

United Nations Global Compact  
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**GLOBAL COMPACT**  
**ANNUAL COMMUNICATION ON PROGRESS 2018**  
**MAKPETROL A.D. SKOPJE**  
**REPUBLIC OF MACEDONIA**

Company name	Makpetrol A.D. Skopje	Date	December 2017
Address	str. 4 Snt. Cyril and Methodius 1000 Skopje	Member since	2004
Country	Macedonia	Employees	1,780
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
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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;
- In 2007 it certified the Environmental Management System according to ISO 14001;
- 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;

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 system, environment and information safety and the food safety system in Makpetrol, whether they meet the requirements of the international standards ISO 9001, ISO 14001, ISO 27001 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 71th 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 1,780 employees in 2018 with various professional qualifications;
- There are 125 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;
- There are 13 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 environmental protection, observing the legal requirements is 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.

**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.

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. 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. These elaborates clearly indicate that all facilities of Makpetrol 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 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. In 2007, Makpetrol implemented Environmental Protection Standard ISO 14001:2015. The essential target of this standard is to support the environmental protection and to prevent the pollution influence which would be in balance with the social – economic requirements. Such 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 also possess A-integrated ecology license for the Installation for production of biodiesel.

Makpetrol has department which is devoted to environmental protection. In 2010, for the purpose of fulfilling the statute requirement of Republic of Macedonia, Makpetrol assigned authorized person in the position - Waste Manager.

## Measures and outcomes

The Department for Standardization, Quality and Environment, established an Annual report for protection of the environment for 2018.

Makpetrol AD, having the capacity of legal entity is a company that through its scope of work and activities is actively involved in all environmental segments. In 2018, the legislation of Republic of Macedonia referring to the environmental segment has been continuously complied and implemented.

## Management with types of waste in Makpetrol AD

### - Management with commercial waste

- Pursuant to the Law on Waste Management, Official Journal of R.M. no. 9/11 and the amendments thereto, there is a special determined location intended for the containers/receptacles for collecting commercial waste at the objects and business premises of Makpetrol AD. The commercial waste shall not be mixed with the hazardous waste. The covers of the waste receptacles are in appropriate color and have been appropriately marked. The waste in the containers has been selected in the following manner:
  - Paper and cardboard- blue/white color;
  - Packaging- yellow color;
  - Miscellaneous public waste-green color.
- The frequency of taking over the waste has been done by the outsourcing company being regulated by contracting relations with Makpetrol AD Skopje.

Types of waste	Code from the Management of List of types of waste	Quantity of handed-over waste in m <sup>3</sup>	
		2017	2018
Miscellaneous public waste	200301	≈ 8000	≈8500
Paper and clipboard	200101	≈ 2,5	≈ 4,5
Plastic	200139	≈ 4,5	≈ 1

*Table no.1 Quantity of delivered public waste*

- Special receptacles are placed at the business premises of Makpetrol AD Skopje for collecting paper waste and plastic waste. The dynamics of taking over the waste is being done depending on the needs and requirements, and is carried out by the outsourcing companies regulated by contract relations with Makpetrol AD Skopje.

## - Management with hazardous waste

The harmful waste, i.e. the remaining part of the rich sediment of the fuel from the gas station/warehouse that can not be used as improver of the caloric value of other types of firm fuels, from the gas station/warehouse, is appropriately collected in special vessels (barrels, container) and is temporarily stored in Warehouse Ilinden, up to its taking over by the authorized company, accompanied with appropriate documentation.

- The solid and liquid waste resulting from the analysis of oil derivatives and biodiesel is temporarily kept in Warehouse Ilinden, up to its undertaking by an authorized company accompanied by appropriate documentation.
- Pursuant to the Law on Waste Management, Official Journal of R.M. no. 9/11 and the amendments, Makpetrol AD has concluded an agreement for collecting and transporting of dangerous waste by an authorized company for protection of the environment, who manages the dangerous waste.

Types of harmful waste	Code from the List of types of wastes	Quantity of handed-over waste in tons (t)	
		2017	2018
Waste from liquid fuels (gasoline)	130702*	2.88	1.86
Waste from liquid fuels (diesel)	130701*	/	1.86
Waste from liquid fuels (mixed)	130703*	0.94	1.505
Package containing residuals or is polluted with dangerous substances	150110*	0.28	1.58
Waste from liquid fuels (light fuel oil)	130701*	/	0.06

*Table no.2 Quantity of delivered harmful waste (fuels)*



*Image 1 and 2 handed-over dangerous waste of the Warehouse Ilinden*

**- Managing of waste batteries and accumulators placed on the market of Republic of Macedonia from Dell Center**

- Pursuant to the Law on managing with batteries and accumulators, and waste batteries and accumulators Official Journal of Republic of Macedonia no.140/10,47/11, 148/11, and 39/12, Makpetrol AD has arranged an agreement with authorized company for undertaking responsibilities for dealing with waste from batteries and accumulators and waste from electric and electronic equipment.

Type of waste	Quantity of waste placed on the market in kilograms (kg)	
	2017	2018
From portable computers lithium-ionic, 3 cells	/	2.72
From 4 cells, lithium-ionic portable computers	115.6	198.4
From 6 cells, lithium-ionic portable computers	58.26	55.44
From 9 cells, lithium-ionic portable computers	9.95	11.7
For cars, lead, 38 Ah	28	51.43
For cars, lead 45 Ah	50.02	53.55
For Motorcycles, lead, 7 Ah	6.95	/
For motorcycles, 2,3 Ah	/	2,12

*Table no. 3 Quantity of waste for waste batteries and accumulators from Dell Center and Center*

Pursuant to the Law on management of batteries and accumulators and waste batteries and accumulators Official Journal od R.M. NO. 140/10, 47/11, 148/11 and 39/12 at the gas stations: 001 Industriska, 002 Partizanska, 004 Kozle, 053 Lisiche, 153 Novo Lisice, 046 Gevgelija and in the Administrative building of Makpetrol AD Skopj, special tubes have been installed for collecting dangerous batteries. .

**- Management of packing, launched on the market in R. Macedonia**

Pursuant to the Law on management with packages and packing waste (Official Journal no. 161/09, 17/11, 47/11, 136/11, 6/12) the manufacturers and traders are obliged to take care on the packing material of the products launched on the Macedonian market. For the purpose of complying with this decision, Makpetrol AD Skopje has engaged by contract a Company authorized for management with waste and packing waste.

Packing waste: Crystal Car Lubex Antifrizz Repsol Distilled water Centar DELL	Type of waste	Quantity of waste from package placed on the market in kilograms (kg)	
		2017	2018
	Plastic	6657	7235
	Paper	3550	4455
	Composite materials	554	302

Table no 4. Quantity of packing waste, placed on the market in R. Macedonia

#### - Management with waste electrical and electronic equipment

- The waste electrical and electronic equipment (waste computers, printers, toners, neon lights and etc.) arising from the current activities, which were established as out of use by the Stocktaking Inventory Commission, is temporarily kept and collected at the Makpetrol AD main administrative building in Skopje, up to its handing over by the authorized company and accompanied with the necessary documentation.
- Pursuant to the Law on management with electrical and electronic equipment Official Journal of R.M. no 6/12, Makpetrol AD concluded an agreement with "F-Grupacija DOO SKOPJE" with approved license by the Ministry of environment and physical planning with no. 11-6462/2 for undertaking obligations on dealing with electronic waste.
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Type of waste	Code of List for type of waste	Quantity of delivered material	
		2017 година	2018 година
Waste electrical and electronic equipment	20 01 36	1596kg	March/April

Table no.5 Quantity of waste electric and electronic equipment

- Pursuant to the Law on Management with Electrical and Electronic Equipment in Dell Center and IT Division related to the fiscal devices that were launched on the market in R. Macedonia Makpetrol AD Skopje engaged authorized company, in contract relations, for undertaking obligations for dealing with electric and electronic equipment.

#### - Waste Oil Management in HONDA Center

- The quantities of the waste oils from HONDA Center are kept on designated location in an appropriate containers, up to its undertaking by an authorized company which is in contractual relations with the Makpetrol AD, accompanied with the appropriate documentation.
- Pursuant to the Law on Waste Management Official Journal of R.M. no 9/11 and the amendments, Makpetrol AD concluded a contract with an authorized company for collecting and transporting waste oils.

Type of dangerous waste	Code from the List of types of waste	Quantity of delivered waste oils in tons (1)	
		2016 and 2017	2018
Synthetic, motor and other types of oils and lubricants	13 02 05*	1.52	2.126

*Table no.6 Quantity of delivered waste oils*

#### - Managing with waste toners

- In accordance with the Law on Waste Management, Official Journal of R. Macedonia no. 9/11 and its amendments, as well as the List of types of wastes, Official Journal of R.M. no. 100/05 Makpetrol AD Skopje concluded a contract with the authorized company for collecting and transporting residual used toners.

Type of waste	Code from the List of types of waste	Quantity of delivered waste materials	
		2016 и 2017	2018
Waste printing toners	08 03 18	200 (kg)	54 pieces

*Table no.7- Quantity of handed-over waste toners*

#### - Management with waste iron

- Pursuant to the Law on Waste Management, Official Journal of R. Macedonia no. 9/11 and the amendments, as well as the List of types of wastes, Official Journal of R.M. no. 100/05, the waste iron from Miladinovci Filling Station has been handed over to the company authorized for management with secondary raw materials.



Type of waste отпад	Code from the List of types of waste	Quantity of handed over waste iron tons (t)
		2018
Waste  Iron	17 04 05*	20.4

## **Reports on Waste Management in accordance with the legislation in R. Macedonia**

### **- Consolidated report on waste**

In accordance with the Law on Waste Management, Official Journal no. 9/11 and its amendments, Article 39, paragraph 8, a Consolidated report was prepared and submitted for 2018 referring to the treatment of commercial and hazardous waste in Makpetrol AD to the Ministry of Environment and Physical Planning.

### **- Report on implemented waste management programs in 2018 of the Waste Management Program for 2016-2018 and elaboration of the Waste Management Program for 2019-2021.**

Pursuant to the Law on Waste Management, Official Journal 9/11 and the amendments to Article 23, paragraph 5, a Report on implemented waste management programs in 2018 in Makpetrol AD was prepared and submitted to the Ministry of Environment and Physical Planning. The report was prepared on the basis of the previously submitted "Makpetrol AD" Waste Management Programs for 2016-2018.

In accordance with the legislation for waste management, "Programs on waste management for the period 2019-2021 by Makpetrol AD" have been elaborated and submitted to the Ministry of environment and physical planning.

## **Fulfillment of requirements arising from the field of environment**

### **- Testing of harmful substances in the air and testing of the level of noise in the environment from the boiler house for heating the administrative building of Makpetrol AD**

In accordance with the Law on Environment, Official Journal of the Republic of Macedonia No.53/ 05 and the amendments, and the requirements arising from the Elaborate for Environmental Protection, testing of harmful substances in the air and testing of the level of noise in the environment from the boiler room for heating of the administrative building of Makpetrol AD by accredited laboratory. All measuring parameters are within the prescribed limit values from the measurements of emission of harmful substances in the air from the deposit boxes located at the headquarters of Makpetrol AD.



*Testing of harmful substances in the air and testing of the noise level*

**- Fulfillment of the requirements for A- integrated ecology license of the Instalation for production of biodiesel-FAME**

In compliance with the requirements arising from the A-integrated environmental license, notice has been submitted on the Annual Environmental Report to the Ministry of environment and physical planning.

**- Physical-chemical analysis of the waste water from Warehouse Ilinden -**

In accordance with the requirements of the Law on Environment, Official Journal 53/05, a physical and chemical analysis of the waste water from Ilinden warehouse was carried out. The obtained values of the parameters tested are within the prescribed limit values.

**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.**

**Program No.1, 4, 6 - Regular fire safety trainings, periodic knowledge tests and tactical demonstration exercises should be held and functional tests of stable fire fighting systems (extinguishing and cooling) shall be carried out.**

**The Wholesale Division, that is, the Security Sector for fire and explosion protection matters during 2018, carried out the following:**

1. Training on the storage operation and activities related to the storage of flammable liquids and gases of 191 new employed employees;
2. Tactical – demonstrative exercises for fire extinguishing and checking the knowledge of 1039 employees from all organizational units within Makpetrol AD - Skopje.
3. Functional tests of stable fire protection systems (extinguishing and cooling) in the following facilities:

No.	Object	Date	Date
1.	Warehouse for flammable liquids "Ilinden"- Skopje	25.4.2018	26.10.2018
2.	Filling station for LPG Miladinovci- Skopje	7.5.2018	/
3.	Warehouse for LPG "Gostivar" – Gostivar	5.6.2018	19.9.2018

4. The Training Center of the Directorate for Protection and Rescue of the Republic of Macedonia and the Wholesale Directorate - Sector for Security in the period September and October 2018 organized and conducted specialized training for fire protection and tactical exercises of the Spatial specialized fire fighting units of Makpetrol AD - Skopje.

The specialized trainings for fire protection covered all organizational units in Makpetrol AD - Skopje and a total of 116 employees were trained.

The Protection and Rescue Directorate issued Certificates to the employees who attended the specialized training for completed specialized training for fire protection for the needs of Makpetrol AD - Skopje.

**Program number 2 and 5 – Cleaning of the tanks and keeping records on the quantities for created/delivered waste**

In 2018, the following quantities of dangerous waste, arisen from cleaning the tanks in the warehouses and gas stations has been delivered by Makpetrol AD.

Type of dangerous waste	Code from List of types of wastes	Quantity of delivered waste in tons (t)
		2018
Waste from liquid fuels (gasoline and diesel)	130702*	3.72

*Table no.8 Quantity of harmful waste (fuels)*

**Program No. 3- Performance of a separator / Incorporation of coalescent valve with automatic plug in an existing separator for fats and oils and Removal of waste from separators**

At the gas stations of Makpetrol AD in the procedure for protection of the waste water drainage system, two types of separators are installed:

- o plastic separators with appropriate equipment and
- o concrete separators with additionally installed filters. The installing of the filters (coalescent valves) completely equates the function of the concrete shaft with the plastic separator.

-In accordance with the joint agreement Makpetrol AD-Regeneration DOOEL, all separators at Makpetrol AD gas stations are cleaned for the calendar year 2018.

-In accordance with the mutual agreement between Makpetrol AD and Regeneracija DOOEL, all separators on the gas stations of Makpetrol AD have been cleaned for the calendar year 2018.

Type of waste	Code of the List of types of waste	Quantity of handed over waste iron in tons (t)
		2018
Sludge from the protective precipitators	13 05 03*	3.01

**Program number 7, 8, 9 – Plant for production of biodiesel, Monitoring of air quality, Monitoring of the quality of waste water, Managing with solid and liquid waste.**

No measurements stipulated according to the Programs 7, 8, and 9 have been done, due to the fact that the Biodiesel Production Plant is not in use since April, 01 2015.

## **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 2019