sustainability report
of the Petrol group
2012
Printed on 100% recycled paper.

We saved: 248 kg of wood, 2,988 liters of water, 281 kWh of energy, 29 kg of CO₂, 285 km road by the average European car and 153 kg of waste (source calculated as follows: www.arjowigginsgraphic.com/cyclus.html).
Optimization of district heating systems:
50,095 MWh of energy savings
14,027 t CO₂ savings

Integrated projects (implemented several measures):
5,380 MWh of energy savings
2,126 t CO₂ savings

Biofuels:
11,572 t CO₂ savings

462 service stations
5 EV charging stations

Efficient use of water:
savings of 86,987 m³ of water

Wastewater treatment plant:
2,655,157 m³ treated municipal water
69 small wastewater treatment plants at service stations

Waste heat:
4,306 MWh of energy savings
328 t CO₂ savings

Biogas plant:
production of 7,166 MWh of energy from 3.4 million m³ of biogas

Providing energy savings to end-users:
215,000 MWh of energy savings
80,000 t CO₂ savings

Optimization of lighting:
6,284 MWh of electricity savings
2,866 t CO₂ savings

Photovoltaics:
2.75 GWh of electricity produced
1,273 t CO₂ savings

Supply of electricity from renewable energy sources:
20% of electricity supplied

Q Max Fuel:
lower consumption;
lower emissions of harmful gases

Biofuels:
11,572 t CO₂ savings
Petrol’s sustainable path

Optimization of district heating systems:
50,095 MWh of energy savings
14,027 t CO₂ savings

Efficient heat production:
5,799 MWh of energy savings
4,360 t CO₂ savings

Waste heat:
4,306 MWh of energy savings
328 t CO₂ savings

Integrated projects (implemented several measures):
5,380 MWh of energy savings
2,126 t CO₂ savings

Renovation of boiler room and installation of cogeneration of heat and electricity unit:
21,057 m³ of natural gas savings
4,218 t CO₂ savings

Cogeneration of heat and electricity:
3.2 million m³ of natural gas savings
6,161 t CO₂ savings

Biogas plant:
production of 7,166 MWh of energy from 3.4 million m³ of biogas

5 EV charging stations at service stations

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5 EV charging stations at service stations

Efficient use of water:
savings of 86,987 m³ of water

Wastewater treatment plant:
2,655,157 m³ treated municipal water
69 small wastewater treatment plants at service stations

All values refer to annual savings.
Petrol's sustainable path

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Introduction

By our actions we show social responsibility and commitment to sustainable development. We believe that only economically successful and profitable Petrol can be successfully adapted to all requirements of time and truly benefit to all stakeholders. » Petrol Code of Conduct (PCC)

Courage
We are working with enthusiasm and heart

- By our actions we show social responsibility and commitment to sustainable development. We believe that only economically successful and profitable Petrol can be successfully adapted to all requirements of time and truly benefit to all stakeholders. » Petrol Code of Conduct (PCC)
Dear business partners, shareholders and co-workers!

The Petrol Group at 31 December 2012 consists of the parent company Petrol d.d., Ljubljana, 9 domestic and 10 foreign subsidiaries, 4 jointly controlled entities and 4 associates. In 2012, we operated successfully in spite of the unfavourable macroeconomic and political situation. The Petrol Group is the main supplier of petroleum products in Slovenia and its role in the comprehensive energy supply is growing. It also has an increasingly important role in energy supply in the markets of SE Europe.

The Petrol Group’s activities are closely related to natural resources and their availability. We are well aware of the importance of energy independence in any economy.

Since the consumption of petroleum products decreases, our central development area is the acceleration of new energy-related activities, including sales of gas, heat and electricity, major environmental projects, optimization of energy production and efficiency, as well as marketing of renewable energy sources.

We can proudly say that the Petrol Group has both knowledge and experts needed, so our opportunities in this area are exceptional.

Our strategic orientation of transition from supplier of petroleum products to comprehensive energy supplier is reflected by our slogan “Energy for Life” as well as by our investments.

The Petrol Group focuses on the expansion of its oil and merchandise sales operations in SE European markets, the expansion of other energy-related operations both in Slovenia and SE Europe (gas, electricity, efficient energy consumption, environmental projects) and consolidation of its position as regards oil and merchandise sales in Slovenia. In 2013, the Petol Group plans EUR 325.7 million revenue from the sale of energy-related operations.

Profitability is of greatest importance for long-term success and development of the Petrol Group. In our corporate Code of conduct it is written that “By our actions we show social responsibility and commitment to sustainable development. We believe that only economically successful and profitable Petrol can be successfully adapted to all requirements of time and truly benefit to all stakeholders.” The actions of our sustainable development are presented in this document.

We are proud to present the first Sustainable report of the Petrol Group. Since responsible business conduct and attitudes of the Petrol Group lead to long-term business success, in previous years, especially in 2012, we have made right steps towards even greater sustainability. We’ve adopted a model that lays the foundation for comprehensive monitoring and measuring the effectiveness of sustainable conduct of the Petrol Group. We have identified five strategic areas of sustainable policies: products, services, employees, stakeholders and social responsibility of the Petrol Group. In 2012, we have adopted Petrol Code of conduct, Energy Policy and Action Plan 2012-2016, and we received Responsible Care program certificate.

On our sustainable path we are guided by our values: respect, trust, excellence, creativity and courage. I would like to thank all Petrol staff for their assiduous and responsible achievement of our sustainable goals. Together we create the future of Petrol.

The Sustainability report of the Petrol Group demonstrates our commitment to the transparency of operations and describes our active role in the wider society. Being on sustainable journey the Petrol Group sets itself always new goals, milestones and it closely monitors its achievements. We invite you on our sustainable path!

Tomaž Berločnik, MSc
President of the Management Board
Presentation of the Petrol Group

Besides the parent company Petrol d. d. Ljubljana, the Petrol Group consists at 31. 12. 2012 of nine domestic and ten foreign subsidiaries, four jointly controlled entities and four associates.

The Group Petrol as at 31 December 2012.

### Mission

At Petrol we ensure a reliable, economic and environmentally friendly supply to our customers in Slovenia and Southeast Europe, providing them with a comprehensive range of energy and environmental products and services. Thanks to our broad network of service stations, drivers are offered everything they need for a safe and comfortable journey. We make sure that businesses and local communities have a full range of energy supply at their disposal, and provide households with all the energy they need for their home - at their home.

### Vision

To become a leader in quality and development of comprehensive energy supply and the convenience model for service stations in Southeast Europe with an above-average customer satisfaction rate.

---

1 Eltec Petrol d.o.o. has two subsidiaries: ENERGOGLOBAL d.o.o. (renamed Eltec Petrol Hrvatska d.o.o. in January 2013) and El-Tec Mulej, d.o.o., Niš (has a subsidiary called Sagax d.o.o., Beograd)

2 IG energetski sistemi d.o.o. has, in addition to GEN-I, d.o.o., the following two subsidiaries: IG AP d.o.o. and Vitales energie biomasse Italia s.r.l.

3 Beogas Invest d.o.o. has two subsidiaries: Beogas d.o.o. and Domingas d.o.o.
Values

- Respect: Respecting fellow human beings and the environment.
- Trust: Building partnerships through fairness.
- Excellence: Aiming to be the best at what we do.
- Creativity: Making progress through own ideas.
- Courage: Working with enthusiasm and heart.

At Petrol we feel a strong sense of responsibility towards our employees, customers, suppliers, business partners, shareholders and the society as a whole. We meet their expectations with the help of motivated and business-oriented employees, we adhere to the fundamental legal and moral standards of the Slovene society and the more general European standards, and we protect the environment.

How are we organized?

Petrol, Slovenska energetska družba, d. d., Ljubljana is a parent company of the Petrol Group.

Organizational chart of parent company Petrol d.d., Ljubljana at 31 December 2012.

Members of the Management Board:
- President of the Management Board: Tomaž Berločnik
- Member of the Management Board: Rok Vodnik
- Member of the Management Board: Janež Živko
- Member of the Management Board/Worker Director: Samo Gerdin

Members of the Supervisory Board:
- Tomaž Kuntarič, President of the Supervisory Board, shareholder representative
- Bruno Korelič, Deputy President of the Supervisory Board, shareholder representative
- Dari Južna, Member of the Supervisory Board, shareholder representative
- Urban Golob, Member of the Supervisory Board, shareholder representative (Member of the Supervisory Board till 31st of May 2012)
- Irena Prijović, Member of the Supervisory Board, shareholder representative
- Mateja Božič, Member of the Supervisory Board, shareholder representative (Member of the Supervisory Board till 31st of December 2012)
- Andrej Tomplak, Member of the Supervisory Board, employee representative
- Boštjan Trstenjak, Member of the Supervisory Board, employee representative (Member of the Supervisory Board till 22nd of February 2013)
- Franc Premrn, Member of the Supervisory Board, employee representative (Member of the Supervisory Board till 22nd of February 2013)
- Zoran Gračner, Member of the Supervisory Board, employee representative
- Ika Krevzel Panić, Member of the Supervisory Board, employee representative
Table 1: The largest shareholders of Petrol d. d., Ljubljana as at 31 December 2012.

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Address</th>
<th>Shares owned</th>
<th>Holding in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Slovenska odškodninska družba, d.d.</td>
<td>Ljubljana</td>
<td>412,009</td>
<td>19.75</td>
</tr>
<tr>
<td>2 Kapitalska družba, d.d.</td>
<td>Ljubljana</td>
<td>172,639</td>
<td>8.27</td>
</tr>
<tr>
<td>3 NLB, d.d.</td>
<td>Ljubljana</td>
<td>126,365</td>
<td>6.06</td>
</tr>
<tr>
<td>4 Istrabenz, d.d.</td>
<td>Koper</td>
<td>84,490</td>
<td>4.05</td>
</tr>
<tr>
<td>5 GB d.d., Kranj</td>
<td>Kranj</td>
<td>84,299</td>
<td>4.04</td>
</tr>
<tr>
<td>6 Vizija holding, k.d.d.</td>
<td>Ljubljana</td>
<td>71,676</td>
<td>3.44</td>
</tr>
<tr>
<td>7 Vizija holding ena, k.d.d.</td>
<td>Ljubljana</td>
<td>63,620</td>
<td>3.05</td>
</tr>
<tr>
<td>8 Hypo Bank, d.d.</td>
<td>Ljubljana</td>
<td>43,500</td>
<td>2.09</td>
</tr>
<tr>
<td>9 Nova KBM, d.d.</td>
<td>Maribor</td>
<td>42,985</td>
<td>2.06</td>
</tr>
<tr>
<td>10 Češkoslovenska Obchodní BANK, A.S. - FID</td>
<td>Praga</td>
<td>42,598</td>
<td>2.04</td>
</tr>
</tbody>
</table>

At year-end, 132,257 shares or 6.34 percent of all shares were held by foreign legal or natural persons. The number of foreign shareholders increased by 3.3 percentage points in 2012, while the total number of shareholders decreased from 37,253 as at the end of 2011 to 36,148.

How business is done

Our governance is transparent and legally compliant

In the period 1 January 2012 to 31 December 2012, the company was subject to the Corporate Governance Code. The Code entered into force on 1 January 2010.

It is available from the website of the Ljubljana Stock exchange http://www.ljse.si/. It is managed in accordance with directions of ZGD-1 and in accordance with the Corporate Governance Code stated above (more information in Annual report of Group Petrol and company Petrol d. d., Ljubljana, for year 2012, page 19).

The company Petrol d.d., Ljubljana is managed using a two-tier system. The company is led by the Management Board, which is supervised by the Supervisory Board. The management of the company is conducted in conformity with the law, Articles of Association as the Company’s fundamental legal act, internal regulations, and established and generally accepted good business practices.

The Management Board of Petrol d.d., Ljubljana manages the company independently and on its own responsibility, and represents and acts on behalf of the company. According to the Articles of Association, the Management Board is comprised of its president and other members. One of Management Board members is always a worker director, who only participates in decisions relating to human resources and social policy issues and does not have the power to represent the company. In 2012 the Management Board was composed of four members.

The Management Board regularly reported to the Supervisory Board on the Company’s operations and consulted it in connection with the Company’s strategy, business development and risk management. Some of the Management Board’s activities were also focused on collaboration with the Workers’ Council and the Petrol Group’s representative trade unions.

We take care of long-term relationships with shareholders

The Petrol Group establishes and maintains relationships of trust and cooperation with all its stakeholders, while stabilizing the three cornerstones of its sustainable orientation: economic, social and environmental. Our communication strategy is proactive and interactive.

We participate in more than 50 economic associations, interest groups, institutes, chambers and associations: Economic Interest Grouping for liquefied petroleum gas, Slovenian Institute for Standardization, Slovenian Society for Quality, Slovenian Chamber of Commerce, Slovenian National Petroleum Committee and others.

In 2012, we became a part of the Responsible Care Initiative, which connects chemical industry worldwide
in response to new opportunities presented by sustainable development.

We care for equal information of all shareholders in accordance with notifying all important information on SEOnet and Petrol web page.

Small shareholders can connect to Shareholders Association. Representatives of these organizations are also agents who are entitled to exercise voting rights at general meetings of Petrol, based on the accumulated powers.

Employees address their own initiatives via e-mail directly to the President of The Company Workers' Council who is also the member of The Supervisory board. Workers' initiatives are discussed in accordance with next meeting of the Company Workers' Council, meanwhile worker who has taken initiative is informed about dismissing conclusion for the Company Workers' Council.

**We are obliged to ethical principles**

»Energy of our conduct« is the Corporate Code of conduct in Petrol. It determinates how we work in the company and directs us always and everywhere. Standards written in the Corporate Code of conduct are implemented in practice.

With the Corporate Code of conduct we are an example to other Slovene companies. From our business partners we expect the consideration of similar principles and standards. Petrols Corporate Code of conduct was confirmed by the Petrol Group Trade union and the Petrol Workers’ Council that gives the Code even greater value and meaning.

**Location of operation**

Most of our business transactions are done in the retail service stations in Slovenia. With expansion of its retail network in SE European markets, the Petrol Group is becoming and important energy supplier also in some countries outside Slovenia.

By the end of 2012, the Petrol Group's retail network grew to 462 service stations: 315 in Slovenia, 92 in Croatia, 37 in Bosnia and Herzegovina, 8 in Serbia, 5 in Kosovo and 5 in Montenegro. Complementing the services provided at service stations are 113 car-washes, 148 bars and 34 TIP STOP quick-service facilities. The latter are dedicated to the maintenance of freight and passenger vehicles.

**Petrol Corporate Code of Conduct**

»Employees take personal responsibility for our work and company’s efficiency. With professional work and daily assiduity we assure company’s success, which also means assurance for great working positions preservation and creating new in the future.« (PCC)
Our most important brands in Slovenia

The trademarks of Petrol are strategically managed. On international markets, we have registered over 20 brands in Slovenia, more than 100. The most important of them are listed with the logo.

Petrol’s activities and vision reflect its sustainable direction

The core area of operations of the Petrol Group is oil trading activities. The principal development direction of the Petrol Group is the introduction of new energy activities, in particular the sale of gas, heat and electricity, and management of environmental projects, but in the long run also sale of renewable energy sources.

We pursue our vision of environmental responsibility. This commitment is reflected in the following commercial areas:

• high-quality supply of energy,
• optimization of energy use (upgrading of heating systems, co-generation, the implementation of energy efficiency, energy consulting to companies and individual customers, optimization of energy supply and lighting in local communities, public institutions and businesses, energy recovery of waste, etc.),
• effective management of water resources (reducing water loss, and technical and economic optimization of water supply systems, wastewater treatment et al.)
• increasing the use of renewable energy in the Petrol Group as well as for our contractual partners.

In 2012, we sold 128.8 million m³ of natural gas, 63.5 thousand tons of liquefied petroleum gas, 63.7 thousand MWh of heat and 2.4 TWh of electricity energy. In 2012, we managed 28 gas supply concessions in Slovenia (of which 22 for the supply of natural gas and 6 for the supply of liquefied petroleum gas). In Serbia, we supply natural gas to municipalities of Bačka Topola and Pećinci as well as to 3 municipalities in Belgrade. In addition, the company Petrol Gas d.o.o. supplies gas to cities Šibenik and Rijeka. Buyers of LPG are supplied through storage tanks, supply points at service stations (autogas) and the sale cylinders.

The Petrol Group evolves from Slovenian main supplier of petroleum products oil corporation to regional provider of comprehensive energy and environmental supply.

With clear strategic orientations and development priorities we don’t have only an increasingly important role in the energy market in Slovenia but also in the markets of SE Europe.
Petroleum products

The Petrol Group is the main supplier of petroleum products in Slovenia. In 2012, the Petrol Group’s sales network consisted of 462 service stations, in 2013 is expected to comprise 477 service stations.

Consumer goods and services

Sale of consumer goods and services is an integral part of our core business.

Natural gas and liquefied petroleum gas

The Petrol Group is engaged in the supply of natural and liquefied petroleum gas as well as in the construction and management of gas distribution networks.

Electricity

Offering electricity to businesses and households consolidated Petrol’s position as a major supplier of the full range of energy products across Slovenia.
Our achievements are awarded in wide specialized public

### Table 2: Awards received by the Petrol Group.

<table>
<thead>
<tr>
<th>Year</th>
<th>Award</th>
<th>Granted by</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 and 2010</td>
<td>NETKO: Award for the best business web solutions (Category Winner)</td>
<td>Chamber of Commerce and Industry of Slovenia – Association for information science and telecommunication</td>
</tr>
<tr>
<td>2009</td>
<td>Prizma 2009: Award to Petrol d.d., Ljubljana and SPEM</td>
<td>Public Relations Society of Slovenia</td>
</tr>
<tr>
<td>2009-2012</td>
<td>Trusted Brand</td>
<td>Reader’s Digest</td>
</tr>
<tr>
<td>2009-2012</td>
<td>Superbrands</td>
<td>Superbrands Adriatic, Croatia</td>
</tr>
<tr>
<td>2011</td>
<td>EU Energetic manager of the year; project Co-production of heat and electrical energy Planina Kranj</td>
<td>EUREM European Energy Manager</td>
</tr>
<tr>
<td>2011</td>
<td>Prizma 2011 in Category B (programs in public nonprofit sector, entirely social actions); project «Pass Energy for Life»</td>
<td>Public Relations Society of Slovenia</td>
</tr>
<tr>
<td>2012</td>
<td>En.odmev 012: Certificate for successful energy company El-tec Mulej</td>
<td>Energetika.net</td>
</tr>
<tr>
<td>2012</td>
<td>EMERALD (Europe/MiddleEast), category Social Responsibility; project Pass Energy for Life!</td>
<td>IABC – International Association of Business Communicators</td>
</tr>
<tr>
<td>2012</td>
<td>GoldQuill, IABC Award, category Social Responsibility; project Pass Energy for Life!</td>
<td>IABC – International Association of Business Communicators</td>
</tr>
<tr>
<td>2012</td>
<td>NETKO 2012: finalist in category mobile applications</td>
<td>Chamber of Commerce and Industry of Slovenia – Association for information science and telecommunication</td>
</tr>
<tr>
<td>2012</td>
<td>Prizma 2012: - category A (programmes in profit activity); project Our Energy Connects - category D (efficient use of PR tools on individual fields of public relations); Program of internal communication of values and Petrol Code of Conduct</td>
<td>Public Relations Society of Slovenia</td>
</tr>
<tr>
<td>2012</td>
<td>SPORTO, kategorija Najboljše športno sponzorstvo: 1. mesto</td>
<td>DMS – Slovenian marketing association</td>
</tr>
<tr>
<td>2012</td>
<td>Finance Academy 2012 - Award for best annual report among large companies - Award for best annual report in Operation analysis and plans among companies</td>
<td>Finance Academy 2012</td>
</tr>
<tr>
<td>2012</td>
<td>WEBSI 2012: 2nd place in category Characters: Tell to Petrol</td>
<td>E-laborat and Marketing magazine</td>
</tr>
<tr>
<td>2013</td>
<td>Award of British-Slovene economic chamber for best case of social responsibility of 2012: campaign “Pass energy for Life” and nomination for international award in Europe</td>
<td>British-Slovene economic chamber in Slovenia</td>
</tr>
</tbody>
</table>
Strategic business plan 2012–2016

The Petrol Group will pursue its mission in its core areas of business:

1. Oil and merchandise sales in Slovenia
2. Oil and merchandise sales in Southeast Europe
3. Energy activities, comprising the sale and distribution of natural and liquefied petroleum gas, heat, electricity and energy and environmental solutions

Main strategic orientations for the Petrol Group’s development:

- ensuring growth,
- increasing operating profitability and boosting added value per employee.

«With bravery, courage and enthusiasm we develop best energy company, of which employees, shareholders, clients, business partners and society are proud of.» (PCC)

The Petrol Group connects with its energy for life.
Profitability is decisive for long-term success, existence and development of our company. Only financially successful Petrol gives an assurance that great business goals will be achieved, as expected by employees, stakeholders, business partners and society as a whole.« (PCC)
Economic view of the Petrol Group’s sustainable development

From petroleum products supplier to comprehensive energy and environmental solutions supplier

The Petrol Group is the main supplier of petroleum products in Slovenia and its role in the comprehensive energy supply is growing. It also has an increasingly important role in energy supply in the markets of SE Europe. We are aware that comprehensive energy supply is one of the key factors of long-term growth.

Modern service stations are the most recognizable public face of Petrol. Lately this image is complemented by other activities.
Operation highlights

In 2012, we continued energy efficiency projects, encouraged the use of renewable energy sources, we optimized energy production, exploitation and distribution, performed efficient lighting projects, optimized water distribution systems, etc.

The Petrol Group focused its investments in 2012 on the expansion of its oil and merchandise sales operations (40% in Slovenia and 32% in SE Europe) and 25% of its investments on other energy-related operations. Operation highlights of the Petrol Group in 2012 are presented in table 3. Directly created and distributed economic value of the Petrol Group and Petrol d.d., Ljubljana in 2012 is presented in table 4.

Table 3: Business highlights of 2012

<table>
<thead>
<tr>
<th>The Petrol Group</th>
<th>um</th>
<th>Results 2012</th>
<th>Results 2011</th>
<th>Index 2012 / 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>million EUR</td>
<td>3,754.0</td>
<td>3,270.4</td>
<td>115</td>
</tr>
<tr>
<td>Gross profit</td>
<td>million EUR</td>
<td>328.3</td>
<td>325.7</td>
<td>101</td>
</tr>
<tr>
<td>Operating profit</td>
<td>million EUR</td>
<td>84.9</td>
<td>81.0</td>
<td>105</td>
</tr>
<tr>
<td>Net profit</td>
<td>million EUR</td>
<td>53.9</td>
<td>52.3</td>
<td>103</td>
</tr>
<tr>
<td>Equity</td>
<td>million EUR</td>
<td>433.7</td>
<td>441.6</td>
<td>98</td>
</tr>
<tr>
<td>Total assets</td>
<td>million EUR</td>
<td>1,571.5</td>
<td>1,537.0</td>
<td>102</td>
</tr>
<tr>
<td>EBITDA¹</td>
<td>million EUR</td>
<td>123.0</td>
<td>115.6</td>
<td>106</td>
</tr>
<tr>
<td>EBITDA / Average fixed assets</td>
<td>%</td>
<td>15.4</td>
<td>16.5</td>
<td>93</td>
</tr>
<tr>
<td>EBITDA / Gross profit</td>
<td>%</td>
<td>37.5</td>
<td>35.5</td>
<td>105</td>
</tr>
<tr>
<td>Operating costs / Gross profit</td>
<td>%</td>
<td>76.8</td>
<td>77.2</td>
<td>100</td>
</tr>
<tr>
<td>Net debt / Equity²</td>
<td></td>
<td>1.34</td>
<td>1.25</td>
<td>108</td>
</tr>
<tr>
<td>Earnings per share³</td>
<td>EUR</td>
<td>26.2</td>
<td>25.4</td>
<td>103</td>
</tr>
<tr>
<td>Share price as at period end</td>
<td></td>
<td>236.4</td>
<td>155.1</td>
<td>152</td>
</tr>
<tr>
<td>Volume of petroleum products sold</td>
<td>million tons</td>
<td>2.5</td>
<td>2.4</td>
<td>107</td>
</tr>
<tr>
<td>Volume of liquefied petroleum gas sold</td>
<td>thousand tons</td>
<td>63.5</td>
<td>56.4</td>
<td>113</td>
</tr>
<tr>
<td>Volume of natural gas sold</td>
<td>million m³</td>
<td>128.8</td>
<td>114.1</td>
<td>113</td>
</tr>
<tr>
<td>Electricity sold</td>
<td>TWh</td>
<td>2.4</td>
<td>1.1</td>
<td>225</td>
</tr>
<tr>
<td>Revenue from the sale of merchandise</td>
<td>million EUR</td>
<td>472.2</td>
<td>441.7</td>
<td>107</td>
</tr>
<tr>
<td>Investments in fixed assets</td>
<td>million EUR</td>
<td>117.4</td>
<td>82.1</td>
<td>143</td>
</tr>
<tr>
<td>Number of service stations as at period end</td>
<td></td>
<td>462</td>
<td>454</td>
<td>102</td>
</tr>
<tr>
<td>Number of employees (including at third-party managed service stations) as at period end</td>
<td></td>
<td>3,818</td>
<td>3,897</td>
<td>98</td>
</tr>
</tbody>
</table>

¹ EBITDA = Operating profit + Depreciation and amortisation net of depreciation of environmental fixed assets
² Net debt / Equity = (Non-current and current financial liabilities − Cash and cash equivalents) / Equity
³ Earnings per share = Net profit for the year attributable to owners of the controlling company / Weighted average number of ordinary shares issued, excluding own shares
Creating economic value

Long-term economic success of our operation is one of the core goals of the Petrol Group. In table 4 selected financial categories of the Petrol Group business operations in 2012 are presented; table 5 shows sales revenue considering geographic areas in which the Petrol Group operates.

Table 4: Directly created and distributed economic value of the Petrol Group and Petrol d.d., Ljubljana in 2012.

<table>
<thead>
<tr>
<th>Directly created economic value (EUR)</th>
<th>Petrol Group</th>
<th>Petrol d.d., Ljubljana</th>
<th>Page in AR* 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Sales revenue</td>
<td>3,753,992,682</td>
<td>3,193,964,569</td>
<td>104</td>
</tr>
<tr>
<td>– Financial revenue</td>
<td>75,790,840</td>
<td>64,081,186</td>
<td>104</td>
</tr>
<tr>
<td>– Gain on disposal of fixed assets</td>
<td>2,819,844</td>
<td>124,561</td>
<td>141</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,832,603,366</td>
<td>3,258,170,316</td>
<td></td>
</tr>
</tbody>
</table>

| Distributed economic value           |               |                        |                  |
| Operating costs                      |               |                        |                  |
| – Cost of goods sold                 | 3,425,660,194 | 2,956,059,812          | 104              |
| – Costs (without labour costs)       | 191,498,817   | 150,993,526            | 104              |
| TOTAL                                | 3,617,159,011 | 3,107,053,338          |                  |
| Labour costs                         | 60,719,895    | 24,709,555             | 104              |
| Pay-out to capital owner and other financial suppliers and other suppliers of financial expedients. | | | |
| – Dividend payments for 2011         | 17,008,184    | 17,008,184             | 109–111          |
| – Interest expense                   | 31,586,211    | 26,205,433             | 145              |
| TOTAL                                | 48,594,395    | 43,213,617             |                  |
| Income tax                           | 14,040,196    | 15,504,158             | 104              |
| Investments in social environment    |               |                        |                  |
| – Sponsorships and donations         | 1,764,740     | 1,376,947              | 144              |
| – Environmental charges and charges unrelated to operations | 1,171,553 | 423,584                | 144              |
| TOTAL                                | 2,936,293     | 1,800,532              |                  |

* Annual Report (AR)

Table 5: Sales revenue considering geographic areas in which the Petrol Group operates.

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales revenue (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2,629,947,344</td>
</tr>
<tr>
<td>Croatia</td>
<td>472,213,119</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>218,770,551</td>
</tr>
<tr>
<td>Montenegro</td>
<td>27,413,805</td>
</tr>
<tr>
<td>Serbia</td>
<td>35,571,963</td>
</tr>
<tr>
<td>Austria</td>
<td>253,508,624</td>
</tr>
<tr>
<td>Other countries</td>
<td>116,567,277</td>
</tr>
<tr>
<td>Total</td>
<td>3,753,992,682</td>
</tr>
</tbody>
</table>

Petrol generates sales revenue in the domestic and foreign markets.

Domestic market share: 70%
Revenue from the sale of gas, the environmental and other energy-related activities is increasing. Its importance in the structure of total revenues from the sale of the Petrol Group increased from 6.2% in 2011 to 7.8% in 2012 (chart 6).

Chart 6: Sales revenue (million EUR) for 2011 and 2012, Petrol Group considering business results.

In 2012, the Petrol Group generated EUR 3,754.0 million in net sales revenue, up 15 percent from 2011 thanks to higher sales and higher prices of oil products.

Gross profit from sales stood at EUR 328.3 million, a year-on-year increase of 1 percent. Compared with the year 2011, the following influenced the amount of gross profit in 2012:

• an increase of 10 percent in the volume of motor fuels sold (petrol and diesel fuel);
• an increase of 7 percent in revenue from the sale of merchandise;
• an increase of 13 percent in the volume of liquefied petroleum gas sold;
• an increase of 13 percent in the volume of natural gas sold;
• a decrease of 11 percent in the volume of heat sold;
• a decrease of 7 percent in the volume of extra light heating oil sold.

The Petrol Group’s operating costs stood at EUR 252.2 million in 2012. Despite the expansion of the Petrol Group’s business, the costs remained on a par with the 2011 figure, an indication of successful business performance.

Achievement:
growth in sales revenue in 2012 was 15%
Gas, environmental and other energy activities reached 44% increase in 2012.
Growth in the share price and the payments to shareholders

Petrol's shares are traded on the prime market of the Ljubljana Stock Exchange (LJSE), and have been listed since 5 May 1997. In 2012, the volume of trading in Petrol's shares at the stock exchange amounted to EUR 25.5 million, down 6.5 percent from 2011.

In the previous year, the shares were again one of the most traded among those listed on the Ljubljana Stock Exchange. Between 1 January and 31 December 2012, the share price grew by 47.7 percent, and it more than doubled since the listing. The average price of Petrol's shares, which stood at EUR 183.91 in 2012, decreased by 11.2 percent year-on-year. The share price ranged between EUR 156.20 and EUR 236.40 during this period (more information in the Annual report, pages 29 – 32). Petrol paid out in 2012 a gross dividend for 2011 of EUR 8.25 per share.

A shareholder policy that is based on a long-term maximisation of returns for shareholders is one of the cornerstones of Petrol’s development strategy. Petrol’s management advocates a stable long-term dividend payout. This fits best the Company’s development needs as it delivers more predictable returns and long-term stability of Petrol's share price.

The management of the risks

In 2012, the Petrol Group regularly monitored exposure to various types of risk and carried out activities to contain them. Through efficient responses we were able to successfully manage, reduce or even avoid individual business risks.

We have implemented a number of measures:

- Our customers’ solvency and, by extension, the balance of operating receivables were given the most attention;
- The amount of current operating assets was optimised, while the stocks of petroleum products were kept at levels that were still sufficient for the performance of business activities;
- Liquidity and short-term solvency of the Petrol Group companies was ensured through the central management and reconciliation of current cash flows and by entering into agreements with banks to increase credit lines.

The Petrol Group is exposed to both the price risk (changes in the prices of petroleum products) and the foreign exchange risk (changes in the EUR/USD exchange rate) while pursuing its core line of business. The petroleum product pricing model allows for changes in global petroleum product prices and exchange rates to be passed on to domestic selling prices. The exposure of the Petrol Group to price and foreign exchange risks is thus considerably reduced.

The Petrol Group is gaining an increasingly prominent role in electricity production, sale, distribution and trading, and will in the future devote even more attention to risks in this area. We estimate that considering the scale of this business, electricity related risks were appropriately hedged in 2012.

With the adoption of the Framework Management Policy of the Petrol Group at the end of 2012, a basis for functional responsibility of the parent company’s departments in subsidiaries was established, which will further contribute towards unified risk management within the Petrol Group.
Plans of the Petrol Group for 2013

Despite the persistence of the difficult and uncertain economic situation, the Petrol Group has set itself ambitious goals for 2013. In order to achieve them, the Petrol Group will pay particular attention to the streamlining of operational and supporting business processes in 2013.

Main business goals of the Petrol Group in 2013:

- Net sales revenue of EUR 4.04 billion;
- Net profit of EUR 58.2 million;
- 2.58 million tons of petroleum products sold;
- Revenue from the sale of merchandise of EUR 500.4 million;
- Electricity sales of 2.82 TWh;
- Retail network comprised of 477 service stations.
Trust
Building partnerships through fairness

»Energy among us inspires creativity and achievement of common goals and ensures long-term success of the company.« [PCC]
Sustainable relationships with employees

Management of employees, their skills and potentials is one of the main competitive advantages of Petrol, developed at the strategic level. Only highly motivated and committed employees that promote a positive work atmosphere accelerate long-term growth and development of the Petrol Group. We have developed a sound employment policy and an effective reward system. Education and development of employees are our constant concern, therefore we monitor their satisfaction.

Petrol - employee friendly company

At the end of 2012, there were 3,818 people employed within the Petrol Group. At the end of 2012, the average age of employees was 39 years. 67.9 percent of the employees were male and 32.1 percent were female. The structure of employment over the years is more and more in favor of females, since the working conditions at service stations improved significantly (chart 7).

In 2012:

- the number of employees taking part in various forms of education and training stood at 11,675,
- 80,357 teaching hours of training were carried out, which on average amounted to more than 21 teaching hours of training per employee,
- 2,244 of external workers (students, transporters, cleaners …) were educated to the extent of 10,708 teaching hours,
- 854 preventive medical examinations (periodic, control or targeted) were made in the Petrol Group in Slovenia, as the health and safety of our employees are of utmost importance for our work,
- organizational climate was estimated the highest in twelve years of research.

Chart 7: The proportion of employees by gender in %.
Petrol’s annual interview is an important tool for the management and development of human resources, which was upgraded in 2012 with a competency model. It includes competencies, which have been found to strategically affect the performance of the company and its key personnel. According to this model the observed person fully realizes how he/she is seen by co-workers, which significantly contributes to his/her personal development.

In 2012, we adopted Petrol’s Code of conduct according to which we are committed to respect equality of all people. We do not tolerate any violence or harassment in the workplace. We cooperate with partners and other stakeholders that respect human rights and fundamental freedoms.

**Petrol Employee Satisfaction**

Organizational climate and employee satisfaction are regularly measured. Since most employees work in retail (at service stations), the research findings are mainly dependent on their satisfaction and perceptions of organizational climate. The study included also employees in subsidiaries and franchised service stations abroad (chart 8).

All measured elements (climate, work satisfaction, commitment) show an improvement and are moving into an area of climate that is classified as “very good”, with a particular increase of employees’ personal engagement. The same applies to employee satisfaction at work. After each measurement of organizational climate the results are presented to all employees who outline special measures for improving the climate next year.

Low turnover rate and absenteeism, stable organizational climate, satisfied and engaged employees are the key to achieving the strategic objectives of the Petrol Group.

**Organizational climate rating in 2012 is the highest since the initial survey.**

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**Internal communication of values and Code of conduct**

Petrol’s Code of conduct, called “Energy of our conduct” (see page 13 in the Sustainability Report) is a necessary set of values which integrate all employees. The internal communication of this strategic document was a solid foundation for raising the level of our corporate culture. Values of business excellence are like tree juice that gives life to our company.

The project of internal communication of the Petrol’s Code of conduct was awarded the prize in 2012 for excellence in communication.

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**Chart 8: Measurement of organizational climate 2001 - 2012.**

* The SiOK survey is held on a sample of employees with a guided interview.

** In 2010, the SiOK survey was upgraded in the exploration commitment of our employees. It is most important that the proportion of active noncommittal decreases each year, the number of committed employees increases.
Family friendly enterprise

Petrol received the basic “Family Friendly Enterprise” certificate in 2010. We adopted 19 measures that help employees reconcile their professional and family lives, among these are:

• a free day for parents of first-time school goers;
• flexible working hours during a child’s first week in kindergarten;
• gift packages upon the birth of a child, congratulations from the Management Board on personal anniversaries;
• prize quizzes for employees on the intranet with attractive prizes that one can use with family members;
• organization of special programme for children of employees in the traditional winter and summer sports games;
• for our employees’ primary school children we prepare an active holiday programme that we carry out in the last week of the summer holidays;
• in exceptional situations parents can bring their children to work if that is allowed by the work process (for example, during the general strike of the public sector). In such cases, a special programme for children is organized by volunteers from Petrol.

New three-year period is an opportunity for new measures that will contribute to an even stronger family friendly company.

Education is our permanent task

Education of employees is of great importance to Petrol, because knowledge is one of our key competitive advantages. We systematically transmit our knowledge to new employees.

Petrol Academy, with internal and external experts, provides systematic and comprehensive training to employees. It organizes numerous internal training programmes tailored to the work process and seeks to include each employee in at least one training a year. With the continuous internal transfer of knowledge we are being transformed into a learning company. The effects of some training, such as skills development programmes in retail, are also measured.

The new method of internal training for young staff with strong potential was introduced in 2012 within Petrol’s Business Academy.

Petrol Academy, in cooperation with the Ljubljana Faculty of Economics conducted eight module programme. 24 promising young colleagues were selected, who completed five project tasks with assistance of 40 internal and external experts.
We take care of occupational safety and health

The Petrol Group follows a programme of preventive medical checkups in which all employees are included. Particular attention is devoted to workers with a reduced working capacity. In 2012, 825 preventive, periodic, control or targeted health checkups were carried out within the Petrol Group in Slovenia alone.

All companies of the Petrol Group have adopted safety declarations with risk assessment. The latest findings in occupational safety and health are integrated into new processes and projects. Also, we monitor the risks related to the occurrence of accidents and injuries. The risks are assessed periodically by a specialist of occupational medicine and, through safety measures, maintained at an acceptable level. Permanent cooperation of our experts for occupational safety and health with specialist of occupational medicine provides long-term improvement of the working environment and well-being in the workplace. Thus the probability of injuries and health problems is minor.

The Petrol Group does its best to provide its employees with optimal working conditions. New technologies and processes are being implemented to ensure such working conditions. Since 2003, part of an integrated quality system is OHSAS 18001 standard - Health and Safety at Work.

Even in our Code of conduct our strong commitment to prevention and elimination of psychosocial risks at work place was emphasized.

Petrol employees are regularly trained in the field of environmental protection, fire safety, safety and health at work, as well as dealing with chemicals.
Petrol employees are innovative

All employees have the opportunity to contribute new solutions and suggestions for improving services and work processes, as we have since 2009 an open internal competition “Great idea”. The best ideas get the title of “Great idea”, they are rewarded and implemented. Thus, we already introduced a number of solutions that increase our market competitiveness. In four years, we have gathered 1,811 improvement suggestions, of which 159 were awarded the title “Great idea”.

“Great idea”: Physically disabled customer-friendly service station

The idea refers to aid mobility impaired customers when refueling. All our service stations were equipped with labels that are already visible from the vehicle. The labels mark the one dispensing point where it is possible to refuel any kind of fuel. Mobility impaired people are to read telephone number printed on the labels and call the dealer for help in refueling and payment.

To promote the new service we will add appropriate floor markings at service stations with more than two dispensing islands. Such a solution is a novelty for physically handicapped persons in Slovenia and is only available at our service stations.

Dane Kastelic, president of the Association of Paraplegics

“The help of sellers at refueling is essential for us, paraplegics. We are pleased that dispensing points at service stations are properly marked. This will make our stop at Petrol definitely friendlier.”
Sustainable relationships with suppliers

In line with Petrol’s strategic objectives our selection of suppliers is based on the following factors: the compliance of all purchased products with the applicable European standards and legislation, the purchase price and other terms of purchase (providing the lowest cost of purchasing and logistics) as well as security of supply (which allows for lower operating supplies and the cost of financing inventories).

For successful business relationships with customers and suppliers, the orderly and traceable document flow is of great importance.

We buy most of the petroleum products from the largest multinational oil companies, but also from the world’s most important retailers of petroleum and petroleum derivatives. Due to long-term cooperation with prominent suppliers we enjoy the status of a reliable and trustworthy partner.

In June 2012, we acquired the status of an authorized economic operator (AEO). With this, in accordance with applicable customs legislation, we obtained the right to simplification of customs procedures.

In cooperation with suppliers of biofuels we made significant shifts

In the last few years, the introduction of biofuels has been an obligation of all fuel distributors in the EU market. The legal basis for this obligation was the Fuel Quality Directive and the Biofuels Directive, which are now replaced by new Directive on the promotion of the use of energy from renewable sources (RED).

For all biofuels that we put on the market, we monitor compliance with the sustainability criteria as laid down in the Regulation on sustainability criteria for biofuels and greenhouse gas emissions in the life cycle of transport fuels. Already in 2011, a year before the implementation of the national “sustainable legislation,” Petrol began to deliver sustainable biofuels. Since September 2012, in accordance with the new legislation we report on emission intensity and the quantity of greenhouse gas emissions and the total emission reductions (see table 24 on page 77). We supply only those biofuels that meet sustainability criteria.
Consumer goods are more environmentally friendly

In the search for environmentally acceptable solutions we cooperate with our suppliers, whose products (cleaners, car cosmetics, etc.) are being offered on the shelves of our service stations. For some products, together with our suppliers and manufacturers, we develop new solutions that enable cost savings and have a positive environmental impact. In doing so, Petrol professional services are actively involved: the Technical development, quality and safety division, and the Sales department.

Achievements:
- development of the summer VITREX according to the principles and requirements of the Ecolabel certificate;
- use of environmentally friendly cleaning products Ecolabel which reduce the environmental footprint;
- reduce of logistics costs and reduce of fuel consumption per unit of plastic bottles (achieved by optimizing the load of bottles);
- 15 percent reduction in consumption of adhesive tape for sealing cartons (supplier uses a new automated machine);
- development and testing of new PET packaging for coolant and car cosmetics for own brand products, which will replace the current packaging HDPE.

Objectives:
- reducing the weight of materials per unit of packaging;
- reducing the amount of packaging waste;
- 10% reduction in weight of PET bottles in comparison with the existing packaging HDPE.
We adapt to the needs of our customers

In accordance with our wide and comprehensive range of operation, we have various customers, from large companies to individuals and organizations. Our relationship with them is respectful, which means that we adapt to them in all respects possible.

In 2012, we developed a new system of certification for sustainable biofuels

We add biofuels to conventional fossil fuels. In the first phase, we provided a new application for certification for the Hungarian market. In parallel, we have introduced a mass balance system which allows us to monitor separately the flow of biofuels for each separate warehouse for delivery to foreign buyers and domestic market. For fuels placed on the market in Slovenia, we also monitor the greenhouse gas emissions caused by the administration of fuels on the market and we calculate the proportion of emissions reductions due to replacement of a certain part of fossil fuels with biofuels (see page 77 in the sustainability report).

With the help of the international system Nabisy, in 2013 we will begin issuing sustainability certificates that are valid in the European markets.

Production of certificates of quality fuels and other chemical products takes place automatically

In the context of our information system, we introduced a new application of automatic production of certificates of quality fuels and other chemical products. Certificates of fuel are generated automatically based on laboratory reports of our accredited laboratory. The system was expanded to produce quality certificates for chemical products, and we plan to expand it to other products that require such certificates. The project lasts for two years and represents a significant upgrade of the current system regarding higher reliability and timing.
In the Center for energy solutions Petrol’s energy packets are offered and different types of furnaces for heating, heat pumps, solar thermal systems, small water treatment plants and depots are displayed.

Center for energy solutions
In line with our business strategy in terms of providing comprehensive, high-quality energy supply, we continuously establish additional ways to communicate with customers. In 2012, we opened Center for energy solutions in the central shopping center, BTC City Ljubljana.

It is intended for households, businesses, local communities and other legal entities. We offer complete solutions for energy efficiency living quarters in one place (as described on page 52 of the Sustainability Report).

We communicate transparently on the web
Companies such as Petrol, have a lot of customers. A lot of customers usually mean a lot of questions, ideas and opinions. Since we are eager for open and smooth communication, we have developed a modern web communication system that has a nice tradition. For corporate website, successfully upgraded in 2006 and 2010, we were awarded “The best Netko website”.

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We regularly communicate with a communication tool “Tell Petrol”
We pride ourselves on a two-way tool for online communication with our customers “Tell Petrol”, which we developed ourselves. This web application is an upgrade of Petrofon, which was the work of our marketing experts already ten years ago. In 2010, we completely redesigned website. One of the greatest strategic decisions was that our customer’s questions and our answers are exposed to the public. On every page of Petrol’s website there is a form set “Tell Petrol”. Underneath the form last customer queries on the observed field are published.

For this courageous decision, which emphasizes two-way communication of customers with the large enterprise, we received the award Netko 2010 for the best website. Published questions, ideas, comments, complaints and compliments of our customers are selected according to our requirements. Questions are answered in an average of two days and approximately every eighth question is published. The system “Tell Petrol” is maintained by approximately 70 employees - experts in particular areas who competently answer questions from customers.
Ensuring customer satisfaction

Petrol realises the importance of customer satisfaction and therefore has a system for monitoring this parameter since 1999. We measure a number of parameters that influence the satisfaction and loyalty of our various customers: energy customers, customers at service stations and wholesale customers.

Based on the results we improve our products and services. Since 2011, we conduct the research ourselves and we systematically transfer the findings into our business processes. In 2011 and 2012, we surveyed more than 47,000 customers. They pointed out that Petrol’s competitive advantages are location of our service stations, selection and breadth of additional offers and rewarding of the shopping within the Petrol club.

In 2011, 93.7% of our customers that visited Petrol’s service station graded it with “no complaints”.

We continually assess our support processes

Our customers’ satisfaction is high because we offer them quality products and excellent service. This is achieved through effective support processes involving employees who are not in direct contact with end customers, but are also very important.

Since 2005, we monitor the quality of the support processes within the research Quality of internal services. Initially, the survey included department of human resources, legal issues, as well as quality, but in 2011, the survey was expanded to all supporting processes. In the latest study we included more than 1,300 employees of the Petrol Group. On the basis of the results we conduct educational workshops and endorse measures for improvement.

Claims and complaints handling

We handle each case of customer dissatisfaction with great care, since we understand it as an opportunity to improve our products, processes or services. At the same time it opens up the possibility of further communication with our customers.

With this in mind, we began overhauling the claims handling system in 2012, as part of which both the IT and the documentary support were redesigned. The system will be rolled out to all Petrol Group companies in 2013, and we expect an even faster handling of claims and complaints to the satisfaction of all parties.
Sustainable relationships with other audiences

In the broader social environment we identify different target audiences to communicate with and build long-term relationships. Strategically we pay a special attention to investor relations, professional audiences, educational institutions and local environment.

With investors we participate actively

With investors we communicate personally and at Investor Conferences. Permanent communication process provides tangible results: on 31 December 08 Petrol had 1.27% foreign shareholders and on 31 December 12 already 6.34%. By 2015, Petrol plans to meet at least once a year with economic analysts (for example, when publishing the Annual report).

We communicate with local communities

We pay particular attention to the local environment in which we operate. We are happy to open our door to children and all the knowledge thirsty.

Visits to our wastewater treatment plant and laboratory

Eco preschool children and school students showed a great interest while visiting wastewater treatment plant Mežica, managed by us.

Our chemical testing laboratory procedures and quality system were presented to students of High chemical school in Ljubljana, High School Vič, Primary School Škofljica, Jozef Stefan Institute, Kosovo customs and other interested parties.

Information Office for citizens

In October 2012, we opened the information office for citizens who are our potential clients, in collaboration with the Carinthian municipalities. Local citizens were informed about the developments in the gas and electricity market in Slovenia, as well as about market offer of the company Petrol Energetika d.o.o. We increased an awareness of the local residents of Ravne, Prevalje, Dravograd, Muta and Mežica, and gained new customers of electricity and natural gas.

Workshops for consumers of heat

In 2012, we conducted workshops for clients of heat, in which we presented the calculation of heat as a power strip, measures for energy efficiency and the division of responsibilities between managers and distributors of heat. Workshops were conducted by employees of the company Petrol Energetika d.o.o. in cooperation with a manager of individual city quarters in the municipality of Ravne na Koroškem, in December 2012. They were intended for consumers of heat in multi-family housing in the local community. Similar activities are also planned in 2013.

Pupils are increasingly environmentally conscious, so they are interested in environmental technologies. On photo is wastewater treatment plant Mežica.
Protection and rescue exercises

Our protection and rescue exercises are conducted annually in cooperation with the fire brigade Petrol, the volunteer fire department and the professional fire brigade, ambulance, police and staff at the facility. In the tutorial, we check the organization, training and equipment of all the factors of protection, rescue and relief operations in the event of an explosion, fire or spillage of hazardous substances. In addition to the exercise participants we also invite professional and managerial workers and general public (nearby fire brigades, municipal officials and local communities, inspectors ...). As a family-friendly company we invite also family members of our employees. Every year we carry out on all our petroleum products storages and some service stations - an average of 6 to 10 exercises per year, which are attended by thirty to one hundred participants.

We share our knowledge in international environment

In 2012, our employees lectured at various professional meetings in Slovenia and abroad.

The lectures were given on renewable energy and energy efficiency (Slovenj Gradec), and other areas of sustainable development (8th Conference on flat bottom Tanks, Munich, organized by TÜF SÜD Germany, Biofuel Sustainability Challenges, 2012 GOMA, Medulin, Croatia; Meeting of the Federation of Slovenian Biomass, Slovenj Gradec 2012).

We regularly participate in conferences on marketing and public relations. Our experts give lectures at Business Academy Petrol 2012/13 and Petrol-house workshops.
We live together

The Petrol Group perceives social responsibility as a lasting commitment to cooperate with the environment in which it operates (chart 9). We understand that helping the environment in which we operate has a significant impact on our business success and development. In the period 2008-2012, the Petrol Group did not detect any cases of discrimination, and we have not been involved in proceedings relating to the protection of competition.

We are sponsors and donors

We demonstrate our social accountability by supporting numerous athletes in team and individual sports. We sponsor clubs, associations and events from all over Slovenia. In some sports and events we are traditionally among top sponsors. By supporting events with a large public response, we are constantly increasing the visibility and strength of our brand.

We support also cultural projects, for example The Ljubljana Festival, Lent and others. Our sponsorship funds are allocated also to professional projects (conferences, symposia, and events), which are related to our work. We supported the project Electric mobility in Slovenia in 2012, in which we will participate also in 2013.

Most of our donor funds are earmarked for humanitarian projects implemented by non-profit organizations. Since 2011, instead of New Year’s Boxing we implement a humanitarian project, in which all our service stations and commercial buildings are involved.

We continuously organize various events for internal and general public:
- the internal audience: business conferences, summer and winter games, Xmas meeting for employees and retirees anniversary celebrations;
- the external public: meetings with business partners, VIP events, sponsorship and promotional events, pre-new meetings, openings of new facilities ...;
- corporate events: events related to humanitarian projects, Collage for Kids and blood donation actions Give Energy for Life.

Chart 9: Resources for sponsorships and donations of the Petrol Group and the company Petrol d.d, Ljubljana.

Due to our social responsibility awareness, our funds for sponsorships and donations increase from year to year.

77% of the funds are donated to sport, 9% to humanitarian activities, 9% culture and 5% other.
Our socially responsible projects and campaigns

Pass Energy for Life

Since 2011, the project Pass Energy for Life actively encourages blood donation in Slovenia, especially among young people. We have established a website www.daruj-kri.si which daily updated indicates the status of stocks and the need for blood groups in all transfusion centers in Slovenia. Anyone can immediately determine whether a particular locality lacks his/her blood type. Those who have not yet entered into the database of donors, can do so through the website.

Interaction between citizens and institutions in donating blood has exceeded all expectations. The campaign not only contributed to the successful implementation of planned blood drives, but has increased the number of blood donors and helped fill the blood plasma stock. The importance of blood donation and sufficiently filled stocks of plasma, was strongly emphasized among Slovenes.

The annual campaign is carried out before the holidays, because the need for blood plasma in Slovenia during the holidays increases. In the last two years, the stock of blood plasma in the summer was sufficient.

In 2011, within one month we gained 10,000 blood donors.

This is the largest increase in Slovenia in the last ten years.

The project was awarded for excellence in communication. We received Slovenian award Prizma 2011, and international awards: GoldQuill 2012, IABC Emerald (Europe / MiddleEast) Award of Excellence 2012, Award of British-Slovenian Chamber of Commerce for the best example of corporate social responsibility in 2012.

Achievements in 2011:
- in one month time we have activated 10,000 blood donors, which is 10% more than in the previous year and the highest increase in the last 10 years of blood donation in Slovenia;
- in the online database of blood donation 1,640 new donors enrolled.

Energy for Life was also donated by Petrol employees and by example we attracted many.
Our Energy Connects

Our Energy Connects is a charity project, which aims to help local communities where we operate. For this project we devoted resources that would otherwise be given by Petrol for business presents in the years 2011 and 2012. We encouraged also the staff at our service stations to contribute money as well as humanitarian project proposals in their local community. Selected humanitarian projects were granted EUR 200. We paid a special attention that selected recipients really benefited the most from the assistance. The response from employees as well as institutions which participated in the selection of “most needed” grants was more than excellent and the project exceeded all expectations. The project has strengthened the commitment of employees to corporate values, since they were implemented in practice.
Collection of cheerleading energy

During the London Olympics 2012, we independently and in cooperation with the National Olympic Committee of Slovenia conducted the project for collection of cheerleading energy.

The cheerleading energy was collected in several ways: with messages on a special web portal www.london.petrol.si, by turning the ratchet on the Petrol service stations and by sending SMS messages. Number of passionate fans and energy were measured with a special counter on the web site. The fans were rewarded for cooperation. Athletes were interacting with them through blogs, tweets, video on the web site and in person at our service stations.

The net proceeds from the sale of bracelets of EUR 13,000 was donated to the fund which is designed for the development of young athletes in the Olympic Committee of Slovenia. Support to athletes by purchasing cheer props or moral support expressed 49,519 fans. Our employees also supported Petrol’s sponsorship of Olympic Committee of Slovenia and collected supporters’ energy. The top twenty vendors were awarded with a special team weekend in the company of Petra Majdič.

For the best sports sponsorship we received the award SPORTO 2012.

The traditional socially responsible actions

“We live together” is the umbrella brand of our commitment to corporate social responsibility, both to help those who need it most, as well as to promote creativity and raise compassion for fellow human beings.

Petrol creates together with children in traditional contest called “Children to adults”, which in 2012 celebrated its 22nd anniversary. It is the largest art competition for children in Slovenia.

Our plans

In 2013, we plan to sponsor the European basketball championship with the contractor FIBA Organizing Committee. Petrol buyers will be addressed in Slovenia and South-Eastern Europe.

In the Olympic cycle, London 2012 - Rio de Janeiro in 2016 we will encourage the involvement of pupils and students in the Youth Sport - school sporting events and mass gatherings. This project will be conducted in collaboration with the Office for Sport and Slovenian Olympic Committee. Thus, we will strengthen brand awareness of Petrol and Energy for Life slogan among adolescents. The voluntary activities will be promoted among our employees.

During the Olympic Games in 2012, we carried out a project “Collection of cheerleading energy”. Net proceeds from the sale of supporter’s bracelets were donated to Fund for young athletes in the Olympic Committee of Slovenia. 49,519 spectators expressed their support for the athletes.
Wastewater treatment plant in Murska Sobota
Respect

We respect other people and the environment.

»Our sense of business, social and environmental responsibility is expressed by the commitment: today's goals are achieved in a way that we do not undermine the needs of present nor future generations.« (PCC)
We stress:

- Together with partners, we achieve reduction of environmental strain and economic savings on the basis of signed concession agreements and energy performance and delivery contracting agreements.
- We carry out mandatory public utility service for cleaning wastewater in four Slovenian municipalities and we manage an industrial wastewater treatment plant.
- We optimise water systems in local communities. We successfully completed the first project in the municipality of Kranj.
- We manage and optimise larger systems for district heating in Slovenia and abroad.
- We build solar power stations. In 2011 and 2012, we invested in constructing larger photovoltaic power stations with a total power of 2,750 kWp.
- We obtained concessions for implementing measures on the efficient use of energy and for managing public lighting in four Slovenian municipalities.
- We granted EUR 8.2 million of non-refundable funds to end users for investments into increasing energy efficiency. We achieved energy savings in the amount of 215,000 MWh and environmental savings in the amount of 80,000 tonnes CO₂.
- We built a distribution pipeline and we distribute gas in Serbia through a pipeline network.
- We offer alternative solutions to households and smaller business entities for the provision of heat and other energy by way of standardised packages ‘package for heating up’, by the use of heating pumps and boilers for wood biomass, in combination with the supply of heating oil and electric power.
- We manage the process for energy utilisation of waste substances at the Biogas company Ihan. During the decomposition of bio-waste materials, biogas is created which is converted into electricity at the cogeneration engines. Produced energy is then provided to the network.
- We are implementing the requirements of the Regulation REACH (Regulation on the registration, evaluation, authorization and restriction of chemicals) and the Regulation CLP (Regulation on classification, labelling and packaging of substances and mixtures).

We joined the Programme of Responsible Care (POR) and we are expanding our dialogue with its participants. Thus we recognised new opportunities for sustainable development.

In 2011, we generated revenue from sales of gas, environmental and other energy activities in an amount close to EUR 230 million and in 2012, over EUR 325 million.

We plan:

We plan EUR 325.7 million revenue in 2013 from the energy activities in the Petrol Group. We will achieve this through the sale of 125 million m³ of natural gas, 77.9 thousands tonnes of liquid petroleum gas, 2.82 TWh of electric power, wood biomass and services for environmental and energy solutions.

»Petrol’s operations maintain competitiveness, security of supply with demand growth and successfully introduces the environment cleaner and more efficient sources of energy solutions.« (PCC)
With a mission for the environment and for the quality of our work

Within Petrol, a socially responsible company, care for the environment is incorporated at all operating levels. We consistently follow all environmental laws when developing business processes, and new products and services, we introduce environmentally friendlier products and services, and we care about the efficient use of energy. Observing high environmental standards requires an active and professional supervision, and significant financial investments from us. We introduce and implement best practice on environmental protection on all markets where the Petrol Group operates and; thereby complying with valid environmental laws. We effectively provide a situation for people’s health and safety at work, for environmental protection, and for safety of people and property.

We approach environmental management systematically

We define the system for environmental management through company’s organisational acts on environmental management. We implement processes within the Petrol Group which have a minimal impact on the environment. When identifying the environmental aspects of our activities, in addition to the usual operating requirements (fuel circulation, maintenance activity, etc.) we also implement unusual operating requirements and potential emergencies (fire safety, spillage, etc.).

We constantly monitor environmental aspects and to this effect in 1999, within the Petrol Group, we established and later revised the register of environmental aspects according to activities: service stations, petroleum derivative and liquid petroleum gas warehouses, wastewater treatment plants and biogas company, office buildings, gas activity and other services.

We assess environmental aspects according to environmental, business and legislative criteria, and according to criteria that complies with laws, internal regulations and other requirements. The Petrol Group experts assess such aspects at least every three years or upon significant changes to laws, the environmental policy and when identifying changes in the opinions of interested parties. We communicate instructions to suppliers and contracting partners, when significant environmental aspects are involved.

We regularly perform monitoring of wastewater, air emission of substances, noise sources, leak-tightness of reservoirs and fuel quality. We also perform monitoring of the treatment of bio-degradable waste and waste assessment. We perform daily measurements of individual parameters for the purposes of monitoring the operation and management of biological processes on wastewater treatment plants and biogas companies, and this provides a successful control of processes and a possibility of having an effect on lowering environmental strains.

In 2012, there were no emergency environmental effects and in 2011, there was one emergency event which was managed without having an effect on the environment.

We develop sustainable systems of quality

Systems of quality that in the past were mostly directed to increasing efficiency and excellency are gradually incorporating more and more elements of sustainable development. These must incorporate safety measures that guarantee the global protection of the environment and of people.

expand our system of quality management The operation of Petrol Group is based on implementing high standards of quality. Since 1997, we regularly upgrade and expand our system of quality management. Our integrated system of quality includes certified systems of quality (ISO 9001) and management of the environment (ISO 14001). We comply with the requirements of the HACCP food management system, occupational health and safety system (OHSAS 18001) and the ISO 27001 Standard on information security systems. An overview of awarded certificates and accreditations to laboratories of the Petrol Group is published on page 64 of the Annual Report of the Petrol Group for 2012.

In 2012, we continued with the introduction of quality management systems in the companies abroad that pursue retail activities. As well, we continuously upgrade our system on internal and operating quality assessment at Petrol service stations and at other facilities.
We need environmental and other permits for our operations

By respecting the laws applicable to environmental protection, the management of hazardous substances and chemicals, fire safety, safety and health at work, explosion protection, inspection and supervision, and other areas, we are classified among those companies which continuously ensure the legality of their work and operation, and up-to-date management of changes.

In 2012, there were legislative changes on the requirements for the preparation of applications and for obtaining environmental protection permits for the emission of wastewater. Consequently to the implementation of the new laws, the Petrol Group as a liable entity must submit applications for obtaining the environmental permits for:

- fuel warehouses (Rače, Celje, Lendava, Ljubljana-Zalog) and two warehouses for liquid petroleum gas warehouses (Štore, Sežana): environmental protection permits for facilities with greater and lower environmental risks (SEVESO), for noise emission, and for the emission of substances into water and air.
- Petrol service stations: environmental protection permits for emission into water for 19 service station locations.

We have already obtained the following environmental protection permits:

- Biogas company Ihan: An IPPC permit which lays down emissions into water and air, and restricts permitted noise and light pollution. For the planned construction of a plant for drying mud from wastewater treatment plants we have already obtained an environmental protection permit for waste treatment and emissions into water and air.
- Central wastewater treatment plant of Murska Sobota, Mežica and Sežana: an environmental protection permit on permitted emissions into water.
- Petrol Energetika, business unit Štore: an environmental protection permit for operating air-conditioning systems for the emission of substances into water within the SEVESO facility and an environmental protection permit for noise emission.
- Petrol Energetika, heating plant Ravne: an IPPC permit for combustion installation.
- Fuel warehouses in Rače, Celje, Lendava, Zalog and an liquefied petroleum gas (LPG) warehouse Sežana. An environmental protection permit for noise.
- Fuel warehouse Sermin: An environmental protection permit for risk facility (SEVESO facility), an environmental protection permit for the emission of substances into air, an environmental protection permit for emission of substances into water and an environmental protection permit for noise.

Our work involves dealing with dangerous substances and, consequently, we are bound by the SEVESO Directive. The directive applies to facilities where employees work with larger quantities of dangerous substances and where serious accidents can occur, especially because of such dangerous substances. The plan for the prevention of serious accidents in Petrol d.d., Ljubljana for facilities of lower and greater environmental risks, is laid down as the ‘Petrol orientation (commitment) to safety’. It was signed by the board president of the Petrol Group in March 2011:

‘In the company we are aware that at locations of environmental risk facilities, the warehousing activities and the circulation of dangerous substances constitute, in extreme cases, a potential danger to employees, the environment and residents living in the vicinity of our facilities due to the greater possibility of greater accidents with dangerous chemicals which could occur at our facilities. We manage safety by implementing modernised processes based on framework safety policy, elementary safety policy and safety reports which include the analysis of current safety levels, assessment of vulnerability, hazard, safety risks and potential safety improvements.’
Environmental policy of the company Petrol

For more than half a century we have ensured a comprehensive, reliable and quality supply of petroleum products in Slovenia. At the same time, we are aware that our fundamental activity can be dangerous to the environment, which is even more so a reason that we strive to operate socially responsible. We strive to implement the conduct criteria valid on the markets with which Slovenia most often compares itself to at all levels of our operations. This is especially true for environmental protection.

We are committed to four fundamental objectives:

1. ecological modernisation of warehouses, service stations and other facilities;
2. reducing the emission of harmful substances to the lowest possible level;
3. economic use of natural resources;
4. prevention of accidents and the reduction of the possibility of their occurrence.

The realisation of these objectives is especially provided through:

- consistent observance of legislative and other requirements;
- cooperation with national and other institutions;
- awareness and disclosure of our environmental policy to the employees;
- training and education of those employees which can significantly affect the environment;
- implementing the environmental policy at suppliers, service providers and other business partners;
- constant improvements of the system on environmental management and pollution prevention;
- supervised, safe and the environmentally friendly disposal of hazardous waste;
- informing users of the correct management method of our products;
- developing environmentally friendlier products;
- quality provision of services.

Our environmental management system is adjusted according to the requirements of the international ISO 14001 Standard and is an integral part of our development plan. All employees are responsible for the consistent compliance with such requirements and the board of the company guarantees its actual realisation. Environmental policy of Petrol is a publicly accessible document. Each year we develop objectives based on the company’s strategy and environmental policy. We check their realisation during management inspections of quality systems or during company board meetings.

Energy policy of Petrol

The energy policy commits us to supervise the management of energy and water required for the performance of services. We strive to continuously optimise our efficiency and reduce energy and water costs. At the same time, we reduce emissions and other effects on the environment.

Our main principles for realising the energy policy are:

- including an efficient use of energy into all aspects of our operation, activity and conduct;
- implementing regular training of employees concerning efficient use of energy and water conservation;
- continuous improvement of energy efficiency by implementing efficient use of energy and water conservation at all operating areas of the company, thereby providing a safe and comfortable working environment while at the same time reducing their effects on the environment;
- success in implementing the energy policy is not only dependent on technical solutions but also on the implementation of organisational measures and employee conduct;
- sharing experiences with efficient use of energy and water within the company and with other companies in the group;
- stimulating innovation, creativity and efforts in the area of renewable energy resources and efficient use of energy.
Efficient management of resources is the right environmental and economic choice

We are aware that the efficient management of resources is the path to the long-term success of our operations. Such knowledge is our competitive advantage, not only within Petrol where we continuously optimise the use of resources but also in the market segment, where we offer our customers comprehensive services on optimising resources. We share our experiences and good practices with others.

We obtain energy from various energy sources, from classic fossil energy where we emphasise environmentally friendlier liquid petroleum fuel, to renewable resources - wood biomass and solar energy. Green electric power is obtained from bio-waste substances. Our energy portfolio is becoming greener. In addition to having a variety of energy resources, we also pay attention to the optimal generation of energy, which in Slovenia is being successfully introduced through cogeneration of heat and electric power through which we attain higher utilisation on the use of energy products than split power generation.

Through our operations we are also successfully expanding the area of optimising water supply for Petrol and the consumers.

Action plan for the efficient use of energy in Petrol


Implementing the energy policy is the basis for attaining and realising our objectives - reducing effects on the environment and increasing the satisfaction of people in the environment we operate. To measure the success of the energy policy we defined the following objectives when comparing with 2011, shown in table 6.

"Petrol is well aware of the potential offered by the wise energy and water management. Our commitments in the field of energy efficiency, renewable energy as well as saving drinking water are written in the Petrol Group Energy Policy. By achieving the objectives we set new standards in this field."

Patricjo Božič,
energy Manager,
Area of investment and maintenance,
Petrol d.d., Ljubljana

<table>
<thead>
<tr>
<th>Objectives when compared to 2011</th>
<th>Measures in 2012</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing the total use of energy by at least 1%, amounting to 500 MWh</td>
<td>Measures of efficient use of energy and to a smaller extend renewable energy</td>
<td>The objective was exceeded</td>
</tr>
<tr>
<td>Reducing dependency on fossil fuel by at least 1%</td>
<td>Investments for modernising furnaces, an important role of renewable energy technologies</td>
<td>The objective was achieved</td>
</tr>
<tr>
<td>Reducing the use of electric energy by at least 1%</td>
<td>Completing a number of measures for efficient lighting, larger investments for replacing lamps</td>
<td>The objective was achieved</td>
</tr>
<tr>
<td>Reducing the use of drinking water by at least 1% per year</td>
<td>Continuing with investments and measures which proved to be efficient. Testing two measures (pilot projects) on water conservation.</td>
<td>The objective was achieved</td>
</tr>
<tr>
<td>Reducing pollution, especially CO₂ emissions, by at least 275 tonnes per year</td>
<td>Measures of efficient use of energy and to a smaller extend renewable energy</td>
<td>The objective was achieved</td>
</tr>
</tbody>
</table>
We regularly monitor and measure management of resources. Table 7 shows the movement of indicators on the use of resources for the primary activity of fuel supply. The companies included in the reporting are Petrol d.d., Ljubljana, Petrol maloprodaja Slovenija d.o.o. and leased service stations in Slovenia.

Table 7: Use of resources in 2012 for the primary activity of fuel supply.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator of energy consumption (included transport, heating and electricity)</td>
<td>11,456.8 toe</td>
</tr>
<tr>
<td>The indicator of specific energy consumption - calculated according to the type of transport</td>
<td></td>
</tr>
<tr>
<td>- railway</td>
<td>0.003</td>
</tr>
<tr>
<td>- road</td>
<td>0.002</td>
</tr>
<tr>
<td>- total</td>
<td>0.002</td>
</tr>
<tr>
<td>Production volume (the amount of total fuel transported)</td>
<td>2,704,000 t</td>
</tr>
<tr>
<td>Water consumption (estimation)</td>
<td>230,500 m³</td>
</tr>
</tbody>
</table>

* toe: tonne of petroleum equivalent

We care about the efficient generation, distribution and use of energy and water by our customers

Our experts continuously improve the current situation and develop new solutions for optimising customer systems for the generation and supply of energy and water. Our rich experiences are reflected through various types of implemented projects, ranging from projects realising one type of measures to projects implementing a variety of measures for certain customers through which we wish to realise the final objective of the efficient use of resources.

We advise to both business and individual users within the framework of the Programme for providing energy savings by end customers and the Centre of energy solutions.

Programme for providing energy savings by end customers

To attain our long-term business strategy and realise the requirements of the Energy Act, in 2012 we prepared a Programme for providing energy savings by end customers pursuant to which EUR 8.2 million of non-refundable funds were granted. Through this Programme, we help numerous companies, public institutions and industries to reduce energy supply costs and increase costs competitiveness.

The Programme includes ten measures:

- constructing solar energy receivers, heating pumps and other devices for generating heat from renewable energy sources;
- constructing energy efficient lighting systems;
- constructing systems for utilising waste heat;
- renovation of individual parts or complete building exteriors in the public and service sector;
- provision of energy inspections;
- constructing energy efficient electro-engine drives;
- replacing furnaces for all fuel types with new furnaces for wood biomass or natural gas;
- efficiently modernising heating and air-conditioning systems, including heating devices;
- installing equipment for conducting operation monitoring and energy management at operators;
- information and awareness programmes.

In 2012, we signed 303 agreements and:

- planned:
- energy saving: in the amount of 1.5% or 40,210 MWh; and
- environmental saving: 12,290 tonnes of CO₂ emission

- realised:
- energy saving: 215,223 MWh; and
- environmental saving: 79,987 tonnes of CO₂

In 2013 we plan:

- energy saving in the amount of 12,133 MWh or 1%;
- environmental saving in the amount of 3,010 tonnes of CO₂ emissions;
- planned amount of funds for the programme: EUR 613,486.

Responsible Care is a set of ethical principles and commitment, which aims to increase confidence in the industrial sector, which plays a key role in improving the overall standard of living and quality of life. We obtained the Responsible Care Certificate in 2012. The sustainability report presents selected indicators according to Responsible Care guidance.
We provide advice to end customers

At the Centre for Energy Solutions in the Ljubljana shopping centre BTC, we provide advice to end customers on the correct selection of energy packages - optimal selection of energy services, heating and air-conditioning systems, energy efficient windows and front doors, wood energy efficient homes, home insulation facades, etc. Petrol experts calculate for free which energy product is the most suitable for a home and how energy products offered by Petrol can reduce the costs of supply and increase home comfort. Different types of heating furnaces, heating pumps, solar thermal systems, small wastewater treatment plants and gas-holders are displayed. All solutions for home energy efficiency are available in one place. Within three months of operation (October to December) in 2012, at the Centre for Energy Solutions, we prepared more than 350 offers for customers, obtained more than 100 new customers of electric power and concluded new agreements for gas supply.

Heat production

We build efficient heating systems and renovate plants or boiler rooms. We renovate boiler rooms according to contractual agreement on the supply of energy and energy products.

This includes project design, financing, reconstruction, maintenance and management of boiler rooms for a period between 5 to 15 years. During this period a user pays a fixed amount as a compensation for the return of invested funds and a variable amount representing a payment for the use of energy products. Due to better technology and utilisation, the variable part is 25% lower than it was before the renovation investment. Table 8 shows completed projects for the heat supply of the Petrol Group in the period 2010-2012.

Energy savings at the annual level are at almost 5,800 MWh, and the environmental savings are at almost 4,360 t of CO₂.
Table 8: Completed projects for heat supply of the Petrol Group in 2010-2012.

<table>
<thead>
<tr>
<th>Type of energy source</th>
<th>District / local heating</th>
<th>Location</th>
<th>Heat production (MWh/yr)</th>
<th>Consumption of energy products</th>
<th>Quantification of savings (MWh/yr)</th>
<th>Environmental savings (tons CO2/yr)</th>
<th>Activity / measure</th>
<th>Year of investment completion</th>
<th>Carried out by</th>
</tr>
</thead>
<tbody>
<tr>
<td>biomass</td>
<td>local Koper: Primary and nursery Ankaran</td>
<td>381.0</td>
<td>79.38 t pellets</td>
<td>76.0</td>
<td>99.1</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Koper: Primary and nursery Šmarje</td>
<td>228.0</td>
<td>47.50 t pellets</td>
<td>45.6</td>
<td>59.3</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Prvka: Primary school Košana, nursery and Sports hall</td>
<td>175.7</td>
<td>36.60 t pellets</td>
<td>32.2</td>
<td>45.7</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Brežice: Primary and nursery Brežice</td>
<td>104.0</td>
<td>21.67 t pellets</td>
<td>20.8</td>
<td>27.0</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Piran: Primary and nursery St. Peter</td>
<td>67.1</td>
<td>13.98 t pellets</td>
<td>13.5</td>
<td>17.5</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Piran: Primary school, Sports hall Sečovlje</td>
<td>462.0</td>
<td>96.25 t pellets</td>
<td>92.4</td>
<td>120.1</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Cerkno: Primary and nursery Cerkno</td>
<td>587.3</td>
<td>122.35 t pellets</td>
<td>117.5</td>
<td>152.7</td>
<td>Constructing a boiler room for wood biomass for generating heat with wood pellets</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>district Metlika</td>
<td>2,973.0</td>
<td>4,250.00 m³ chips</td>
<td>1,000.0</td>
<td>1,060.0</td>
<td>Constructing a boiler room for wood biomass and distribution network with heating substations</td>
<td>2011 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>local Besnica: Primary school Besnica</td>
<td>167.3</td>
<td>209.10 m³ chips</td>
<td>37.7</td>
<td>53.3</td>
<td>Replacing old extra light heating oil boiler rooms with new boiler rooms for wood biomass and heating energy delivery contracting</td>
<td>2011 Eltec Petrol d.o.o.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biomass</td>
<td>district Ribnica</td>
<td>6,932.0</td>
<td>10,000.00 m³ chips</td>
<td>3,000.0</td>
<td>2,474.0</td>
<td>Constructing a boiler room for wood biomass and distribution network with heating substations</td>
<td>2010 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>natural gas</td>
<td>local Maribor: Adult Education Centre</td>
<td>178.6</td>
<td>30,482.06 m³ natural gas</td>
<td>117.3</td>
<td>43.0</td>
<td>Replacing old extra light heating oil boiler rooms for natural gas</td>
<td>2011 Eltec Petrol d.o.o.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>natural gas</td>
<td>local Maribor: Primary school Tone Čufar, concession</td>
<td>228.9</td>
<td>17,879.88 m³ natural gas</td>
<td>435.6</td>
<td>129.3</td>
<td>Replacing old extra light heating oil boiler rooms for natural gas</td>
<td>2011 Eltec Petrol d.o.o.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>natural gas</td>
<td>local Maribor: nursery, concession</td>
<td>256.5</td>
<td>256,492.70 kWh</td>
<td>64.1</td>
<td>11.5</td>
<td>Replacing old extra light heating oil boiler rooms for district heating</td>
<td>2011 Eltec Petrol d.o.o.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>natural gas</td>
<td>district Maribor: facilities of the University of Maribor</td>
<td>no data</td>
<td>no data</td>
<td>586.4</td>
<td>374</td>
<td>Replacing extra light heating oil boiler rooms by connecting to heating network of Energetika Maribor - Campus Gospušetovka and Technical Faculty</td>
<td>2010 Eltec Petrol d.o.o.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPG</td>
<td>local Ljubljana: AS Triglav – Auto body repair</td>
<td>no data</td>
<td>6,428.00</td>
<td>40.0</td>
<td>7.6</td>
<td>Replacing extra light heating oil boilers with direct gas burners</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPG</td>
<td>local Kamnik: Avtoličarstvo Papel</td>
<td>no data</td>
<td>5,357.00</td>
<td>30.0</td>
<td>5.7</td>
<td>Replacing extra light heating oil boilers with direct gas burners</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPG</td>
<td>local Šmarje pri Jelšah: Avtoličarstvo Kranjc</td>
<td>no data</td>
<td>8,928.00</td>
<td>50.0</td>
<td>9.5</td>
<td>Replacing extra light heating oil boilers with direct gas burners</td>
<td>2012 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LPG</td>
<td>local Optika: Avtoličarstvo Globovnik</td>
<td>no data</td>
<td>6,428.00</td>
<td>40.0</td>
<td>7.6</td>
<td>Replacing extra light heating oil boilers with direct gas burners</td>
<td>2011 Petrol d.d., Ljubljana</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Calculation of energy saving: difference between the use of primary energy product before the renovating boiler room and thereafter, in kWh.
** Environmental saving: expressed as a sum of emission savings resulting from less use and different energy products. The following emission factors are considered:
– Exchange of extra light heating oil with biomass: 0.26 kg CO2/kWh
– Exchange of extra light heating oil with natural gas: 0.19 kg CO2/kWh
– Exchange of extra light heating oil with LPG: 0.225 kg CO2/kWh
– District heating: 0.28 kg CO2/kWh
Ribnica and Metlika are heated by wood biomass

By constructing a wood biomass district heating system we joined the strategy of Slovenia to attain planned reduction of green gas emissions in accordance with the Kyoto protocol and guidelines of the EU. In 2010 and 2011, we constructed two innovative wood biomass district heating systems for the local energy supply with own and non-refundable funds for the co-financing of wood biomass district heating system projects, that are granted under the Operative programme for the development of environmental and transport infrastructure in the period 2007-2013. Both systems were constructed on the basis of concessions for the pursuit of public utility services for heating energy supply from a local network and for the use of wood biomass in generating heat. The effects of our concession management in municipalities in 2011 and 2012 are shown in table 9.

In the municipalities of Koper, Pivka, Brda, Piran and Cerkno, children in kindergartens and schools are warmed by the use of wood pellets.

In 2012, the heating networks in these municipalities were equipped with boiler rooms for wood biomass. We generated and released into the network 2 406 MWh of heat energy and saved 625,6 tonnes of CO2. The saving per each device is quantified at 20% or a total of 480 MWh.

Use of liquid petroleum gas in the car bodywork industry

Replacing extra light fuel oil in car bodywork chambers with environmentally friendlier energy products, namely liquid petroleum gas, was carried out by replacing combustion plants with direct gas burners. Through direct air heating of the car painting chamber, annual saving of energy products is reduced for in between 20-30%.

Table 9: Effects of our concession management in the municipalities of Ribnica and Metlika in 2011 and 2012.

<table>
<thead>
<tr>
<th></th>
<th>Wood biomass district heating in Ribnica</th>
<th>Wood biomass district heating in Metlika</th>
</tr>
</thead>
<tbody>
<tr>
<td>The concession period</td>
<td>25 years</td>
<td>35 years</td>
</tr>
<tr>
<td>Start of operation</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Investment</td>
<td>EUR 2.4 million</td>
<td>EUR 1.4 million</td>
</tr>
<tr>
<td>The share of grants</td>
<td>EUR 680,000</td>
<td>EUR 400,000</td>
</tr>
<tr>
<td>Features of the system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The power of biomass boilers</td>
<td>2.5 MW</td>
<td>1.5 MW</td>
</tr>
<tr>
<td>- The length of the network</td>
<td>4,400 m</td>
<td>1,480 m</td>
</tr>
<tr>
<td>- The number of heated buildings</td>
<td>58</td>
<td>35</td>
</tr>
<tr>
<td>- The total heated area</td>
<td>72,000 m²</td>
<td>26,633 m²</td>
</tr>
<tr>
<td>- The annual amount of biomass</td>
<td>16,500 m³ chips</td>
<td>6,650 m³ chips</td>
</tr>
<tr>
<td>The aim and effects of the investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Replacement of fossil fuels</td>
<td>1,107,600 lit extra light heating oil per year</td>
<td>400,000 lit extra light heating oil per year</td>
</tr>
<tr>
<td>- A reduction in annual emissions</td>
<td>2,474 t CO₂ per year</td>
<td>1,060 t CO₂ per year</td>
</tr>
<tr>
<td>- Reducing heating costs</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

In municipalities of Ribnica and Metlika annual air emission of CO₂ are reduced by 3,534 t.

Cogeneration of electric and heat energy

Cogeneration of electric and heat energy is a process of concurrent energy conversions of fuel into heat and electric power. The fuel can be of fossil origin (natural gas, LPG, liquid petroleum or coal) or from renewable energy sources (biomass, biogas or landfill gas). This allows for better use of energy fuel and, when comparing to split power generation of electric and heat power, energy savings amount to between 20-40%.

Petrol is striving to attain a goal that local communities and the economy would recognise how important it is to promote cogeneration of electric and heat energy and develop larger such projects. Within framework projects, we developed numerous tools and approaches within Petrol for stimulating the preparation of cogeneration of electric and heat energy projects and we offer help and advice on the preparation and realisation of such projects.

The table 10 shows realised cogeneration of electric and heat energy projects where the primary energy product is natural gas.
Table 10: Cogeneration of electric and heat energy projects realised in the Petrol Group in the period 2010-2012.

<table>
<thead>
<tr>
<th>Power rating of a device</th>
<th>Location</th>
<th>Heat production (MWh/year)</th>
<th>Production of electricity (MWh/year)</th>
<th>Consumption of energy (m³ natural gas / year)</th>
<th>Quantification of energy savings (m³ natural gas / year) *</th>
<th>Environmental savings (tonnes CO₂/yr) **</th>
<th>Year of completion of the investment</th>
<th>The project carried out by</th>
</tr>
</thead>
<tbody>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Slov. Bistrica***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Mengeš***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Mengeš***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Vodice***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Domžale***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Tržič</td>
<td>73</td>
<td>33</td>
<td>12,700</td>
<td>6,350</td>
<td>12.0</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Slov. Bistrica</td>
<td>86</td>
<td>35</td>
<td>14,300</td>
<td>7,150</td>
<td>13.6</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Mengeš</td>
<td>54</td>
<td>25</td>
<td>8,900</td>
<td>4,450</td>
<td>8.5</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Tržin</td>
<td>92</td>
<td>37</td>
<td>14,500</td>
<td>7,300</td>
<td>14.0</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Gornja Radgona</td>
<td>68</td>
<td>31</td>
<td>11,700</td>
<td>5,850</td>
<td>11.1</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Tržič</td>
<td>170</td>
<td>84</td>
<td>29,100</td>
<td>14,500</td>
<td>28.0</td>
<td>2011</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Muta</td>
<td>144</td>
<td>72</td>
<td>24,800</td>
<td>8,263</td>
<td>15.7</td>
<td>2011</td>
<td>Petrol Energetika d.o.o.</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Tržič</td>
<td>174</td>
<td>84</td>
<td>31,200</td>
<td>15,600</td>
<td>29.6</td>
<td>2010</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Slov. Konjice</td>
<td>199</td>
<td>97</td>
<td>34,500</td>
<td>17,500</td>
<td>33.2</td>
<td>2010</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>mCEHE 30kWe/60kWt</td>
<td>Slov. Bistrica</td>
<td>208</td>
<td>101</td>
<td>35,200</td>
<td>17,700</td>
<td>33.7</td>
<td>2010</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>CEHE1 999kWe/1.145kWt</td>
<td>Planina Kranj</td>
<td>9,732</td>
<td>8,491</td>
<td>2,244,000</td>
<td>718,421</td>
<td>1,365.0</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>CEHE2 3,349kWe/3.269kWt</td>
<td>Planina Kranj</td>
<td>13,076</td>
<td>13,396</td>
<td>3,300,000</td>
<td>1,114,211</td>
<td>2,117.0</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>CEHE3 600kWe/654kWt</td>
<td>Hrastnik</td>
<td>5,500</td>
<td>5,500</td>
<td>1,308,184</td>
<td>411,579</td>
<td>782.0</td>
<td>2011</td>
<td>Petrol Energetika d.o.o.</td>
</tr>
<tr>
<td>CEHE Union 2. 637kWe, 766kWt</td>
<td>Zreče</td>
<td>6,422</td>
<td>5,070</td>
<td>1,360,000</td>
<td>429,374</td>
<td>815.8</td>
<td>2011</td>
<td>Petrol Energetika d.o.o.</td>
</tr>
<tr>
<td>CEHE2 1.560kWe/1.586 kWt</td>
<td>Hrastnik</td>
<td>6,200</td>
<td>6,200</td>
<td>1,525,071</td>
<td>464,211</td>
<td>882.0</td>
<td>2010</td>
<td>Petrol Energetika d.o.o.</td>
</tr>
</tbody>
</table>

* Calculation of cogeneration of electric and heat energy utilisation according to Article 7 of the Regulation on the determination of the amount of electricity from cogeneration of heat and electricity which is generated with high efficiency and determination of efficiency of the transformation of energy from biomass (Official Gazette of the RS 37/2009).

** When calculating emission savings, for 1 Sm³ of natural gas burned, 1.9 kg of CO₂ is generated.

*** Operation begun in February 2013.

CEHE = cogeneration of electric and heat energy unit
Towards the efficient use of energy and lower costs in the residential area of Planina Kranj

Through the complete reconstruction of district heating system for 4,300 residential units the use of primary energy for generation and distribution of heating waste was reduced, as well as the heating costs. Two facilities were constructed at Planina Kranj. Cogeneration of heat and electricity 1 and Cogeneration of heat and electricity 2. By constructing cogeneration of heat and electricity, the annual air emission of CO₂ was reduced for 3,482 tonnes when compared to split generation of electricity and heat. This project was realised by Petrol d.d., Ljubljana, Gorenjske elektrarne, HSE and Domplan that established a company Soenergetika d. o. o., which is a quarter owned by Petrol d.d., Ljubljana. To operate cogeneration of heat and electricity, it was necessary to refurbish the regulation of the heating device in the boiler room, heating device in the residential buildings and the central supervision system. The project supports the national energy policy on reducing the use of primary energy, on the use of alternative resources and on reducing green gas emissions. Both facilities have joint approximate electric power of 4,300 kW and its input energy product is natural gas. Users of these investments are entitled to an annual reduction of costs for generating heat energy in the amount of EUR 201,000 excluding VAT, the amount that is annually adjusted for inflation for further ten years after the project completion. The project Planina Kranj lead to Petrol becoming a proud receiver of EUREM, the European Energy Manager award in 2011.

Renovation of boiler rooms and installation of cogeneration of heat and electricity units

In certain cases, we carry out the renovation of boiler rooms and installation of cogeneration of heat and electricity of our customers at the same time, resulting in optimal supply of heat.

By projects, a saving of 21 thousands of m³ of natural gas and 4,218 t of CO₂ was achieved.

In the period from 2010 to 2012, we carried out the renovation of the heating facilities of the University of Maribor, Kranj Municipality buildings and district heating plant in Ravne na Koroškem which annually generate almost 48 thousands of MWh of heat and more than 33 thousands of MWh of electricity. The table 11 shows such realised projects where the primary energy product is natural gas.
Table 11: Realised projects of the Petrol Group on renovating boiler rooms and installing cogeneration of heat and electricity units, in the period 2010-2012.

<table>
<thead>
<tr>
<th>Power rating of boiler and Power rating of cogeneration of heat and electricity</th>
<th>Location</th>
<th>Heat production (MWh / year)</th>
<th>Production of electricity (MWh / year)</th>
<th>Consumption of energy (m³ natural gas / year)</th>
<th>Quantification of energy savings (MWh / year)*</th>
<th>Environmental savings (tonnes CO₂/yr)**</th>
<th>Year of completion of the investment</th>
<th>The project carried out by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boiler room (boilers 560 kW, 599 kW + CEHE 81 kW, 50 kW)</td>
<td>University of Maribor, student hostels</td>
<td>2,524.30</td>
<td>200.00</td>
<td>289,497</td>
<td>63.5</td>
<td>12.0</td>
<td>2012</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
<tr>
<td>Boiler room (boilers 285 kW, 300 kW + TC 270 kW+ CEHE 81 kW, 50 kW)</td>
<td>Kranj; Municipality’s facilities</td>
<td>747.00</td>
<td>200.00</td>
<td>66,204</td>
<td>83.0</td>
<td>15.8</td>
<td>2012</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
<tr>
<td>Boiler room (boilers 2x1000 kW, + CEHE 81 kW, 50 kW)</td>
<td>University of Maribor, Faculty of Business and Economics</td>
<td>1,425.11</td>
<td>200.00</td>
<td>179,314</td>
<td>329.3</td>
<td>62.6</td>
<td>2011</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
<tr>
<td>Heating plant (boilers 2 x 13.3 MW + CEHE 8,2 MWe/8,3 MW)</td>
<td>Ravne na Koroškem</td>
<td>42,528.00</td>
<td>32,676.00</td>
<td>9,759,403</td>
<td>20,448.0</td>
<td>4,102.6</td>
<td>In 1999, cogeneration of heat and electricity was made; in 2011 renovation of boiler room was made</td>
<td>Petrol Energetika d.o.o.</td>
</tr>
<tr>
<td>Boiler room (boilers 500 kW, 508 kW + CEHE 81 kW, 50 kW)</td>
<td>University of Maribor, Library</td>
<td>560.45</td>
<td>200.00</td>
<td>85,315</td>
<td>132.9</td>
<td>25.3</td>
<td>2010</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
</tbody>
</table>

* Calculation of energy saving, difference between the use of primary energy product before the renovation of the boiler room and thereafter, by taking into account the utilisation of the cogeneration of heat and electricity according to Article 7 of the Regulation on determination of the amount of electricity from cogeneration of heat and electricity, which is generated with high efficiency and determination of efficiency of transformation of energy from biomass (Official Gazette of the RS 37/2009).

** When calculating emission savings, for 1 Sm³ of natural gas burned 1.9 kg of CO₂ is generated.

CEHE = cogeneration of electric and heat energy unit

Modernisation process of the Ravne heating plant is carried out in many phases

The renovation and modernisation of a district heating system in Ravne na Koroškem is carried out in many phases and is lasting for good decade. In Ravne, we have been managing the cogeneration of heat and electricity facility since 1999. In 2009, we replaced two heat exchangers and increased the utilisation of heat generation by 3%. In the summer of 2011, we renovated the heating plant (first phase) and old, unreliable and wasted boilers were replaced with two new energy more efficient boilers. The investment amounted to EUR 1.9 million. The renovation improved the efficiency of converting primary fuel and the reliability of generating district peak demand heat. By replacing heating system boilers, the efficiency of converting natural gas improved for 14.2%. With the annual generation of 12,000 MWh, the annual emission of CO₂ is for 400 tonnes less. At the end of the heating season of 2012/13, there were 60,000 operating hours on cogeneration and the summer of 2013 will mark the second phase of reconstructing the power plant, namely the general renovation of all three modules. Cogeneration provides for 80% the heating requirements in Ravne and, consequently, we are already complying with the Directive 2012/27/EU on energy efficiency which required at a minimum 75% share of cogeneration in the generation of district heat.

In 2013, after the general renovation of modules, we will improve the utilisation of the electrical energy generation by 1%. In 2017, we will build three new modules for cogeneration of electric power and heat of somewhat lower nominal heating power, thereby ensuring the operating continuation for the next decade.

With new hot water boilers in the heating plant, we improved the efficiency of the conversion of natural gas to more than 14%.
Waste heat utilisation

We pay close attention to the waste heat that our company as well as our clients can utilise. Table 12 presents two cases of the exploitation of waste heat. In Petrol Energija d.o.o. company waste heat is utilised for heating offices and industrial buildings and in company Unior, d.d., waste heat is used for space heating and hot sanitary water. By availing waste heat, the projects are achieving energy savings of 1,606 MWh/year and 328.2 t CO₂ environmental savings.

Table 12: Projects realised for wastewater utilisation in the Petrol Group in the period 2010-2012.

<table>
<thead>
<tr>
<th>The origin of the waste heat</th>
<th>Location</th>
<th>Heat production (MWh / year)</th>
<th>Quantification of energy savings MWh / year</th>
<th>Environmental savings (tonnes CO₂/yr)</th>
<th>Year of the investment completion</th>
<th>The project carried out by</th>
</tr>
</thead>
<tbody>
<tr>
<td>The waste heat from compressors</td>
<td>Petrol Energetika, business unit Store</td>
<td>300</td>
<td>3,000</td>
<td>67.0</td>
<td>2012</td>
<td>Petrol Energetika d.o.o.</td>
</tr>
<tr>
<td>The waste heat from compressors and flue gases from hardening permeable furnace</td>
<td>UNIOR, d.d., Zreče</td>
<td>1,306</td>
<td>1,306</td>
<td>261.2</td>
<td>2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
</tbody>
</table>

Waste heat utilisation in the company Unior - IOT, Unior

Petrol d.d., Ljubljana in cooperation with the company Unior, Kovaška industrija d.d., constructed a system for utilising waste heat from air compressors, waste heat from flue gas produced by heating natural gas in hardening permeable furnaces. The volume of utilising waste heat from air compressors is twice as larger than the volume of utilising waste heat from hardening permeable furnaces. By using heat exchangers, waste heat is used through the distribution system for the purposes of heating buildings and preparing hot sanitary water in the buildings of the company Unior, Koroška industrija d.d., in Zreče.

Projects for technical-economic optimisation of district heating systems

The programme Termis is used for technical-economic optimisation of district heating systems which enables the management of such systems on the basis of real-time data. This allows improvement of hydraulic and thermal conditions, an effective management of district heating systems while at the same time reducing generating and operating costs.

The tool allows optimisation of input temperature and operating pumps and it also provides a very fast return on investment.

These services are being provided in Slovenia since 2006 and we are involved with most district heating power distributors. We are also involved in technical-economic optimisation services of district heating systems on the markets in Croatia, Bosnia and Herzegovina, and Serbia. The table 13 shows realised projects where, in addition to implementing the programme Termis, we also provide measures for realising district heating system optimisation. Through these projects, realised in the period 2010-2012, we annually saved 50,095 MWh of energy and 14,026 tonnes of CO₂ emissions.
### Table 13: Realised projects on technical-economic district heating optimisation systems in the company Eltec Petrol d.o.o., in the period 2007-2012.

<table>
<thead>
<tr>
<th>Distributor of heat</th>
<th>Quantification of energy savings MWh / year</th>
<th>Environmental savings (tonnes CO₂/yr) *</th>
<th>Additional implemented activities / actions</th>
<th>The beginning and the end of the contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralno grijanje, d.d., Tuzla</td>
<td>3,013.76</td>
<td>843.85</td>
<td>Delivery and implementation of tools to optimize the district heating system of the city Tuzla</td>
<td>2011–2012</td>
</tr>
<tr>
<td>HEP Esco Zagreb</td>
<td>13,559.96</td>
<td>3,796.79</td>
<td>Supply of equipment and services for the implementation of the technical and economic optimization of the distribution of heating energy in Zagreb</td>
<td>2011–2012</td>
</tr>
<tr>
<td>Domplan, d.d., Kranj</td>
<td>1,032.00</td>
<td>288.96</td>
<td>Energy performance contracting and guaranteed energy savings in the district heating system Planina (the renovation of heating stations and introduction of the district heating and energy management system)</td>
<td>2010–2012</td>
</tr>
<tr>
<td>Komunala Trbovlje</td>
<td>290.00</td>
<td>81.20</td>
<td>Execution of thermal optimization</td>
<td>2010</td>
</tr>
<tr>
<td>JKP Beogradiske elektrane, Beograd</td>
<td>30,000.00</td>
<td>8,400.00</td>
<td>Execution of thermal optimization</td>
<td>2009–2012</td>
</tr>
<tr>
<td>Energetika Maribor</td>
<td>1,052.00</td>
<td>294.56</td>
<td>Execution of thermal optimization</td>
<td>2009</td>
</tr>
<tr>
<td>Jeko-In JKP d.o.o., Jesenice</td>
<td>1,147.00</td>
<td>321.16</td>
<td>Ensuring reduction of heat consumption (thermal reconstruction of the station, the introduction of remote monitoring and management)</td>
<td>2007–2012 (individual measures, implemented in different time periods)</td>
</tr>
</tbody>
</table>

* The emission factor is 0.28 kg CO₂/kWh

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### Important savings of electric energy is generated by suitable lighting

Lighting in the non-residential sector encompasses almost 40% of electric power consumption. Therefore, in this sector we are implementing comprehensive solutions of effective lighting by focusing on lowering energy consumption and environmental strain. Our integrated solutions provide a comprehensive system of governance, a system of remote monitoring and control systems as well as the reading of electricity use in the switching points.

Our customers are large industrial companies (Acroni d.d.) as well as municipalities (Bled, Kranj and Gorje). By generating street and industrial lighting in accordance with the latest regulations and standards and the Decree on Limit Values Due to Light Pollution of the Environment, significant savings were achieved. The results are shown in the table 14.

With implementation of effective lighting more than 2,000 t of CO₂ emissions and 4,395 kWh of energy were saved.
<table>
<thead>
<tr>
<th>Type of lighting</th>
<th>Location</th>
<th>The average annual electricity consumption (kWh)</th>
<th>Quantification of energy savings after the implementation of the measures (kWh)</th>
<th>Environmental savings (tonnes CO₂/yr) *</th>
<th>Activities / Action</th>
<th>Year of completion of the investment</th>
<th>Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public lighting</td>
<td>Municipality of Bled</td>
<td>547.29</td>
<td>166.22</td>
<td>76.96</td>
<td>Arranging public lighting in accordance with the latest regulations and standards; activities for lowering the electric power consumption for lighting</td>
<td>2012–2027</td>
<td>Municipality of Bled</td>
</tr>
<tr>
<td>Interior lighting</td>
<td>Municipality of Kranj. Indoor</td>
<td>1,726.90</td>
<td>159.14</td>
<td>73.68</td>
<td>Renovation of lighting</td>
<td>2012</td>
<td>MO Kranj, Eltec Petrol d.o.o., Petrol d.d., Ljubljana (Program of providing savings to end customers)</td>
</tr>
<tr>
<td>Industrial lighting</td>
<td>Jesenice. Acroni, d.d., Unit Hot rolling mill</td>
<td>7,321.61</td>
<td>4,070.25</td>
<td>1,884.52</td>
<td>Renovation of lighting, implementation of systems for control and automation of lighting, energy performance contracting and guaranteed energy savings</td>
<td>2007–2012</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
</tbody>
</table>

* Emission factor is 0.463 kg CO₂/kWh

**Efficient industrial lighting in the company Acroni**

We generated savings to the company Acroni in the period 2004-2012. We replaced ceiling lights, switch panels, introduced the possibility for local and distant management, control through a supervision centre, and installed electric energy use counters for distant reading and for monitoring the electric power quality. The total electric energy savings per year is 10 GWh. Other important effects were also attained such as three-to-ten times better lighting of areas, simpler lighting management, simpler maintenance and the possibility to analyse the use of electric energy. For this project, the company received a prize of the Greenlight Programme which is implemented by the Directorate for Energy and Transport of the European Commission.

We contractually guarantee to Acroni company savings of electricity 10 GWh per year.
Efficient energy management through an integrated approach

Very frequently we carry out complex, multi-annual projects in order to provide efficiency of resources for our customers. Since the solutions are integrated, they require a number of combined measures, adopted according to the customer.

The table 15 shows projects currently being implemented, different activities and measures for efficient use of energy. These projects have been realized on the basis of performance contracting and guaranteed savings. Considering the reference use, our customers currently use 5,380 MWh less energy per year, and their environmental savings are also significant as they were reduced for 2,126 tonnes of CO₂.

Table 15: Projects for implementing and optimising measures on the efficient use of energy of the company Eltec Petrol, in the period 2002-2012.

<table>
<thead>
<tr>
<th>Type of energy source</th>
<th>Facility</th>
<th>Average annual energy consumption (MWh)</th>
<th>Quantification of energy savings relative to the reference use (MWh)</th>
<th>Environmental savings (t CO₂/yr)</th>
<th>Activity / Action</th>
<th>Year of Investment / termination of the contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas (district heating)</td>
<td>Celje: Celje Fair - Hall A and B</td>
<td>980.05</td>
<td>724.84</td>
<td>202.96</td>
<td>Renovation of the envelope, climates and heat substation</td>
<td>2011/2025</td>
</tr>
<tr>
<td>Electricity</td>
<td>Celje: Celje Fair - Hall A and B</td>
<td>443.09</td>
<td>135.37</td>
<td>62.68</td>
<td>Processing climates and lighting</td>
<td>2011/2025</td>
</tr>
<tr>
<td>Electricity</td>
<td>Maribor: facilities of the University of Maribor</td>
<td>3,822.98</td>
<td>941.38</td>
<td>435.86</td>
<td>Processing of sanitary hot water from electricity to hotwater network and renovation of interior lighting</td>
<td>2010/2025</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Kranj: Indoor swimming pool</td>
<td>1,964.69</td>
<td>2,118.69</td>
<td>688.39</td>
<td>Replacement of old boilers with extra light heating oil with the new ones with natural gas, overhaul of air conditioners with heat recovery, membrane filtration, upgrading water heat pumps - water, reconstruction of the envelope</td>
<td>2007/2017 (individual measures taken in different time periods)</td>
</tr>
<tr>
<td>Natural gas / extra light heating oil</td>
<td>Kranj: facilities of the Municipality of Kranj</td>
<td>5,089.09</td>
<td>1,459.71</td>
<td>735.76</td>
<td>The introduction of thermal regulation, hydraulic balancing, reconstruction of the glass façade of the Primary school Stane Žagar, the introduction of energy management</td>
<td>2002/2017 (individual measures taken in different time periods)</td>
</tr>
</tbody>
</table>

The municipality of Kranj with our help increases savings of heating energy

Already in 2002, the municipality of Kranj set a goal to use energy efficiently and introduced renewable energy. Eltec Petrol d.o.o., an operator energy performance contracting, guarantees the average heating savings at 19% on 14 buildings owned by the city, with the total area of 73,000 m² (primary schools, sports facilities, the building of the municipality of Kranj). In 2003, on the basis of contractual supply of heat, the operator built two new boiler rooms for two contractual buildings. In 2007, it continued with measures on the building with covered Olympic swimming pool which yields 50% savings of heat energy and 85% of warm water for washing filters in the swimming pool technology. Additional measures were implemented in the building of the municipality of Kranj where, pursuant to a concession for its heating and air-conditioning, an internal heating system was renovated, a central air-conditioning system was introduced instead of local split systems, as well as cogeneration of heat and electricity with high utilisation, and a photovoltaic power plant was installed on the roof of the building. In 2012, the project continued by renovating building exterior of one of the primary schools, including replacing the energy product and by cogenerating heat and electricity with high utilisation. The last measures were carried out at the covered Olympic swimming pool and at the outdoor swimming pool, supplementing the project REAAL (Renewable Energy Across the Alpine Land). The swimming pool got a completely new roof covering and a new hydro-and-heat insulation as well as sun collectors. Through heat pumps which allow for the use of geothermal energy, the goal of using renewable energy and for reducing use of energy was attained.

The project was financed by the operator Eltec Petrol d.o.o. Especially for the last measures, it also included the financing of the municipality of Kranj, non-refundable funds from public procurement of the Republic of Slovenia and from the project REAAL. The total value of investments into described measures was EUR 4,500,000, excluding VAT.
University of Maribor on a reliable path to energy efficiency

Through the project on Contractual provision of savings, we provide a contractual supply of heat and energy management, for the contractual period between 2010-2025, that reduces the use of heat and electric power and costs of energy services, and we also provide a reliable supply of heat energy, and the generation of heat and electric energy from renewable energy and cogeneration of heat and electricity. The value of investment is EUR 5 million and is carried out in phases. The first phase involves the construction of a heat distribution network between the buildings on the student campus and connecting these buildings at the district heating system of Energetika Maribor. By renovating the sanitary hot water systems from using electricity to district heating and by abandoning boiler room run on extra light heating oil, in addition to savings generating by better utilisation of kWh, the costs of energy were also reduced by changing to a cheaper energy source. The second phase involves the renovation of lighting in individual buildings and introduction of energy management. The third phase involves the construction of photovoltaic power plans and the last phase involves the reconstruction of boiler rooms by introducing cogeneration of heat and electricity.

The annual effects are obvious.
- electric energy saving. 951,757 kWh;
- heat energy saving. 893,833 kWh;
- electric energy sales. 7,386,348 kWh;
- heat energy sales. 10,188,809 kWh;
- generation of electric energy from renewable energy. 520,000 kWh;
- generation of electric energy from cogeneration of heat and electricity. 600,000 kWh.
**With our knowledge on optimising water supply systems**

We develop integrated solutions on economic planning, construction, renovation, maintenance and management of sources, distribution and the use of drinking water, thus we make sure that the water supply system works flawlessly, stable and economically viable. Table 16 shows the implemented projects on optimising water supply systems.

**Table 16: Review of realised projects on optimising water supply systems in the company Eltec Petrol d.o.o., in the period 2008-2012.**

<table>
<thead>
<tr>
<th>Type of treatment</th>
<th>Process optimization of drinking water supply system and business process of the manager</th>
<th>Membrane filtration of swimming pool wastewater</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of device</td>
<td>Plumbing system</td>
<td>Membrane filtration of swimming pool wastewater</td>
</tr>
<tr>
<td>Owner of device</td>
<td>Municipality of Kranj</td>
<td>Municipality of Kranj</td>
</tr>
<tr>
<td>Manager of device</td>
<td>Utility company Komunala Kranj; Business unit Plumbing</td>
<td>Sports Institute Kranj</td>
</tr>
<tr>
<td>Location</td>
<td>Municipality of Kranj</td>
<td>Indoor Olympic swimming pool</td>
</tr>
<tr>
<td>Capacity of device</td>
<td>Distribution of approximately 10 million m³ of drinking water per year</td>
<td>7 m³/h</td>
</tr>
<tr>
<td>Year of Investment / Contractual period</td>
<td>2012/10 years</td>
<td>2008/9 let</td>
</tr>
<tr>
<td>Quality parameters before investment</td>
<td>- Water loss: 42%</td>
<td>Use of water for washing filters, updating pools, showers, cleaning, measurements: 25,550 m³ per year</td>
</tr>
<tr>
<td></td>
<td>- Water charges: ~ EUR 480,000 per year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Electricity: ~ EUR 160,000 per year</td>
<td></td>
</tr>
<tr>
<td>Quality parameters during the first year after an investment</td>
<td>- Water loss: 40%</td>
<td>Use of water for washing filters, updating pools, showers, cleaning, measurements: 3,832 m³ per year</td>
</tr>
<tr>
<td></td>
<td>- Water charges: ~ EUR 466,500 per year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Electricity: ~ EUR 155,000 per year</td>
<td></td>
</tr>
<tr>
<td>Quality parameters after the contractual period</td>
<td>- Water loss: 32%</td>
<td>Use of water for washing filters, updating pools, showers, cleaning, measurements: 3,832 m³ per year</td>
</tr>
<tr>
<td></td>
<td>- Water charges: ~ EUR 410,000 per year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Electricity: ~ EUR 136,500 per year</td>
<td></td>
</tr>
<tr>
<td>Environmental and economic benefits of the project carried out</td>
<td>The reduction of water losses and therefore abstraction of drinking water, reduce energy use</td>
<td>Annual water savings: 21,718 m³</td>
</tr>
</tbody>
</table>

**Technical-economic optimisation of water supply system**

The investor, public utility company Komunala Kranj, in cooperation with Eltec Petrol d.o.o., joined in the technical-economic optimisation of water supply system in the municipality of Kranj. The network system comprises the water pipeline measuring more than 600 km (around 200 km of connecting network) and around 150 buildings and facilities. There are around 22,000 connected users, involving the supply of water to almost 92,000 residents. More than 10 million m³ of water is distributed annually, resulting in approximately 42% water loss. The technical-economic optimisation of water supply system services, which guarantee savings, are being implemented from September 2012 onwards, for a period of 10 years. The value of services provides is in the amount of EUR 2,5 million.

**The goals of the project are:**

- establishing an efficient supervision over the operation of the water supply network;
- reducing water loss and costs of used energy;
- increasing reliability of operating the water supply system (identifying critical sections and required replacements);
- reducing water supply network maintenance costs;
- increasing safety levels and reducing risks in the provision of compliance and health-compliant drinking water, from the water source to the end-user point.

Through the provision of services, we make possible the owner (the municipality) uses these resources more efficiently that it has available through the renovation of the water supply network.
Use of water for cleaning filters in the Olympic swimming pool is 85% lower.

The investor and operator Eltec Petrol d.o.o. is realising excellent results at the indoor Olympic swimming pool in Kranj through the project on contractual guarantee of savings. The effects of the project are shown by lower use of water by 21,718 m³ per year, equivalent to 85% of saved water use than in the past.

In Velenje we provide supervision of network status

In the municipality of Velenje, we are carrying out a project on constructing a system for distant network status supervision. The value of the investment is EUR 2 million, the investor is the city municipality of Velenje and the project will last until 2015. It involves the management of four water supply systems, at a total length of just under 640 km. The annual system distribution is more than 5 million m³ of water, with the estimated water loss of around 25%.

Wastewater treatment in local communities and industry

We gained rich experience through concessions for the performance of municipal mandatory public utility service for wastewater treatment and through contractual service provision of industrial wastewater treatment.

In 2012, 2,655,157 m³ of wastewater was treated by three municipal wastewater treatment plants

In 2012, through wastewater treatment plants in Murska Sobota, Mežica and Sežana, we cleaned 2,655,157 m³ of wastewater that was discharged in purified state into the rivers Lendava, Meža and underground streams (table 17). Wastewater treatment plants purify municipal and torrential waster which reach the facilities through the sewage system. Pollution of inflow wastewater varies due to a number of factors such as: the fluctuation of drinking water and household sanitary water consumption throughout the day, the effects from connected tradesmen, industry, schools and other institutions, and the effect of rainwater when mixed within the sewage system. Cesspit contents are also purified through the wastewater treatment plants. We regularly conduct internal laboratory measurements of different parameters on inflow and outflow by daily supervising the quality of purified wastewater and the biological purification process. The functioning of the purification devices and the outflow water from the Biogas company Ihan are also monitored by authorised service providers. The frequency and extent of measuring is laid down in the environmental permit for each location separately. All parameter values, measured on the wastewater treatment plants of Murska Sobota, Mežica and Sežana comply with valid regulations and issued environmental permit, and so they do not cause environmental nuisance.
Table 17: Construction and management of wastewater treatment plants.

<table>
<thead>
<tr>
<th>Location</th>
<th>Capacity of the plant (PE*)</th>
<th>Owner</th>
<th>Year of completion of the investment</th>
<th>Quality parameters in 2012</th>
<th>Environmental benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central wastewater treatment plant Mežica</td>
<td>4,000</td>
<td>Petrol d.d., Ljubljana</td>
<td>2005</td>
<td>93.5% treatment effect (KPK)</td>
<td>Improved quality of river Meža</td>
</tr>
<tr>
<td>Central wastewater treatment plant Murska Sobota</td>
<td>42,000</td>
<td>Petrol d.d., Ljubljana</td>
<td>2004</td>
<td>98.9% treatment effect (BPK-5)</td>
<td>Improved quality of river Ledava</td>
</tr>
<tr>
<td>Central wastewater treatment plant Sežana</td>
<td>6,000</td>
<td>Petrol d.d., Ljubljana</td>
<td>2001</td>
<td>95.6% treatment effect (KPK)</td>
<td>Increased groundwater quality</td>
</tr>
</tbody>
</table>

Management of municipal mandatory public utility service for wastewater treatment

<table>
<thead>
<tr>
<th>Location</th>
<th>Capacity of the plant (PE*)</th>
<th>Owner</th>
<th>Year of completion of the investment</th>
<th>Quality parameters in 2012</th>
<th>Environmental benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial wastewater treatment plant Papirnice Vevče</td>
<td>28,000</td>
<td>Papirnica Vevče (in the management of Petrol d.d., Ljubljana)</td>
<td>2008</td>
<td>1,322 EU** (effluent from the biological treatment plant)</td>
<td>Improved quality of Ljubljanica river</td>
</tr>
</tbody>
</table>

* PE – population equivalent, pollution unit caused by one person per day, expressed by different parameters (organic pollution KPK, BPK5, nitrogen, phosphorus).
** EU – pollution unit

We lower the strain of wastewater released into the sewage system

In 2010, we invested EUR 250,000 into the Biogas company Ihan for the purchase of a ‘stripping’ column for the removal of nitro compounds in wastewater. Stripping is a physical-chemical removal of nitro from processed wastewater which occurs during the anaerobic decomposition by using lime and sulphuric acid. This reduces the use of water because purified water can be used for processes as well as it reduces the pollution of wastewater discharge into the sewage system. Further treatment of wastewater is carried out at the Central wastewater treatment plant Domžale.

We care for maintaining and upgrading wastewater treatment plants

In 2012, we reconstructed devices at the central wastewater treatment plant Sežana resulting in better operation and higher treatment efficiency. The investment in the value of EUR 175,000 includes the reconstruction of an inflow pump, extending of rough and fine automatic rakes, and renovation of latter sedimentation basin, sand-traps and grease-trap. This investment provided a solution for the mechanical treatment of wastewater. The effects are shown by improving the wastewater treatment and the outflow without mechanical particles.
Petrol houses diverse energy solutions, including renewable energy sources

The energy supply of the future will rely increasingly on renewable energy sources and an even larger emphasis than today will be made on the efficient use of energy. We introduce these development guidelines in our own facilities where we expect large energy savings. The Petrol Group has made great strides in the production of green electricity for the market – we specially emphasize photovoltaic systems and biogas plant.

Renewable energy sources in Petrol’s buildings for own use

We continue with the practice of increasing the share of renewable energy for own energy resources. The effects of successful pilot projects of heating buildings and preparing hot sanitary water, will gradually be transferred to other buildings in the Petrol Group as well.

In present buildings, a transfer from fossil fuel, mainly from extra light heating oil to renewable energy, is carried out. When planning newer buildings, our goal is to attain the best utilisation of renewable energy sources. Special attention is given to building exterior. We also install low temperature heating systems, heat recuperation of output air systems and other modern solutions.

Construction of photovoltaic systems

By the use of photovoltaic systems we convert waste electromagnetic waves of solar radiation directly into electric energy, suitable for distribution in the distribution energy and supply to end users.

In the period 2010-2012, we built 36 photovoltaic power plants in the Petrol Group (table 18), of which Petrol d.d., Ljubljana was an investor in 19 cases, Eltec Petrol d.o.o. in 12 cases and individual municipalities in 5 cases, with the support from the Swiss financing mechanism. In 2011-2011, Petrol d.d., Ljubljana upgraded 15 power plants, constructed at own service stations in Slovenian in 2010, with additional 5 power plants on facilities where roofs were leased for installing solar electric power plants. The total annual capacity of generating electric power is planned at 2.75 GWh.

Through photovoltaic systems we contributed to the reduction of 1,273 t of CO₂ emission.
Table 18: Projects realised in the construction of photovoltaic power plants in the Petrol Group in the period 2010-2012.

<table>
<thead>
<tr>
<th>Location</th>
<th>Production of electricity (MWh / year)</th>
<th>Environmental savings (t CO₂/yr) *</th>
<th>Year of completion of the investment</th>
<th>Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inplet pletiva</td>
<td>453.00</td>
<td>209.74</td>
<td>2011</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>NT logistika</td>
<td>207.00</td>
<td>95.84</td>
<td>2011</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>UNIOR 1 + 2</td>
<td>394.00</td>
<td>182.42</td>
<td>2011–2012</td>
<td>Petrol d.d., Ljubljana</td>
</tr>
<tr>
<td>Facilities of the University of Maribor: FZV, PEF, FF, FMN, ŠD 3, 4, 5, 8, 9, 10, 11, 14</td>
<td>515.06</td>
<td>238.47</td>
<td>2010–2012</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
<tr>
<td>Primary schools in Besnica and Stična</td>
<td>309.67</td>
<td>143.38</td>
<td>2011</td>
<td>Municipalities and Swiss mechanism</td>
</tr>
<tr>
<td>Primary schools: Gorje, Bled, Poljane, Žiri, Kranjska Gora</td>
<td>241.10</td>
<td>112.56</td>
<td>2012</td>
<td>Municipalities and Swiss mechanism</td>
</tr>
<tr>
<td>Health centre Ivančna Gorica</td>
<td>27.00</td>
<td>12.50</td>
<td>2012</td>
<td>Eltec Petrol d.o.o.</td>
</tr>
</tbody>
</table>

* Emission factor is 0.463 kg CO₂/kWh.

We generate electricity and heat from bio-degradable waste substances

In Petrol, in our strategy until 2014, we committed to develop projects for energy waste utilisation. At the Biogas company Ihan we generate green electric power distributed in the network. Sources of generating electric and heat energy are biogas, created during anaerobic decomposition of bio-degradable compounds in digesters.

Input substances are waste bio-degradable substanc-ees such as food waste at schools, hospitals, kindergartens, restaurants, etc. - slobs, food with expired date, waste from dairy plants, beer plants, oil industry, juice production, etc. The mixture of methane and carbon dioxide (biogas) with foreign matters are used as fuel for cogenerational engines in the generation of electric power and heat as the side product.

On page 81 we describe how we will efficiently use the side product generated by the bio plant company in a form of heat energy according to the project on utilising waste heat for drying mud from wastewater treatment plants.

Effects of energy waste utilisation by Biogas company Ihan in 2012:
Production of electricity 7,166 MWh
Biogas production 3.4 million m³
Protection of air, water, soil and waste management

Employees in Petrol are continuously trained to protect natural resources. In 2012, the training of employees involved mainly the area of environmental protection, fire safety, occupational health and safety and treatment of chemicals. Knowledge according to the ISO 14001 Standard and the policy of environmental management is updated. Such training is also given to all new employees.

Internal training system on the environmental protection extends to our partners and external contractors. Contractual relationships with transporters of oil derivatives, providers of investment works, providers of measuring ecological indicators, suppliers of potentially dangerous material and providers for the removal of waste are set up in a manner that requires consistent observance of environmental laws and environmental protection criteria.

One of the more important indicators of active training and awareness is persistent reduction of the number of accidents at work, fires and accidents with chemicals caused by either lack of knowledge or poor employee training. By consistently following regulations, norms and standards, through regular upgrading of theoretical and practical knowledge, expert implementation and supervision of technological processes, Petrol is successful at reducing environmental accidents, fires and accidents at work.

Air

Emission of volatile carbon dioxide can occur due to evaporation during the circulation and warehousing of fuel. The process of reducing the emission of volatile carbon dioxide in Petrol is carried out on all three key elements of the oil derivative distribution chain: during warehousing, transportation and sale. Table 19 presents the air emissions for the process of fuel supply, which includes storage, transport and heating.

Table 19: Air emission indicators for fuel supply process in 2011 and 2012 (Responsible care report).

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011 (tons)</th>
<th>2012 (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions to air (sulfur dioxide)¹</td>
<td>1.17</td>
<td>1.00</td>
</tr>
<tr>
<td>Emissions to air (nitrogen oxide)²</td>
<td>1.76</td>
<td>2.47</td>
</tr>
<tr>
<td>Volatile organic compounds³</td>
<td>0.31</td>
<td>0.30</td>
</tr>
<tr>
<td>Carbon dioxide⁴</td>
<td>39,420.00</td>
<td>43,046.00</td>
</tr>
</tbody>
</table>

¹ Considering combustion plants and logistics  
² Considering logistics (NOx)  
³ Considering emissions from the warehouses of petroleum products (locations of Zalog in Rače)  
⁴ Considering the storage, transport and heating

In 2012, emitted greenhouse gas was increased at the parent company level due to increased quantity of transported fuel.
By the end of 2012, Petrol together with the Agency of the Republic of Slovenia for Commodity Reserve, pursuant to the legislative requirements, equipped all its terminals for liquid fuel and the fuel warehouses in Zalog, Rače and Sermin, with devices for closed system for circulating fuel. This is true for all road tanker fillers and underground reservoirs and, in the case of the Sermin installation, also for the railway cistern fillers. All renovated collectors are equipped with internal floating membranes and immovable self-standing aluminium roofs, tank turrets. All three warehouses have a unit for the recuperation of vapours, and the walls of tanks are coloured with white reflective colour to prevent heating-up of fuel and to reduce emission. Such renovation of underground tanks at terminals for liquid fuel reduced annual vapour emission by more than 95%.

In 2012, at the Zalog oil derivative warehouse, we upgraded the process controller and increased the standard of operating recuperation of vapours devices that reduced the likelihood of the occurrence of negative environmental effects.

By the end of 2012, closed system for circulating fuel (first stage) was implemented at all Petrol service stations. In accordance with the laws, after the first stage, circulation of fuel from road tankers into underground warehouses can be carried out at all Petrol service stations.

By the end of 2012, the second stage (circulation of fuel in a closed system into road tankers) was equipment at around 45% service stations. All new Petrol service stations, having newer circulation devices, are monitored by a system on vapour return. Introducing second stage on older petrol service stations due to outdated equipment is almost impossible, while the system of vapour return at the second stage are being installed at filling reconstructions of these Petrol service stations.

As we strive to lowest air emission and quality air, we regularly conduct required monitoring on emission from fixed pollution sources (combustion plants) and at specific service station locations. The measurements are carried out on the basis of legislative requirements.

Annual monitoring of emissions of volatile organic compounds did not show non-compliance. In 2012, we performed 210 measurements in combustion plants and found 12 discrepancies (5.7% of the measurements). Weaknesses were eliminated. In the years 2011 and 2012, major deviations from the prescribed emission parameters and the protection of air quality on Petrol objects or locations were not detected.

Renovation of underground tanks at terminals for liquid fuel reduced annual vapour emission by more than 95%.
Water

For years, we have been successfully restricting the non-economic use of drinking, sanitary and process water. Today, Petrol is faced with three categories of wastewater for its operation - rainwater, process water and sanitary water. Rainwater is discharged by technologically perfect collecting systems, content emission is successful reduced by treatment using the most advanced oil catchers, including for technology wastewater.

Introducing new and suitable technologies for water treatment also bring economic and energy savings. On new devices, the oil catchers, the monitoring of wastewater is being abandoned and that represents savings from the maintenance and control of catchers. Due to better technologies and quality of the actual devices and build-ins, such as coalescent (self-cleaning slat), we attain additional savings for the actual maintenance of facilities.

For more efficient improvement of wastewater status, the best effect has a planned and systematic installation of adequate modern wastewater treatment plants and oil catchers, parallel reduction of inadequate use of wastewater treatment plants, greater care for the maintenance of wastewater treatment plants and better awareness, control and supervision of employees. Table 20 presents selected water indicators for the core business of fuel supply.

Table 20: Water indicators for the core business of fuel supply, 2011 and 2012 (Responsible care report)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011 (tons)</th>
<th>2012 (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical oxygen demand</td>
<td>4.27 (taking into account emissions from car washes)</td>
<td>1.73 (taking into account emissions from car washes)</td>
</tr>
<tr>
<td>Phosphorus compounds</td>
<td>0.04 (taking into account emissions from car washes)</td>
<td>0.03 (total phosphorus - taking into account emissions from car washes)</td>
</tr>
<tr>
<td>Nitrogen compounds</td>
<td>No emissions</td>
<td>No emissions</td>
</tr>
<tr>
<td>Heavy metals (As, Cd, Cr, Cu, Pb, Hg, Ni, Zn)</td>
<td>No emissions</td>
<td>No emissions</td>
</tr>
<tr>
<td>Other substances that can potentially threaten human health or the environment</td>
<td>No emissions</td>
<td>No emissions</td>
</tr>
</tbody>
</table>

A review of findings from analysis of the content and emission value in the discharge of water are carried out by authorised external laboratories, demonstrating the level quality of the wastewater system at Petrol at the highest level.

Activities in 2012 and our future plans are:

- In Croatia, at service station highway location - Mosor North and Mosor South, two new technical and technologically suitable biomass purification facilities (2x 280 PE) by upgrading the level for de-nitrification and chemical level for de-phosphatisation of wastewater. The wastewater treatment plants are intended for the purification of municipal wastewater from service stations and restaurants which are on lower environmental protection area.
- A project planned for the renovation of bio-wastewater treatment plant at the service station location and of the motorway rest area Voklo will be carried out in 2013.
- We will continue with planned and systematic installation of adequate modern wastewater treatment plants and oil catchers, mostly on local upgrades.

Providing circulating platforms

In the period 2008-2012, we provided 21 circulating platforms at service stations and oil derivative warehouses at different locations in Slovenia. The platform capacity depends on the contributed volume of technology and rainwater. Wastewater from circulating platforms is drained through line rain grids to oil catchers. Purified water is drained from the oil catchers through the public rainwater pipelines, into a closed tank or disappearing river (depending on the location). The method for collecting water complies with the Water Act, the Environmental Protection Act, the Decree on the Decree on the emission of substances and heat in the discharge of wastewater into waters and public sewage system, and the Decree on the storage of hazardous liquids in fixed storage facilities.
Renovation at the circulating tank cistern in the oil derivative warehouse in Celje

Oil derivative warehouse in Celje is one of the older such Petrol buildings. During the regular status inspection of materials on the circulating platform at the tank circulation we discovered cracks in the concrete, which could potentially be a danger upon larger spillage and uncontrolled discharge of oil derivatives into the water supply system. We started with renovation immediately. We trusted the performance of concrete sanitation works to experts with suitable references, which proved to be vital because it was not possible to carry out the renovation works with conventional materials. By covering surface areas with special foil, we were able to seal trench drains completely and, consequently, remove the danger of polluting the watercourse with oil derivatives. The renovation in the value of EUR 104,000 (30% share by Petrol and 70% share by the Agency of the Republic of Slovenia for Commodity Reserve) was completed in August 2012.

Small biological wastewater treatment plants

Municipal wastewater in Petrol’s buildings is generally drained into the public sewage system. In areas where a local sewage system has not been constructed yet, and which do not allow for suitable draining and purification of municipal wastewater through the local wastewater treatment plants, our buildings are equipped with typical small biological wastewater treatment plants.

By the end of 2012, we equipped 69 service stations with small biological wastewater treatment plants (in 2008, there were 65). The analysis of wastewater is suitable according to the prescribed value in 96% of times.
Soil protection

Among the range of our activities, the highest danger of soil pollution is a potential spillage of oil derivatives. Preventative fuel warehousing and transportation measures include constant professional training of staff working with fuel, quality construction of warehousing terminals and ensuring the safeties transportation conditions.

**Terminals on our service stations have zero possibility of leaking.**

The area for fuel terminable with 'zero possibility of leaking' is a component part of our typical service station. There are underground terminals with double-sayers wall. At the end of 2012, more than 99% of our service stations were equipped with them. They are built with materials which are permanently resistant against oil derivatives and their construction is safe against any potential earthquake. They are equipped with the most modern control system on leak-tightness of in-between layer area. The control and supervision of leak-tightness is carried out according to the newest technology of regularly checking the air pressure between layers.

Waste management

The concept of integrated management strategy and waste management in the company Petrol means the prevention of waste generation, waste reduction and recycling that is dependant on separate waste collection at their source. We reduce the quantity of deposited waste on landfills and in proportion, we reduce the the costs for depositing waste and environmental pollution. We provide a permanent source of raw materials to the Slovenian industry, waste recycling as well as make living environment more orderly.

In 2012, the company Petrol d.d., Ljubljana, generated 6,694 tonnes of waste of which there were 948 tonnes of hazardous and 5,745 tonnes of non-hazardous waste. In 2011, by pursuing our activity, 5,223 tonnes of waste was generated of which there were 1,611 tonnes of hazardous and 3,612 tonnes of non-hazardous.

The main source of waste are service stations where vehicles are supplied fuel, motor oil, lubricant, brake fluid, cooling fluid and other products for vehicle upkeep and care. Various municipal and packaging waste is generated from the sales of food and daily-use products. Car-wash facilities generate some waste as well. There are 27 different types of waste identified at service stations, concerning which the Waste Management Plan for Petrol service stations is used. Containers for temporary warehousing of hazardous waste are equipped to make it impossible to pollute the environment. Any spillage or scattering of hazardous substances is collected and the staff handling hazardous substances are appropriately qualified. All waste is handed to registered and authorised waste collectors or removers and is transported by authorised transporters.

In 2011, because of noticeable increase of road traffic in larger cities in the Republic of Slovenia, the quantities of municipal waste has increased for around 8%. The percentage increase could be significantly higher if Petrol did not have systematic waste management treatment. In 2012, we started to construct ecological points on motorway service stations for separate collection of waste (see the chapter Green service stations on page 74).

The quantity of hazardous waste generated by cleaning collection areas and bins is reducing (table 21).

<table>
<thead>
<tr>
<th>Year</th>
<th>The sales volume of oil products (million t)</th>
<th>The amount of hazardous waste (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2.22</td>
<td>79</td>
</tr>
<tr>
<td>2010</td>
<td>2.35</td>
<td>72</td>
</tr>
<tr>
<td>2011</td>
<td>2.38</td>
<td>73</td>
</tr>
<tr>
<td>2012</td>
<td>2.54</td>
<td>70</td>
</tr>
</tbody>
</table>

In our workplaces we separate waste

In the Petrol d.d., Ljubljana business building on Dunajska 50 in Ljubljana, we made arrangement for separating waste at their source, at the employee work place (in the offices), in common work areas and at the central gathering point where all type of waste generated in the business building is temporarily collected.
Logistics is an important part of our activities

In 2012, we transported by road 1,796 million litres of derivatives and 1,462 million litres by rail. Special attention was given to transportation safety. Optimal transportation safety is provided by checking contractual transporters who are bound to observe all major safety regulations applicable to the transportation of hazardous goods (ADR regulations). Vehicle and driver compliance with the ADR are regularly checked by the control sheets.

The purchasing strategy for motor gasoline and medium distillate is realised mostly through supply by sea. Ground refineries in the area of South-east Europe are also important as they complete the purchasing chain and increase supply stability, especially with derivatives typical for local needs. Other oil derivatives, such as residual fuel oil, bitumen and gas, are supplied only by land. Purchase of oil derivatives in 2012, as well as in 2011, was carried out mostly by sea. For our subsidiary companies in Croatia and Bosnia and Herzegovina, part of our needs for motor fuel was covered from local refineries. This way we optimise logistic processes and at the same time, ensure to reduce transportation carbon footprint.

In 2012, we reduced the size of the fleet for the transportation of extra light heating oil due to changes in the structure and the sales volume of individual types of oil derivatives and, in accordance with the strategy on land fuel warehouses, we changed the intended purpose of individual warehouse fuel sections. We set up a new biomass supply chain.

In 2012, there were no accidents associated with transportation. In 2011, there was one accidental incident which was managed without having an effect on the environment.

For transportation of fuels and other products extensive and diverse fleet is used.
Green service stations

Our service stations offer complete vehicle care. The care for the environment is shown through the design of new and modern services. Constant maintenance, safe construction, two-layered underground terminals, fire safety, responsible environmental protection, selecting environmentally friendlier fuels, friendly staff and wide selection are our indispensable part of our services at home and abroad.

We are qualified for appropriate handling of fuel and for protecting natural resources. At our service stations we control the emission of volatile carbon dioxide through a closed circulation system, described on page 69 of the Sustainability Report. We are successful in recycling wastewater from car-wash facilities where we wash more than 160,000 vehicles per year.

We reduce the consumption of drinking water and we use energy-efficient equipment

In Petrol, we are careful when selecting appropriate equipment for service stations and other areas because such equipment is an important user of energy and water. When selecting devices and equipment we take into consideration all factors of the equipment’s period of use, such as purchasing costs, operating energy costs, maintenance costs, removal costs that are also linked to recycling possibility.

We recycle water

In 2012, we renovated the car wash facilities at our service stations and this contributes to recycling and wastewater treatment. In the period 2010-2012, we replaced and renovated 38 automatic car wash facilities and built another one. During the renovation and construction, in addition to the actual renovation, significant attention was also given to the use of energy products in the car wash facility. An additional measure was adopted that prevents excessive use of clean water; an instruction was adopted that hand pre-wash can last at most 90 seconds. Before this investment, the average use of water was over 100 litres per car, which is now halved and at most 50 litres of water is used per each wash. During the renovation of car wash facilities and by adopting these additional measures, we increased water recycling by 80% and only 20% of fresh water is used for each wash. We estimate the water savings to be at 61,760 m³.

We incorporate water-free urinals

During construction of new and renovation of existing buildings we incorporate technologies that allow to regulate and consequently reduce the use of drinking water as well as water-free technologies such as water-free urinals. In the last year, we build 70 such urinals in 30 buildings, resulting in a saving of 3,500 m³ drinking water. This quantity is comparable to the annual drinking water quantity for 4,000 people.

We will collect and use rainwater

We are developing projects for using rainwater for rinsing toilets, for washing vehicles in our car-wash facilities and for fire water at our petrol service stations.
Modernising air-conditioning equipment at service stations

In the last five years we installed or replaced more than 200 of running meters of air-conditioning equipment (cabinets, chambers) resulting in using less than half of electricity by having selected more economical equipment and no longer leaving open shop doors where areas are being air-conditioned. Aside from reducing costs for operating air-conditioning equipment, we use the waste heat from the air-conditioning equipment for preparing warm sanitation water. Just threw measures on air-conditioning technique we save more than 600 MWh of electric power per year which is comparable to energy use required for operating more than 4,000 household fridges.

Modernising lighting installations at service stations

By investing into modernising lighting, we made a step further towards effective energy use at service stations. We significantly reduced operating and maintenance costs of lighting installation. The use of electric energy on old lighting installations was 2,889.16 MWh/a, and after completing the investment, the use of electric energy fell to 65%. As we replaced the lights with those that are environmentally friendlier, we reduced CO₂ emission for 80%. We also modernised lights for our own graphic image of service stations and reduced annual CO₂ emission by 148 tonnes. Modernising street lighting generates annual saving of 1,550 MWh of electric power and reduced CO₂ emission by 682 tonnes.

We calculated carbon footprint of service stations

Carbon footprint is a criterion of the effect of our activities on the environment and climate changes.

It is expressed in the volume of carbon dioxide (CO₂) and other green gas (CO₂, N₂O, HFCs, PFCs, SF₆) associated with supply chain products. Carbon footprint contributes to recognising activities that are harmful to the environment - for planning priority measures towards energy efficiency and reducing potentially harmful environmental influences. It is a useful tool in establishing an integrated system of the organisational environmental management. Gas emissions are classified into three scopes. For our calculation we only considered the carbon footprint linked to the operation of service station on Dunajska 130 in Ljubljana. In 2011, the operation of this service station added green gas emission in the amount of 251.3 tonnes of CO₂.

Ecology points at service stations

At our service stations we comply with the strictness European standards on environmental protection, including waste management. For a number of years we used systematic waste separation.

This is true for hazardous (waste oil, batteries, absorbent, oily cloths, oily plastic packaging, oil filters, etc.) and non-hazardous municipal waste (paper, carton, packaging, plastic, glass, mixed municipal waste, etc.). Ecology points are constructed as a separate facility for waste disposal. Such a building or an open space as the ecology points are constructed in accordance with technical regulations and requirements on the warehousing of hazardous and non-hazardous waste.

With the introduction of new lighting elements, the energy consumption decreased by 65%.
Petrol’s sustainable energy mix

Our energy mix includes cleaner and more efficient technologies and energy products for the transportation, heating, electric energy production, utilisation of biomass and other renewable energy, replacing extra light heating oil with LPG and natural gas. As such, we are taking important steps towards sustainable development.

Cleaner and more efficient transportation fuel use as a part of Petrol’s sustainable mix

Petrol is the leading supplier of fuel and oil derivatives on the Slovenian market and has been paying a lot of attention for a long time to new and environmentally friendlier solutions of its offer and to adjusting its products to new needs. The efficiency and effect of fuel use are affected by technological vehicle advancement, other transportation means and the use of better quality and environmentally friendlier fuels.

Above standard fuel Q Max

The basic fuel quality in Europe is laid down by EU standards. This generally prescribe minimum fuel requirements that must be met in order to ensure safe engine operation. In accordance with its quality policy, Petrol improves the quality of its fuel even more by adding multi-purpose additive package.

Such improvements increase engine protection and they also provide more sustainable optimal engine operation and improve its efficiency. The effects of such improvements have an effect on environmental parameters as well (tables 22 and 23). Optimal operation of the engine contributes to lower consumption (reduced CO₂ emissions), and significantly reduces the emissions of the most harmful products of combustion into the environment (CO, CH, NOₓ). When considering the number of driven kilometres and the growing traffic trend (increase in vehicle numbers), such savings and lower emission is an important contribution to limiting negative effects on the environment due to transportation. All Qmax fuel contains less then 0,001% m/m of sulphur.

Further improvements in our fuel also affect the environmental parameters.
Table 22: Fuel economy and emission for Q Max - diesel.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>The test</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel economy</td>
<td>Field test: (ECE 15/ECE49 test cycles)</td>
<td>Q Max Diesel - up to 2.5% less consumption</td>
</tr>
<tr>
<td>Emissions</td>
<td>Field test</td>
<td>Q Max Diesel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13% less unburned CH (passenger car)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21% less unburned CH (heavy duty)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.8% less particulate matter (personal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21% less particulate matter (freight)</td>
</tr>
</tbody>
</table>

Table 23: Fuel economy and emission for Q Max - engine fuel.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>The test</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel economy</td>
<td>Ford Fiesta – field test</td>
<td>Q Max engine fuel – up to 4% lower consumption</td>
</tr>
<tr>
<td>Emissions</td>
<td></td>
<td>Q Max engine fuel</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduced by 74%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decreased by 47%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decreased by 32%</td>
</tr>
</tbody>
</table>

Petrol autogas Q Max is economically justified driver selection as it contributes to reducing emissions into the environment. Due to exceptional economic and environmentally favourable properties it is today the most common alternative to classical oil fuel because using autogas engine cuts the costs of fuel purchase by half. Autogas is the most economic fuel on our market.

When comparing to 95 octane gasoline, the fuel costs are for 40% lower. The use of autogas has a favourable effect on extending the use of certain engine parts, it allows for more complete burning of gas-air compound and it significantly reduces environmentally harmful emissions.

Introducing biofuel

We actively operate in accordance with the legislative requirements and world trends and week new possibilities for replacing fossil fuel with environmentally more acceptable biofuels.

Such possibilities in transport are limited by engine technologies and buyer decisions who are not legally bound to purchase biofuel. For all biofuel placed into transportation we comply with sustainable criteria (as set out by the Decree on the sustainability criteria for biofuels and life cycle emissions (Official Gazette of the RS No 38/12) and from September 2012 onwards, we report on emission intensity, emitted and total emission reduction (table 24). These activities are marked also through our relationships with the suppliers (see page 33 of the Sustainability Report).

Table 24: Quantity, energy value, and fuel and biofuel emission, in the period from 1. 9. 2012 to 31. 12. 2012.

<table>
<thead>
<tr>
<th>Fuel type</th>
<th>Energy value MJ/kg</th>
<th>Quantity kg</th>
<th>Total energy value (Q) MJ</th>
<th>Average emissions (E) gCO2eq/MJ</th>
<th>Total emissions gCO2eq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>43</td>
<td>103,682,640</td>
<td>4,458,353,520</td>
<td>83.80</td>
<td>373,610,024,976.00</td>
</tr>
<tr>
<td>Bioethanol</td>
<td>27</td>
<td>853,984</td>
<td>23,057,555</td>
<td>47.06</td>
<td>1,085,088,545.26</td>
</tr>
<tr>
<td>Diesel</td>
<td>43</td>
<td>257,604,057</td>
<td>11,076,974,435</td>
<td>83.80</td>
<td>928,250,457,624.07</td>
</tr>
<tr>
<td>Biodiesel</td>
<td>37</td>
<td>6,032,029</td>
<td>223,185,076</td>
<td>54.47</td>
<td>12,156,891,067.39</td>
</tr>
</tbody>
</table>

We supply biofuel that complies with sustainable criteria.

With the fuel, placed by Petrol on the Slovenian market in the period from 1. 9. 2012 to 31. 12. 2012, we generated emission saving of 11,572 t of CO2.
Share of heating energy products change according to Petrol’s sustainable guidelines

In 2012, at four locations (Oplotnica, Ljubljana, Kamnik, Šmarje pri Jelšah) in Forklift workshops we replaced fuel oil with LPG and thus reduced CO₂ emissions by 30 t per year.

Extra light fuel oil is being replaced by alternative energy products such as liquid petroleum fuel, natural gas and biomass.

Natural gas and LPG are among the best quality and the cleanest fossil fuel, with wide-ranging use, from heating to generating electricity and for engine propulsion. Both energy products are marked by economic use, low costs and reduction of negative environmental effects. Working with LPG is divided into a number of segments, from selling gas by concessions and gas-holders, sales of autogas and sales of gas cylinders. Through district heating systems and cogeneration systems we are also expending the generation and sale of heat. In 2012, the Petrol Group managed 28 concessions for gas supply (of which 22 are for the natural gas supply and 6 are for liquid petroleum gas supply). In Serbia, we supply with natural gas municipalities of Bačka Topola and Pćinci as well as three municipalities in Belgrade. In addition, the company Petrol Plin d.o.o. concluded contracts for gas supply in cities Šibenik and Rijeka. We are the second biggest seller of liquefied petroleum gas in Croatia.

The trend of replacing fuel oil with gas and partly by biomass is understandable, as it brings many advantages. Liquefied petroleum gas and natural gas have a lower price and many technological and environmental advantages.
We supply our customers with electric power generated also by renewable resources

Our energy portfolio contains electric energy for business users and households. In 2012, we actively joined the international electric energy market in order to enable our customers to purchase the most economic energy.

In that year we sold 2.4 TWh of electric energy which is 125% more than in 2011 and 67% more than planned. Petrol Energetika d.o.o. is involved with the generation, sale and distribution of electric energy and since 2010, also the parent company Petrol d.d., Ljubljana. Petrol Energetika d.o.o. is also the system operator for the distribution systems. In 2012, we gained 10,000 new household users for the supply of electric energy, amounting to 67% growth when compared to the previous year. At the moment, the Petrol Group supplies 27,000 household users, and the number of business users is increasing as well. In 2012, the electricity sector was intensively engaged in the possibility of expanding operations and sale of electric energy to end users in neighbouring countries. We acquired licences for the supply of electric energy to end users in Croatia. The resource structure for the electric energy generation that is supplied to our customers contains 20% of renewable resources (chart 10).

In 2012, we gained 10,000 new household users for the supply of electric energy.

Petrol Energetika d.o.o. is also the system operator for the distribution systems. The structure of the share of renewable energy:

- **water energy**: 85%
- wind energy: 8%
- solar energy: 1.9%
- biomass: 5%
- biogas: 0.1%

Chart 10: Resource structure of supplied electric energy to Petrol's customers in 2012.
We invest into the future by investing into technology and friendlier environment

In the future, we are planning a number of investments in the energy management and the water cycle. All projects are expected to have significant sustainability impacts.

Planned investment into energy management

We will renovate cogeneration station in the Petrol Energetika in Ravne na Koroškem

The investment in the value of EUR 1.5 million will be carried out in 2013 in order to provide reliable cogeneration operation and improve electric yield for 1%. The cogeneration of heat and electricity facility in Petrol Energetika in Ravne is coming to an end of 14-year lease period. After finishing the heating season of 2012/13, the modules had around 60,000 of operating hours which according to the supplier’s service requirements demands general repair works. Expected effects:

• improving electric utilisation for 1%;
• reducing the use of natural gas for 106,400 Sm³ per year;
• reducing CO₂ emission at the estimated value of 200 tonnes per year.

Energy management of public buildings in Koper

In the municipality of Koper we are starting with an investment in the amount of EUR 1.87 million. The project on energy management of public buildings will be carried out in the period 2013-2028. The investment of Eltec Petrol d.o.o. involves the renovation of 17 boiler rooms and replacement of the energy product (from extra light heating oil to electricity, LPG and biomass).

The goals of the project are:

• reducing the use of heat and electric energy as well as energy product costs;
• providing reliable supply of heat energy;
• generating electric energy from renewable energy.

The project on energy management of public buildings in the municipality of Koper is a project on energy contractual agreement with expected effects:

• saving of heat energy at the annual level of 161,183 kWh;
• saving of costs for heat energy at the annual level of EUR 271 million;
• heat energy sales: 3,390,435 kWh.

Renovation and optimisation of public lighting in Koper

In the municipality of Koper, the investor Petrol d.d., Ljubljana (the value of investment is EUR 2.3 million) will, in the next ten years, provide the replacement of public lights and refurbishment of light switches, reduce use of electric energy in public lighting and reduce costs for maintaining public lighting installations. This is a concession project for energy contractual agreement which included contractually guaranteed electric energy saving, contractually guaranteed public lighting maintenance saving, electric energy saving, electric energy bookkeeping services, electric energy management as well as the provision of public utility service. Expected effects:

• electric energy saving in the amount of 1,949,983 kWh annually;
• electric energy sales in the amount of 3,264,072 kWh annually.
Utilising waste heat in biogas company Ihan

We are planning to invest into a project ‘Implementing a system for utilising excess and waste heat on cogeneration engines in biogas company Ihan’. The investment will last for one year, in the value of EUR 1.6 million and is the only such project in Slovenia. We will utilise waste heat (around 4,900 MWh per year) for drying rehydrated mud from wastewater treatment plants. Planned annual quantity of mud for drying is 6,700 tonnes. We will build a new building where waste heat for drying mud from wastewater treatment plants will be carried out. The building will be equipped with towers: heat exchangers with 1,000 kW power, mud drying chamber, storage facility for wet and dry mud and for cleaning air (biofilters and scrubber). The mud will be dried to at least 90% of dry substance. This is a quality energy product used for co-incineration in cement factories and other similar facilities. The building has already obtained an environmental permit. The object will be constructed next to biogas company Ihan and will comply with the highest standards of good practice. We will also utilise currently non-utilised waste heat (5,800 MWh/year) that will reduce CO₂ emission in the amount of 1,029 tonnes per year. This is also solving environmental challenges on final disposal of mud from wastewater treatment plants as it becomes suitable fuel for co-incineration.

Purchase of new biogas plant in Črnomelj for additional generation of green energy

In 2013, we plan to purchase a new biogas company in Črnomelj. Biogas company has a permit for annual generation 28,000 tonnes of waste biodegradable waste and it includes a compost from neighbouring pig farm. Through this purchase we will double the production of green electric energy from waste substance.

Expected effects of waste energy utilisation: 1,029 t CO₂ per year less
The integrated wood biomass management will be supported by the logistic-trade centre in Brežice

We are planning to build our own Biomass logistic-trade centre (BLTC) in Brežice. This will allow us to meet our own need for wood fuel and enable the use of economically cheaper ecological fuel from renewable sources to other users who until now, for various reasons, were not able to use biomass. Reliable and quality preparation of wood fuel will improve trust into this energy source and enable development in local areas where the centre will stand. The goals set are marketing of wood fuel (chips, pulp, briquettes, pellets), provision of reliable supply of energy products, provision of quality wood fuel and all types of logistic services, stimulating services for generating and producing wood biomass, energy contractual agreements, stimulating local wood biomass potential and their local use. The centre will carry out the preparation of wood chips and the warehousing of wood, briquettes and pellets. To ensure traceability we will certify our activity according to the FSC scheme (Forest Stewardship Council), based on responsible forest management and traceability principle of wood from certified forests, from the tree to the final product. Distribution services of wood fuel will be provided in a bulk state and a sale of packed wood fuel. Expected effects on a local community are:

- direct employment at the BLTC;
- stimulating services for generating biomass;
- stimulating local wood biomass potential;
- direct and indirect employment positions in wood biomass utilisation;
- development of biomass technologies;
- possibility of supplying local residents;
- Kočevje becomes an important source of renewable source of energy.

We will renovate the whole district heating system for residential area of Pobrežje in Maribor

In 2013 and 2014, the investor Petrol Energetika d.o.o. will invest EUR 2 million for the renovation of a boiler room, heating station and heating network in Pobrežje. The renovation of district heating system involves installing two new boilers for natural gas with 2.5 MW power, installing a plant for cogeneration of heat and electricity with 900 kW power and electric power of 800 kW, partial renovation of water heating network, replacement of 15 heating stations and a hydraulic balancing of the building central heating systems.

Expected effects:

- reliable and competitive supply of residents in the residential area of Podprežje with district heating;
- lower CO₂ emission in the annual amount of 420 tonnes.
District heating on wood biomass in Ivančna Gorica

In Petrol d.d., Ljubljana we are conducting projects for constructing district heating system for which we will obtain a 15-year concession agreement until 2027. The expected investment is in the amount of EUR 750,000, plus non-refundable funds at the estimated value of EUR 217,020. The primary project goal is to replace fossil fuel used until now, with renewable sources of energy, namely wood chips. For this purpose, we will install two boilers for wood biomass with 500 kW and 320 kW, for the network of 387.5 m, for five users connected on the network. Expected effects: complete replacement of fossil fuel with renewable resources, resulting with lower CO₂ emission for 354 tonnes per year.

Installing cogeneration of heat and electricity in the Petrol warehouse in Zalog

In 2013, we will improve the utilisation of converting the primary energy by installing cogeneration of heat and electricity in the building of Petrol warehouse in Zalog. Petrol d.d., Ljubljana will invest into installing a motor with electric power of 180 kW and heat power of 220 kW, installing electricity storage facility with the volume of 10 m³ and optimization of the existing boiler room. This will result in lower annual emission of CO₂ for 200 tonnes.

Planned investments/concessions for water cycle management

In 2013, we plan investments into projects for water cycle management. New projects will mostly be obtained from two types of financing. The first is cooperation with municipalities or public partners (concessions - public-private partnership projects), and the other is cooperation with the industry (e.g. outsourcing the management of wastewater treatment plants such as the industrial wastewater treatment plant Papirnica Vevče).

Construction of the Central wastewater treatment plant Ig

On 1 January 2013, Petrol d.d., Ljubljana started performing mandatory municipal public utility service for wastewater treatment in the municipality Ig, pursuant to a concession agreement for a period of 30 years, and consequently to which an investment into the Central wastewater treatment plant Ig will be carried out in 2013. With one-year long project, with an investment value of EUR 1.6 million, we will construct the first phase of the Central wastewater treatment plant Ig, with 5,000 PE capacity. The facility will include technological sections for mechanical pre-treatment, biological pools and a line for mud treatment. The quality of wastewater treatment in the municipality of Ig will comply with valid laws. Input of cesspit content will be organised, wastewater will also be treated which were until now treated at the location of the wastewater treatment plant Matena. The wastewater treatment plant Matena will be cease to operate, and Ig and Matena will be connected by pressure sewage conduit.

Construction of disappearing river at the Central wastewater treatment plant Sežana

In the vicinity of the Central wastewater treatment plant Sežana there is no water course, and consequently the outflow from the wastewater treatment plant is directed towards the cave Bukovnik. By constructing a disappearing river at the location of the wastewater treatment plant the outflow of treated wastewater will be diverted into a newly constructed disappearing lake. This will allow for treated water from the municipal wastewater treatment plant to slowly disappear into underground.
Research and development excellence of Petrol

We are aware that continual research and development work is of extreme importance for realising our plans for further growth of the Petrol Group. We therefore cooperate with groups and external partners, such as research institutions and other holders of specialised knowledge. We actively and productively cooperate in national and international research projects. Through joint endeavours of experts, partners and the wider public that seek and develop new solutions for low-carbon solutions, we are involved in a number of projects.

Electromobility

The development of Petrol’s plan on electric mobility coincides with the document of the European Commission on competitive transport system Transport 2050 which was adopted in 2011. In accordance with forecasted quantity of electric vehicles in traffic, we intend to provide supply infrastructure and fuelling stations for the provision of quality support to end users. Currently, there are six filling stations in our network, for filling 12 electric vehicles simultaneously. In 2013 and subsequent years, through our participation with interested groups, we will gradually continue with expanding our supply network, depending on the dynamic of demand growth. We estimate that by 2014, daily use in our electro-distribution system for filling electric cars will be around 2.3 MW, equivalent to 22 MWh of used electric energy per working week or 1.1 GWh per year. The sector estimates that by 2020, there will be at least 5% share of electric vehicles on the world market.

Project KC SURE - System for efficient use of electric energy

The competent centre KC SURE has established 16 Slovenian partners from the economy and research-educational institutions for creating a concept of active electro-energy network based on new technologies (such as SCADA system) and these will be tested on parts of the Slovenian electro-energy network.

The programme includes a number of holistic projects:

- system efficient energy use;
- virtual power plant;
- upgrade of existing distribution network management;
- automatic household use management.

The obligations of Petrol in this project involve:

- seeking solutions for filling stations for electric cars and for preparing a testing range;
- testing efficient energy use solutions in business zones.

In our network we have six charging stations for electric vehicles. The network will be expanded in line with the demand of our customers.
Project CO NOT – Centre for excellence for low-carbon technologies

As a consortium partner of CO NOT, we participate in introducing hydrogen as an alternative transportation fuel and in power supply system. One of key goals of this centre was establishing two filling stations for hydrogen for supplying travel vehicles. The project, at this stage, mostly of demonstration nature, is directed to gaining experiences in constructing required infrastructure for the public hydrogen supply for road transport. The second goal of this project is putting Slovenia on a wider European map as a supplier of hydrogen in public transport. The filling stations will be installed in our service stations and they will be expectedly ready for operation in 2013. As there are very few vehicles running on hydrogen, they are mainly used as a demonstration for obtaining experience in building such facilities as well as for laying down legislation framework for constructing such facilities in Slovenia.

Demonstrational project for hydrogen filling stations are jointly creating a required infrastructure and, together with responsible authorities, we help shaping legislative framework for further construction and solution of such new technologies. The Development Centre for Hydrogen Technologies (RCVT) has an important role and Petrol is its founding member. The goal of this centre is to become an internationally recognised development centre for hydrogen and fuel cells. The RCVT, together with government institutions in the Slovenian environment, among others, ensures connection with European hydrogen platform who is one of the founders on the activities on expanding the hydrogen technologies across the wider European environment.

Project Salalgen - Hybrid cultivation system for generating algae

Biofuel can theoretically be generated from any (biological) source of carbon with plant sources being the most frequent once where photosynthesis occur. Third generation biofuel from algae generates oil that is converted into energy products and are comparable to petroleum products such as engine fuel, diesel fuel, airplain fuel, etc. Algae can be cultivated in open pools or closed bio-reactors that allow for cultivation of greater quantity of oil on the same surface as plants used for generating first generation biofuel.

We are participating in the seventh EU framework programme as a consortium partner in the project Salalgen - Hybrid cultivation system for generating algae. Within this project, we study the efficient method of cultivating algae, based on efficient collection and distribution of light.
About the Petrol Group’s sustainability report
The long-term success of Petrol is guaranteed by fair and transparent work of employees.« (PCC)

Creativity
Making progress through own ideas

About the Petrol Group's sustainability report
About the Petrol Group's Sustainability report

Since our ideas create progress

The Petrol Group's Sustainability report for 2012 shows compact footprints of our operation in the economic, social and natural environment. At the same time it shows our sustainable guidelines and objectives. Petrol's values confirm our commitment to responsible business that leads to long-term economic success of our operation, while being responsible towards our stakeholders and the environment. Thus we actively contribute to the sustainable development of Slovenia and the target regions.

Activities and achievements, which are shown in the Sustainable report, are the result of Petrol's innovative business decisions and a reflection of the creative potential of its employees. New ideas arise every day and we realize them with great commitment and devotion. We proudly present our achievements and are already thinking about new challenges.

In 2007, we issued the Environmental report, which is now upgraded with sustainable dimension. The Sustainable report shows our activities since 2008, with emphasis on the period 2010-2012. In reporting, we used the Responsible Care system of indicators and upgraded it with other indicators (also GRI) recorded in table 25.

Table 25: Overview of reporting indicators used in the Sustainability report of the Petrol Group for 2012.

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* Indicators of Responsible Care cover the core business of fuel supply (Petrol d.d., Ljubljana, Petrol Maloprodaja Slovenija d.o.o., and rental service stations in Slovenia)

** From the Annual report only those contents that are complementary to sustainability reporting indicators in the Sustainability Report are listed.
How we reported?

Many experts of the Petrol Group were involved in the preparation of this report. Key content areas of sustainability were selected for our first Sustainability report and final thoughts added. In our statements we are exposing several areas of our development policy: introduction of alternative fuels for transport, replacement of fossil fuels with biomass and electricity produced from waste, efficient use of energy by cogeneration, efficient public and industrial lighting, optimal utilization of drinking water as well as wastewater treatment.

Janez Štaudohar,
B. Sc. Eng. Machine,
Project manager, Investment and maintenance, Petrol d.d., Ljubljana

Nowadays, we are aware that energy saving is a necessity, but it does not always mean lowering the standard of living, quite the opposite.

Energy consumption in itself requires an environmental tax. These negative effects can be significantly decreased with modern technologies and measures, and at the same time living conditions can be improved. A good example is cogeneration of heat and electricity, which is a technology on the move as it effectively converts primary energy in the form of chemical energy of fuel into electricity and heating. In comparison with the conventional thermal power plant, its energy efficiency is higher even up to 50 percent.

In Slovenia, there is great potential for the use of cogeneration of heat and electricity. I am proud to say that Petrol detected this potential very early and prepared itself for it. Proof of this is the cogeneration of heat and electricity in Planina Kranj, which is one of the largest cogeneration of heat and electricity projects in Slovenia.

More than 4,500 apartments are supplied with heating and hot water by the cogeneration of heat and electricity devices. Electricity produced by the cogeneration provides additional capacity of domestic production and thus relieve network.

Sustainability report mainly allows a reflection of the work done and thus a clearer view of the future. Personally it allows me to become familiar with the whole wide range of activities of our company and provides me with a deeper understanding of co-workers’ work. Our path fosters trust and inspires me with great motivation for further work.

Miran Fužir,
B. Sc. Eng. Machine,
Deputy Director CEES (Comprehensive Energy and Environmental Solutions), Petrol Energetika d.o.o.

Soon after recruitment-1999 I was entrusted with the management of one of the largest plants for cogeneration in Slovenia. This is definitely a technology that should be included in every district heating system due to its efficiency in converting primary fuel and reduction of greenhouse gases compared to a separate production.

Our company is constantly looking for new opportunities in the market. With our experiences we contribute to greater energy efficiency of our enterprise as well as beyond.

Sustainability report is very welcome, as the extensive work of the Petrol Group is presented in a single document, which one can proudly show to customers.
Hydrogen has long been considered an alternative fuel which would over the years take over a significant market share from fossil fuels. Despite some open questions and differences of experts’ opinions on the efficiency of its use in the transport sector, the fact that it is a genuinely low-carbon technology, time and again puts it in the role of »hot« alternative fuel of the future. Petrol believes in this technology, so we decided to actively promote hydrogen as an alternative transportation fuel.

Together with several partners from industry and research community we have supported the establishment of the Centre of Excellence for low carbon technologies, which aims to set up the first two hydrogen filling stations in Slovenia. This objective will be achieved in 2013. At this stage, it is a demonstration project with which Slovenia will be written on European map of hydrogen filling stations network. The expansion of this network is to allow the owners of these vehicles to overcome long distances.

Petrol demonstrates its commitment to sustainable development and that is clearly communicated in its first Sustainability report. Our sustainability performances are encompassed in one place for the first time. It is therefore no coincidence that sustainable development is an important business principle of Petrol.

In Petrol we perform public service of treatment of wastewater generated by households and other users of sewer systems (schools, kindergartens, health centers and the like).

Density doesn’t bring only day to day benefits, but it also means a significant human impact on the environment (concentrated wastewater, large amounts of waste in one place, and the like). In our department we are proud on wastewater treatment plants, built and operated by us, since they perform an excellent work. Well treated municipal water flows back into the wild. Our whole department is happy and proud to contribute to a cleaner nature.

Preparing the extensive content of this Sustainability report was a difficult task. Each of us prepared a section that describes our everyday work. I’ll probably be surprised by the width of our company when reading the report. It is essential that as a group, Petrol presented all sustainable activities in one place. An interesting reading is ahead of us!
Biomass is a renewable energy source. It is also the only Slovenian energy source which is unfortunately underutilized. The constant rising of fossil fuel prices stimulate an increasing number of households and industrial plants to choose this energy. Processing of biomass boiler requires higher initial investment, maintenance and management. Despite that investment has a short period of recovery due to significantly lower price of biomass.

Although Petrol is the main supplier of fossil fuels in Slovenia, it quickly adapted to changed market situation and began offering wood biomass and processing boilers from fossil to biomass fuels. In line with Petrol’s strategy of expanding into renewable energy sources we were able to apply for the construction of a district heating system in Metlika and Ribnica. In both places, we have built brand new boilers, where wood chips are being used as energy. Heat obtained from new biomass boilers as a part of newly built district heating system, is distributed to end-users. Despite the high investment the end-users pay up to 40 per cent lower bills for heating as when they used fossil fuels.

In our daily search for new market opportunities we often forget to present already completed projects.

In the Petrol Group’s Sustainable report a review of our previous work and projects is given. The results are stunning. They confirm that we are on the right path and give us courage and energy to carry out new successful projects.

Environmental concern is a vital part of development thinking in Petrol, as the quality of life consists of more than just material growth. General development intensifies demand for energy but at the same time awareness of clean environment is increasing as well.

Although energy use of biogas produced by anaerobic decay of biodegradable waste from agriculture and households, cannot play an important role in the energy supply, its effects are positive since the following objectives are achieved: preservation of agricultural production, energy utilization of waste, empowerment of local energy and reducing greenhouse gas emissions. Organic load of processed waste is reduced by anaerobic degradation as the organic substance is converted into carbon dioxide and methane. Biogas is used for cogeneration of heat and electricity in a so called cogeneration unit. By recovery of organic waste annually 3.5 million m³ of biogas and 7,200,000 kilowatt-hours of gross electricity are produced.

It really was about time that the Petrol Group prepared its Sustainability report.
Robert Ostrelič,  
Bachelor of Political Sciences,  
Head of marketing and development services,  
Eltec Petrol d.o.o.

Efficient use of energy and water is not just a slogan for employees of the Company Eltec Petrol d.o.o., but has been a way of life for over fifteen years.  

We are proud that we have, through our work on the renovation of public lighting in Bled contributed to even more beautiful appearance of this prominent tourist resort.  

European Commission granted us the Greenlight Award for the results of the renovation of interior lighting in the ironworks Acroni, which reinforces our belief that fifteen years ago we chose the right path. Feeling that one contributes to loss reduction of drinking water is unique, but if a reliable supply of quality drinking water to more than 30,000 Slovenian households depends on one’s work, it is a great responsibility.

Sustainability report is the best proof of knowledge, effort and responsibility daily put to work by employees of the Petrol Group.

Alenka Ott Šaponia, M Sc  
B. Sc. Eng. Chemistry,  
Manager of development projects, Technical Development, Quality and Safety, Petrol d.d., Ljubljana

Europe has long been promoting the use of alternative fuels as it seeks to reduce its dependence on fossil fuel supply and reduce emissions of harmful gases. In Petrol we follow this direction, as we have already in the nineties started using biodiesel. First-generation biofuels, which is currently the most widely used, is produced from crops for food, which consequently led to food prices increase. Therefore, EU member states introduced restrictive legislation - in quotas to meet the target of reducing greenhouse gas emissions only biofuels that meet the specified sustainable criteria are included. In our company, we effectively responded to the requirements of individual markets through the development of traceable documentation systems of sustainable certificates and thus we successfully continue selling to foreign markets.

The preparation of the Petrol Group Sustainability report was quite a challenge, as we had to harmonize and standardize the reporting of our companies. In addition, the timelines were quite challenging. As a coordinator of the Sustainability report preparation, I can say that all colleagues involved in the project, reported issues within their working area diligently. It gave me a great pleasure to work with a variety of hard-working professionals who have created this report. My sincere thanks to all participants.
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