel-FAME and the laboratory for analysis of petroleum products and biodiesel is also temporarily stored in a warehouse until its collection by authorized company accompanied by appropriate documentation prepared by the Waste Manager.

In compliance with the Law on Waste Management, Makpetrol has concluded a contract for collection and transportation of hazardous waste with a Company for Protection of the Environment that manages hazardous waste (DZZH "Eco-TEAM LLC"), licensed by the Ministry of Environment and Physical Planning.

Type of waste	Identification of the list of wastes	Amount of waste handled in tonnes (t)	
		2016	2017
Petrol	130702*	1.54	<b>2.88</b>
Waste from the liquid fuel and a mixture of chemical reagents (total from the Laboratory and the Plant)	130703*	0.86	<b>0.94</b>
Packaging containing residues of gasoline, fuel oil from laboratory	150110*	-	<b>0, 28</b>

*Figure: Amount of hazardous waste load (fuels)*



*Figure: Hazardous waste loading*

### ***Packaging and packaging waste management***

Pursuant to the Law on Packaging and Packaging Waste Management, the manufacturers and retailers have obligation to take care of the packaging of the products they place on the market in Macedonia. In order to fulfill this obligation Makpetrol has concluded contract with a company for management of packaging and packaging waste (PAKOMAK), licensed by the Ministry of Environment and Physical Planning.

The Waste Manager keeps monthly records and delivers them to the authorized company for management of packaging waste.

Packaging waste	Type of waste	Amount of packaging waste placed on the market in kilograms (kg)	
		Year 2016	Year 2017
Crystal Car Lubex	Plastic	6187	<b>6657</b>
Antifreeze			
Valvoline	Paper	4201	<b>3550</b>
Distillated water			
DELL Centre	Composite materials	425	<b>554</b>

*Figure: Amount of packaging waste placed on the market*

### ***Management of electronic waste and waste form the electronic equipment***

Makpetrol meets the regulations of the Republic of Macedonia regarding dealing of electronic waste from the Honda Center, whereupon it is properly recorded and delivered to the authorized company.

According to the regulation of the Republic of Macedonia, Makpetrol prepares Evaluation of the Risk of Danger and Plan for Protection and Rescue from natural disaster, epidemics, epiphysis and other disasters.

The buildings and the facilities of Makpetrol are fully equipped from technical and functional point of view, taking into account the projected measures for environmental protection. They do not pollute the water, soil and underground water, which is accomplished as a result of the use of systems for collecting the technological, fecal and atmosphere waters.

Makpetrol is obliged to prepare elaborations for environmental protection. For the purpose of fulfilling this obligation, elaborations of this kind have been prepared for all storage facilities and petrol stations and therefore Makpetrol received written approvals by the Ministry of Environment and Physical Planning.

Makpetrol invests in upgrading its technical systems for storages, transport and retails for fuels. This equipment reduces GHG emission and prevents accidents like spilling out fuels etc. This applied technology is in accordance with the latest accomplishments in this field (mass flow metering devices, wireless level meters etc.).

Additionally, other activities were implemented according to quality and environmental protection. For example calendars for 2016 as representative material as well as for internal use, were produce from recycled material.

The Waste Electrical and Electronic Equipment (waste computers, printers, toners, neon lights, etc.) from current operations, written off by the Inventory Commission of the Department of Inventories, is temporarily collected and stored in the main office building of Makpetrol in Skopje until its collection by the authorized company accompanied by appropriate documentation.

- ☐ Pursuant to the Law on management of electrical and electronic equipment and waste electrical and electronic equipment, Makpetrol has concluded a contract with a company for collection of electronic waste, licensed by the Ministry of Environment and Physical Planning
- ☐ Pursuant to the Law on management of electrical and electronic equipment and waste electrical and electronic equipment, Makpetrol has concluded a contract with a company for collection of electronic waste, licensed by the Ministry of Environment and Physical Planning, for the electrical and electronic equipment placed on the market in Macedonia by DELL Center and the IT Division-fiscal cash registers,
- ☐ The Waste Manager keeps monthly records and delivers them to the authorized company for management of electronic waste.

Type of waste	Identification of the list of wastes	Amount of waste handled in kilograms (kg)	
		2016	2017
Electronic waste and electronic equipment waste	20 01 36	1996	1596

*Figure: Electronic waste and waste form the electronic equipment*

### ***Emission in soil and water***

The buildings and the facilities of Makpetrol do not pollute the water, soil and underground water, which is accomplished as a result of the use of systems for collecting the technological, fecal and atmosphere waters.

Pursuant to the regulations of the Republic of Macedonia, Makpetrol is obliged to monitor the sources of the emission on the environment. The quality of the soil in all storage facilities of Makpetrol is monitored, recorded and analyzed by legal entity that fulfils the conditions for this activity. The taken samples from the storage facilities are within the limits of maximum allowed quantities (MAQ).





*Figure: Taking samples of waste water and underground water*

### **Noise**

There is no increased noise in the environment noticed during the work process in the facilities of Makpetrol. Preventively, in order to decrease the noise level, the engines of the vehicles are turned off during the receipt and delivery process of oil products on the facilities.

### **Managing waste oil from Center HONDA**

The waste oils from the HONDA Center are kept in a marked place in appropriate containers until their collection by the authorized company hired by Makpetrol, accompanied by appropriate documentation prepared by the Waste Manager.

Pursuant to the Law on Waste Management, Makpetrol has concluded a contract with a company for collection and transportation of waste oil, licensed by the Ministry of Environment and Physical Planning.

Type of waste	Identification of the list of wastes	Amount of waste handled in tonnes (t)
		<b>Total in 2016 and 2017</b>
Synthetic motor, oils and lubricants	13 02 05*	<b>1,52</b>

*Figure: Quantity of released and collected waste oils waste oil from Center HONDA*

### ***The emission of waste gases from the boiler room of the administrative building of Makpetrol***

It is measured by an accredited laboratory and the results are submitted. The report from the testing of emissions of harmful substances in the air from Makpetrol is submitted to the Ministry of Environment and Physical Planning.



*Figure: Measuring the emission of waste gases from the boiler room of the administrative building of Makpetrol*

### ***Actions implemented***

Participation in seminars, workshops, trainings, conferences with the aim to monitor and enforce the environmental legislation

- Strengthening the capacity at national and local level to implement the acquis<sup>1</sup> concerning the environment and strengthening the capacities for application of the of environmental legislation at the local level;
- Strengthening the capacity to comply with the chemical regulations, with an emphasis on REACH/CLP<sup>2</sup> related to the Directive on Industrial Emissions SEVESO II- Technical Aspects;
- Strengthening the administrative capacity to implement the environmental legislation at central and local level;

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<sup>1</sup> Requests of the European Union

<sup>2</sup> Chemicals Directive REACH-Registration, Evaluation, authorization and registration of chemicals / CLP-classification, labeling and packaging of chemicals

- Ministerial Conference on Climate Change to the Paris Summit 2015;
- Workshop of the Association of environmental experts in Macedonia.

***Implementation of environmental plans and objectives through the Programs for management with environmental aspects for the Retail Division, Wholesale Division and the Standardization, Quality and Ecology Division: Biodiesel FAME Plant.***

In 2017, of a total of 9 environmental management programs, 9 were realized.

***„Program number 1, 4, 6” Holding a regular trainings for fire protection; reviewing the knowledge periodically; demonstrating exercises; performing tests on fire protection systems, checking its’ stability and functionality.***

Makpetrol organizes trainings which increase and improve the quality of the opportunities to participate in major events organized by the Governmental authorities devoted to Ecology and protection of the environment and the result is shown with several national esteemed awards.

Regarding its specific scope of work, the Company gives particular importance to protection from fire and explosion.

The following measures are distinguished among the numerous measures that are undertaken for the prevention from fire and explosion:

- According to the regulation of the Republic of Macedonia, Makpetrol prepares Evaluation of the Risk of Danger and Plan for Protection and Rescue from natural disaster, epidemics, epiphysis and other disasters;
- Performing continuous functional work outs of the stable firefighting systems and regular checks of the fire extinguisher;
- Carrying out continuous trainings/exercises and periodical inspections of the employees knowledge regarding the protection against fire and explosion;
- Establishing procedures for actions taken in the event of fire and during uncontrolled gas leakage. Makpetrol strives to constantly protect the environment, specifically focuses on reduction of CO2 emissions.
- Makpetrol Security Division in the Wholesale Department in the area of fire prevention, during 2017, executed:

- Training of 154 workers for storage activities related to storage of flammable liquids and gases.
- According to the training plan of the Security Department in 2016, assessment of knowledge and tactical exercises pointing to extinguish fires in all organizational units of Makpetrol, is realised in April 2017. According to the planned activities next tactical exercises are scheduled for 2018.
- Checking the stability and functionality of the fire protection systems are made twice a year, after completion of the heating season in the spring before the start of the heating season in the fall.

***„Program number 3” - Performance of separator/ Installing coalescent valve with automatic sealer within the already existing oil and lubricants separator and removing the waste from the Separator.***

- For the purpose of obtaining system protection, two types of separators are installed at Makpetrol gas station, that is:
- plastic separators with appropriate equipment, and
- concrete separators with additionally built in filters. By installing the filters (coalescent filters) the function of the concrete manhole has been uniformed entirely with the function of the plastic separator. All separators within the gas station of Makpetrol AD are being cleared within the year 2017.

***„Program number 2, 5” Maintaining clean tanks in the warehouse and regularly recording and documenting the quantities of generated waste and handled waste.***

In 2017, the following waste quantities has been delivered from Makpetrol AD, deriving from cleaning the tanks from the warehouses and from gas stations.

Type of waste	Identification of the list of wastes	Amount of waste handled in tonnes (t) <b>2017</b>
Petrol	130702*	<b>2.88</b>

In 2017, the amount of generated and handled waste had been regularly recorded and appropriately documented as well as controlled by the waste manager through a defined procedure (internal document PR.01.101).

## **Biodisel plant**

Pursuant to the requirements of A-integrated ecology license for the Installation for production of biodiesel, the limit values of the emissions in the air from the kettle draining are measured. With such a project we are participating and increasing the protection of the environment.

### ***„Program number 7” in biodiesel plant-FAME, Monitoring the air quality.***

In 2017, there haven't been measurements on air quality, and emissions discharged into the air from the energy plant for production of biodiesel because the Biodisel plant has not been in operation since 01.04.2015.

### ***„Program number 8” in biodiesel plant-FAME, Monitoring the quality of waste water.***

In 2017, there haven't been measurements on the quality of the waste water from the Biodiesel plant because the Biodisel plant hasn't been in operation since 01.04.2015.

### ***„Program number 9” in biodiesel plant-FAME, Monitoring the liquid and solid waste.***

In 2017, from the biodiesel plant, a waste from the liquid fuel and a mixture of chemical reagents (total from the Laboratory) of 0,28 tons was collected and taken by the company with which Makpetrol has concluded a contract, for collection and transportation of hazardous waste-DZZH "eco-TEAM LLC (ДЗЖ "Еко-Тeам ДОО Скопје").

## **FIGHT AGAINST CORRUPTION**

### **PRINCIPLE 10**

#### **BUSINESSES SHOULD WORK AGAINST ALL FORMS OF CORRUPTION, INCLUDING EXTORTION AND BRIBE**

Our Ethics Policy provides specific guidance on the behaviors that allows us to implement our beliefs globally, including governance.

Makpetrol developed an internal process to apply specific aspects of our Ethics Policy to suppliers.

#### **Our commitment and policy**

Makpetrol rejects bribery and corruption in all forms, whether public or private, active or passive and has a "Zero tolerance" policy towards them.

Makpetrol will not resort bribery and corruption in order to obtain or retain business or other improper advantage in the conduct of international business.

Makpetrol has clear stand in relation to bribery and corruption, that is, the employees must not offer or accept bribery. Direct or indirect offer, payment, asking for and accepting bribe in any form by the employees is unacceptable.

Makpetrol promotes its policy of non-accepting bribe and corruption among its business partners.

The corruption is the enemy of the development and to the human progress; therefore Makpetrol bases its entire work on transparency.

Makpetrol works in accordance with the positive national and international legal regulation which deals with the given problems.

### **Measurable Results or Outcomes**

Raising employee awareness of bribery and corruption risks is therefore a priority of Makpetrol. One way the Company does this is through a stance that is clearly spelled out in the corporate Code of Conduct. In addition, employees in position of responsibility or potentially more exposed, including purchasing agents, legal officers and senior managers, received dedicated training.

Makpetrol cooperates with the Government in a constructive manner and does not participate in the activities of the political parties.

Makpetrol has no tolerance policy towards bribery and corruption. This policy extends to all the company's business dealings and transactions. All employees are required to comply with this policy.

Makpetrol endeavors to conduct its daily business in an ethical and responsible manner and select and engage business partners who share Company's good Corporate Social Responsibility values.

## Conclusion

To keep the leading position in the market of oil products in Macedonia and realizing the strategic objectives defined by top managers, it is necessary to foster and develop the fundamental values of the company. Support from the expertise of the management team, knowledge and commitment of employees, the application of modern technologies are responsibilities for achieving the ultimate goal, especially with the consumers and thus the employees and owners.

Makpetrol continues its commitment to communication and partnership with all stakeholders in an open, systematic and transparent way. The Company believes that the community began to recognize its efforts and pleased that during the year received a number of prestigious awards and it is from our stakeholders. Shields its environment by supporting and contributing to the welfare of its employees, local communities and society in general.

Makpetrol continues its commitment to achieving safe and healthy environment for all its employees, suppliers and contractors.

To maintain the business goals and values creates an ethical and socially responsible manner, causing less damage and striving to contribute more.

To further improve the environmental performance, pays particular attention to the upgrading of knowledge, networking with other companies and stakeholders, and developing and integrating new policies, specialized tools and mechanisms.

The Company uses the principles of Global Compact as a platform for promoting good corporate governance and learning experiences in the areas of human rights, labor, environment and anti-corruption. With this communication Makpetrol expresses the intent to support and advance those principles within our sphere of influence.

It continues its significant progress in implementing the environmental and social challenges and as the company remains fully committed to monitoring these goals with the involvement and partnership with its stakeholders.

"Makpetrol" A.D. Skopje

February 12<sup>th</sup> 2018