



GLOBAL COMPACT
ANNUAL COMMUNICATION ON PROGRESS

2021

United Nations Global Compact
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ANNUAL COMMUNICATION ON PROGRESS 2021
MAKPETROL A.D. SKOPJE
REPUBLIC OF NORTH MACEDONIA

Address	str. 4 Sent Cyril and Methodius, 1000 Skopje	Member since	2004
Country	Republic of North Macedonia	Employees	1.800
Chief executive officer	Andreja Josifovski	E-mail	board@makpetrol.com.mk
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STATEMENT OF SUPPORT

MAKPETROL AD Skopje (hereinafter referred to as "Makpetrol"), has been supplying the economy and the citizens of the Republic of North Macedonia with oil derivatives for 75 years. The invested effort of the company in order to achieve high quality products and services is recognized by associates and customers through which a partnership based on trust is established with both groups.

The business principles of the company are based on professionalism, teamwork and transparency that contribute to creating a pleasant corporate culture with which all employees can be identified. The company is committed to transmitting its mission and work principles to its employees, partners, customers and the community. Makpetrol continuously actively engages in increasing the quality of social life and responsibly participates in social events and activities. The protection of the health and safety of its employees, customers and for all citizens is incorporated in the protocols of regular activities and they are imperative in the process of managing the company.

It is because of its efforts that the company is recognized as a team that nurtures good environmental practices of responsible behavior based on common industry standards, environmental protection and human rights.

Our team believes that what sets us apart from other companies is the commitment to maintaining the quality of our products and services. That is why we are constantly trying to improve and invest in technical and visual modernization of our capacity as well as to develop new types of fuels that comply with European quality regulations.

Following the world trends, Makpetrol continuously invests in its facilities, buying new, modern and high-tech equipment, striving to remain a leading energy company on the domestic market.

Makpetrol is developing its unique position in the application of natural gas and biofuels. The company was the first to invest in the main gas pipeline, and the first to establish a biodiesel refinery, thus introducing it to the domestic fuel market. Our Biodiesel is produced in a sustainable way and meets the criteria for sustainability.

Operating during a world pandemic, we did not stop undertaking activities that are aimed at the consumer and the employees in order to ensure continuity in the work without reducing its quality. Exactly those commitments have been proven in practice through the measures taken for a better social life and investing in improving the health and safety of our employees and citizens in general.

We believe that these efforts are recognized especially by the employees who return to the company with maximum commitment, high motivation and loyalty that undoubtedly determine the business success of Makpetrol at the same time.

All this is a guarantee that Makpetrol will continue to be a leading energy company on the Macedonian market, always ready to respond to the energy needs of society and will remain a stimulus to the economic sector in Northern Macedonia.

The company uses the principles of the UN 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 supporting the Global Compact's objectives.

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

The company commits to making the UN Global Compact and its principles part of the company's strategy, culture, and day-to-day operations and undertake to make a clear statement of this commitment to its stakeholders. Makpetrol supports public accountability and transparency and will report on progress made in a transparent manner.

Andreja Josifovski
President of the Management Board
CEO

Portfolio of Makpetrol

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 has expanded its activities to road transport and shipping, organized as a working unit (R.O.). Four years later (1980), the company changed its name to RO MAKPETROL Skopje. In 1989, it was registered as a social enterprise (O.P.) for internal and external trade, following which in 1990 the company has transformed into joint stock company with mixed ownership. Five years later (1995), the company transformed into joint stock company (JSC), which completes the transformation of Makpetrol from mixed ownership into a trade company in private ownership. The above mentioned transformation formed the basis for further successful growth and development in new directions and fields.

The joint stock company has been in full private ownership since 1998 and its shares are listed on the MSE.

1. Brief description of the business

Makpetrol is the largest company for trading with oil products in North Macedonia with more than 73 years of experience and a robust infrastructure of distribution that covers all cities and main transport corridors in the country. The company has been investing in the development of the gas system in the country. Through a joint venture with the Government, Makpetrol operates and manages the country's transmission system of natural gas in t

In 2014 and 2015, Makpetrol rebranded its products and put emphasis 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 emissions of exhaust fumes and particles. The new fuels offer significantly more advantages than the existing gasolines and diesel fuels present on our market. The ULTRA fuels are in compliance with the European standards and the Rulebook on the quality of the liquid fuel in North Macedonia.

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

Makpetrol is also investing in methane capacities. Up to now, 8 filling stations for methane have been constructed and put into operation. The strategic goal of Makpetrol is the development of a network of methane filling stations throughout the whole territory of North Macedonia.

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

Along with the observance of the social rules and relevant legislation, Makpetrol bases its integrated system-IMS: quality management, environment, information safety, food safety and occupational, health and safety:

- 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 2014 it certified the Information Security Management System according to ISO 27001;
- in 2018 it certified the occupational, health and safety system, according to ISO 45001;
- In August 2019, Makpetrol has certified the System for managing health and safety at work according to the international standard ISO 45001.

ISO certificates are issued by the certification body Quality-Austria, which IQNet accredits - The International Certification Network.

Each year in Makpetrol, the certification body Quality-Austria performs audits of the integrated system-IMS: quality, environment, information safety, food safety system and occupational, health and safety, whether they meet the requirements of the international standard: ISO 9001, ISO 14001, ISO 27001, ISO 22000 and ISO 45001 and every three years certification audits are being performed.

In addition, in November 2013 the Biodiesel (FAME) production plant was successfully certified according to the system ISCC (International Sustainability and Carbon Certification). SGS performs annually certification audits in the Biodiesel (FAME) production plant.

Also, Makpetrol has its own independent laboratory with qualified and trained personnel. It has the latest equipment to test and control the quality of oil products and biodiesel at its disposal.

For each scope of work, there are numerous operating guidelines and procedures 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 company that wants to support the human rights of the community, Makpetrol does not differ from the large world corporations.

Our new reality has proven to us that only through caring for the other we can help ourselves, and togetherness is what can help us get through these challenging days more easily. That is why Makpetrol in 2021 realized a series of donations for the health system, as well as donations to support students who did not have the technical ability to be part of online teaching.

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.

2. Makpetrol business facts

- In 2021 Makpetrol, marked the 74th 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 MSE;
- There are 1,800 employees in 2021 with various professional qualifications;
- There are 127 petrol stations throughout the Republic of North Macedonia, and there is an ongoing process of modernization and modern visual appearance 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;
- Warehouses with a total available capacity of 150.000 m3, located on the territory of North 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;
- Human Resources system: continuous learning;
- Protection and support of human rights;
- Social responsibility: environmental and humanitarian actions.

3. Facts in the biodiesel sector: Based on the license obtained by the Energy Regulatory

Committee, biodiesel blend is present under the name biodiesel B6, which means a 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.

4. Boosting the methane consumption: Makpetrol has been investing in methane capacities. Till now, 8 filling station for methane have been constructed and put into operation: The strategic goal of Makpetrol is the development of network of methane filling stations throughout the whole territory of North Macedonia.

5. 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, from 2015 the company is implementing a Loyalty Program. The aim of the programme 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.

6. Environmental protection: Observing the legal requirements on environmental protection is the priority of the management agenda of Makpetrol. The company's objective is to combine the factors for quality, environment, and human aspects in one integrated management system that strives towards sustainable economic success.

7. Employees care: Since 2015 employees have had the opportunity to run tests of HLA molecular typing at the Institute of Transfusion Medicine of North Macedonia, Department of Molecular Biology and transplantation immunology, free of charge. This is provided by the Ministry of Health of North Macedonia, because Makpetrol is a humanitarian company active in blood donation since 1976, when the Company's Association of blood donors was formed.

Additionally, on the syndicate initiative with approval by the Board of Directors, employees have had a chance to make a diversity of tests in one of the most reputable hospital in Skopje, „Acibadem Sistina Hospital" at preferential prices.

8. Risk management:

In our company all the Departments in cooperation with the Department for Standardization, Quality and Ecology made risk identification (each in its own process), assessment of the identified risks, in accordance with the adopted qualitative methodology and defined actions for risk reduction with certain responsibilities and deadlines for implementation.

Risks and their assessment is defined in the Risk Register, which is updated every year, in accordance with certain changes in the processes.

There are appointed responsible persons for risk management.

In order to increase the awareness of the employees about the risks, a Manual for the risk management process has been distributed to all employees. It is further planned to conduct risk and incident trainings after the incident application is launched.

At the end of the year, an Annual Report is made on the changes on the risks in Makpetrol AD workplaces.

This work operation taken by the Standardization, Quality Management and Environmental Protection Departments, are working on improving the risk management processes in each Division.

The aim is:

- To provide employees at all levels with a practical framework of risk management to enable them to more easily identify, evaluate, treat, monitor and report the risk;
- Each employee to be able to understand and participate in the risk management processes;
- To contribute that risk management is 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 are more coordinated and the efficiency of risk management in the organizational culture has been 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 ensure their safety.

The company complies by the laws of the countries where it operates, and strives to uphold the principles of the Universal Declaration of Human Rights. The internationally acknowledged human rights are a universal value and Makpetrol constantly strives to respect and protect them.

Makpetrol strives to work not only in accordance with the appropriate national legislation, 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 reflects the Universal Declaration of Human Rights. The company is against human rights abuses and child labor and has 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 a healthy and safe working environment according to 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 with appropriate training in all health and safety-relevant

areas.

Makpetrol recognizes that health and safety are of paramount importance to us and are taken into account in every management decision and process.

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

Makpetrol guarantees freedom of association. Also, the company prohibits the use forced workforce. 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 that guide our conduct in all activities. Makpetrol respects fulfils and supports the fulfillment of human rights as contained in the Universal Declaration of Human Rights and internationally recognized treaties and conventions, including those of the International Labor Organization. In addition, Makpetrol 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 become complicit in human rights violations, as understood under current international law.

Makpetrol's sphere of influence includes individuals and groups with whom it has a certain political, contractual, economic or geographic proximity. The concrete responsibilities depend on the business context and the human rights issues at stake.

Furthermore, Makpetrol uses its influence so that business partners, and 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 communities, and it is supporting human rights, among others via its philanthropic activities.

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 protects human rights. It sees as its main responsibility to protect its employees of any kind of abuse. Makpetrol respects the human rights of its employees and strives to obtain healthy and safe working conditions. It implements policies to create satisfactory and safe working conditions, takes steps to prevent injuries; and implements regular health and safety worker training system to detect threats to health and safety.

It does not cooperate with partners that take part in any 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

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

The company strengthens the rights of equality, safety, personal, economic, social and cultural freedom.

It constantly provides full and transparent information to all its employees, customers and partners about its policies and activities.

Makpetrol 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 healthy work-life balance. It also 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. They protect the human dignity on an equal basis and serve to meet the needs of human beings. Makpetrol respects human rights and balances 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 believes that it has a direct responsibility to respect the human rights of the people in the surrounding communities, shareholders and stakeholders. 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 works in compliance with the Law on Labor Relations, and the European Union's standards on Labor Rights

Makpetrol strives to create working area that is safe, and encourages the spirit of team work and confidence among employees. In addition, it is committed to enable and support professional development of its employees;

Measurable Results or Outcomes

Within our company there is a representative Syndicate organization. The Company supports and participates in the collective agreement, ensuring the employees freedom of association.

Makpetrol respects the right of all employees to form or to join trade unions according to their choice. It monitors 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 voluntarily, and each employee may leave his/her work post under clearly defined rules. All Makpetrol employees enjoy the 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 a Code of Conduct, that 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

There are clear written rules not to use child labor. It does not employ, engage or otherwise use any child labor in circumstances where the 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 the policy nor practice in 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 Makepetrol is doing its core business (exp. dangerous liquid and gases).

PRINCIPLE 6

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

Our commitment and policy

Makpetrol recruits and retains employees based on the necessary qualifications and working capabilities without any discrimination

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

Makpetrol does not allow or tolerate any inadequate 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 behaviour.

Each employee 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 a 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 is 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.

For example, this year, in accordance with the Training Plan for 2021, trainings were conducted for the employees at the Security Department for the Covid Prevention Guidelines.

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.

It conducts business within the framework of good corporate management, under the appropriate laws and regulations, the internal acts of the company, taking in regards 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, while taking maximal concern for health, safety, as well as for environmental protection and to introduce new environmentally sustainable technologies in our facilities (plant, offices, storages etc.). In terms of environmental protection, there are Elaborations (EIA) 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 a technical and functional point of view, while taking into account the projected measures for environmental protection. They do not pollute the water, soil and underground water, as a result of the use of systems for collecting the technological, fecal and atmosphere waters. Since 2007, Makpetrol has been implementing the Environmental Protection Standard ISO 14001:2018. 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 an environment management system is necessary for the company, as well as for the whole state to obtain global sustainable development for the interest of future generations. Makpetrol also possess an A-integrated ecology license (IPPC) for the Installation for production of Biodiesel.

Makpetrol has department which is devoted to environmental protection.

To fulfil the statute requirement since 2010, Makpetrol has an assigned authorized person in the position - Waste Manager of the company.

Measures and outcomes

Makpetrol AD is a company that as a legal entity, with its subject of work and activity is involved in all areas of the environment.

The detailed compliance, of our company, with the legislation of the IMS is recorded in PR 011.102 Procedure for monitoring the legislation on aspects of the environment and the safety and health of employees at work, ie. in OB.01.123 / 11 Register of laws on environmental aspects and laws on safety and health of employees at work.

In 2021 in the field of environment, there were changes in the following laws:

- Law on Waste Management;
- Management of additional waste streams in a system of responsibility of producers;
- Management of special waste streams;
- Packaging waste management;
- Management of batteries and accumulators and waste batteries;
- Management of electrical and electronic equipment and waste electrical and electronic equipment.

Management with types of waste in Makpetrol

- Management with commercial waste

- Under the Law on Waste Management, Official Journal no. 9/11 and the amendments there to, there is a special determined location intended for the containers/receptacles for collecting commercial waste at the objects and business premises of Makpetrol. 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 outsourcing company's frequency of taking over the waste has been regulated by contracting relations with Makpetrol Skopje.

Types of waste	Code from the Management of List of types of waste	Quantity of communal waste					
		2019		2020		2021	
		m ³	t	m ³	t	m ³	t
Miscellaneous public waste	200301	≈9000		≈7000	≈ 76	≈7800	≈ 82
Paper and clipboard	200101	≈430		≈434	≈2,33 5	≈410	≈2,0
Plastic	200139		≈ 1	≈68	≈0,19	≈60	≈0,15

Table no.1 Quantity of delivered communal waste

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

- 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 cannot be used as an 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, Skopje 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 no. 9/11 and the amendments, Makpetrol 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)		
		2019	2020	2021
Waste from liquid fuels (gasoline)	130703*	1.9	1580	1345kg
Waste from liquid fuels (diesel)	130701*	1.46	/	2157kg
Liquid fuel waste (mixture)	130703*	/		-
Package containing residuals or is polluted with dangerous substances	150110*	0.6	1.033	620kg
Mixed acid-base waste	130703*	-	-	1020kg
Mixed organic waste	130703	-	-	366kg

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



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

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

- Pursuant to the Law on Managing with Batteries and Accumulators, and waste batteries and accumulators Official Journal no.140/10,47/11, 148/11, and 39/12, Makpetrol 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.
- Records are kept monthly and submitted to the authorized company for battery waste management.

Type of waste	Quantity of waste placed on the market in kilograms (kg)		
	2019	2020	2021
From portable computers lithium-ionic, 3 cells	14.88	159.84	114,72
From 4 cells, lithium-ionic portable computers	200.2	234.80	213,4
From 6 cells, lithium-ionic portable computers	36.75	37.29	26.07
From 9 cells, lithium-ionic portable computers	8.55	1.80	0,45
For cars, lead, 38 Ah	47.32	0	4
For cars, lead 45 Ah	163.12	0	1
For motorcycles, 2 Ah	2.75	8.25	-
For motorcycles, 2,3 Ah	2.7	2.12	5

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

Under the Law on Management of Batteries and Accumulators and Waste Batteries and Accumulators at the gas stations: 001 Industriska, 002 Partizanska, 004 Kozle, 053 Lisiche, 153 Novo Lisice, 046 Gevgelija and in the Administrative building of Makpetrol, special tubes have been installed for collecting dangerous batteries.

- Management of packing, launched on the market in North Macedonia

- According to the Law on Management of Packaging and Packaging Waste (Official Jurnal 161/09, 17/11, 47/11, 136/11, 6/12), producers and traders are obliged to take care of the packaging of the products they release on the market in the Republic of Macedonia. In order to fulfill this obligation, Makpetrol AD has concluded an agreement with the company "Pakomak DOO-Skopje", with a permit from the Ministry of Environment and Physical Planning No. 11-446 / 2 for management of packaging and packaging waste.
- Monthly records are submitted to the authorized packaging waste management company.

Packing waste: Crystal Car, Lubex, Antifrizz, Valvoline, Distilled water, Centar DELL	Type of waste	Quantity of waste from package placed on the market in kilograms (kg)		
		2019 година	2020 година	2021 година
	Plastic	9969	10787	≈11200
	Paper	10228	12338	≈11500
	Composite materials	275	156	≈200

Table no 4. Quantity of packing waste, placed on the market in of North 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 main administrative building in Skopje, up to its handing over by the authorized company and accompanied with the necessary documentation.

Type of waste	Code of List for type of waste	Quantity of delivered material in tons (t)		
		2019	2020	2021
Waste electrical and electronic equipment	20 01 36	4826	2040	1772

Table no.5 Quantity of waste electric and electronic equipment

- According 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 North Macedonia, Makpetrol 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 appropriate containers, up to its undertaking by an authorized company which is in contractual relations with the Makpetrol, accompanied with the appropriate documentation.
- Pursuant to the Law on Waste Management Official Journal Makpetrol 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 (t)		
		2019	2020	2021
Synthetic, motor and other types of oils and lubricants	13 02 05*	3.135	2.94	3.58

Table no.6 Quantity of delivered waste oils

- Management with waste iron

- Pursuant to the Law on Waste Management, and the List of types of wastes, Official Journal no. 100/05, the waste iron from Makpetrol, has been handed over to the company authorized for management with secondary raw materials.

Type of waste	Code from the List of types of waste	Quantity of handed over waste iron in tons (t)		
		2019	2020	2021
Waste Iron	17 04 05	47	123.89	18530kg
Waste brass	17 04 01	/	6.87	144kg
Waste aluminum	17 04 01	-	-	21kg

Table no.7 Waste iron

Reports on Waste Management in accordance with the legislation in North Macedonia

- Consolidated report on waste

In accordance with the Law on Waste Management a Consolidated report was prepared and submitted for 2021 referring to the treatment of commercial and hazardous waste in Makpetrol to the Ministry of Environment and Physical Planning.

- Report on implemented waste management programs in 2021 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 2021 in Makpetrol was prepared and submitted to the Ministry of Environment and Physical Planning. The report was prepared on the basis of the previously submitted Makpetrol Waste Management Programs for 2019-2021.

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

Under the Law on Environment, Official Journal and the requirements arising from the Elaborate for Environmental Protection, testing harmful substances in the air and testing the level of noise in the environment from the boiler room for heating of the administrative building of the administrative building Makpetrol 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.



Image 3 and 4 Testing of harmful substances in the air and testing of the noise level

- Fulfillment of the requirements for A- integrated ecology license (IPPC) 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, with all reports which were made through the year of 2020 to the Ministry of environment and physical planning of the Rebuplic of North 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, from 1 o 9

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 2021, carried out the following:

1. Training for storage work and actions related to the storage of flammable liquids and gases of 157 newly hired workers;

2. Training for loading or unloading work or other procedures related to loading or unloading (loading, transshipment, transfer, unloading, storage) of dangerous substances to 157 newly hired workers.

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	11.05.2021	27.09.2021
2.	Filling station for LPG Miladinovci- Skopje	28.04.2021	05.10.2021
3.	Warehouse for LPG "Gostivar" – Gostivar	03.06.2021	29.09.2021

Program number 7, 8, 9 –For the Instalation for production of biodiesel-FAME, Monitoring of air quality, Monitoring of the quality of waste water, Managing with solid and liquid waste.

The whole measurements listed according to the Programs 7, 8, and 9 have been done at the Biodiesel Production Plant. All the results obtained were with allowed quantities, according to the law for environment of North Macedonia.



Image 5 Instalation for production of biodiesel-FAME in Ilinden, Skopje

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

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

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 to bribery and corruption to obtain or retain business or other improper advantage in the conduct of international business.

Makpetrol has clear stand concerning bribery and corruption, meaning that 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 also promotes its policy of non-accepting bribe and corruption among its business partners.

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

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 a position of responsibility or those that are potentially more exposed to corruption, including purchasing agents, legal officers and senior managers, receive 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 corporate 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 selects and engages business partners who share company's good Corporate Social Responsibility values.

Conclusion

To keep the leading position in the market of oil products in North Macedonia and realize 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 is pleased in 2021 it received several prestigious awards. 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 a safe and healthy environment for all its employees, suppliers and contractors.

To maintain the business goals and values, Makpetrol creates an ethical and socially responsible environment, causing less damage and striving to contribute to a better society.

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 UN 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

January 2022

2021

GLOBAL COMPACT
ANNUAL COMMUNICATION ON PROGRESS

