

PETROL

Energy for life

sustainability
report of the
Petrol Group

2014



Petrol,

Slovenska energetska družba, d.d., Ljubljana

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Slovenia

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www.petrol.eu

Printed on 100% recycled paper.

We saved:

264 kg of wood

4,396 litres of water

269 kWh of energy

24 kg CO₂ and greenhouse gases

240 km travel in the average European car

162 kg of landfill

Carbon footprint data evaluated by Labelia Conseil in accordance with the Bilan Carbone® methodology. Calculations are based on a comparison between the recycled paper used versus a virgin fibre paper according to the latest European BREF data (virgin fibre paper) available.

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Petrol's imprint 2013, 2014

Heat production

2013: **812 MWh**

2014: **796 MWh**

of energy savings

2013: **555 t**

2014: **895 t**

CO₂ savings

page 85

Cogeneration of heat and electricity

2013: **46,350 m³**

2014: **94,400 m³**

natural gas savings

2013: **117 t**

2014: **194 t**

CO₂ savings

page 87

Renovation of boiler rooms

and installation of cogeneration

of heat and electricity unit

2013: **28,492 MWh**

2014: **3,132 MWh**

of energy savings

2013: **4,747 t**

2014: **933 t**

CO₂ savings

page 88

Electricity supply from renewable energy sources

2014: **20%**

of electricity supplied

page 76

Optimization of water supply systems

2013: **387,892 m³**

2014: **1,340,279 m³**

savings of water

page 91

Wastewater treatment plants

2013: **5,351,000 m³**

2014: **5,941,000 m³**

treated municipal water

2014: **62**

small wastewater treatment
plants at service stations

page 92

Optimization of lighting

2013: **1,682 MWh**

2014: **3,351 MWh**

of electricity savings

2013: **779 t**

2014: **1,551 t**

CO₂ savings

page 90

Integrated projects (implemented

several measures)

2013: **1,098 MWh**

2014: **133 MWh**

electricity savings

2013: **775 MWh**

2014: **2,161 MWh**

heat savings

2013: **707 t**

2014: **602 t**

CO₂ savings

page 84

Providing energy savings

to end-users

2013: **115,198 MWh**

2014: **11,769 MWh**

of electricity savings

2013: **418,858 t**

2014: **3,312 t**

CO₂ savings

page 80

479 service stations, 8 EV charging stations at service stations and 1 hydrogen filling station



Heat generated

from biowaste

2013: **10,446 MWh**

2014: **14,320 MWh**

Electricity generated

from biowaste

2013: **9,949 MWh**

2014: **13,638 MWh**

page 66

Energy produced

from wood biomass

2013: **12,550 MWh**

2014: **11,741 MWh**

Electricity generated

from solar energy

2013: **2.03 GWh**

2014: **2.31 GWh**

page 66

Q Max Fuel

lower consumption

lower emissions of harmful gasses

Reducing emissions

due to biofuel input

2013: **41,583 t CO₂**

2014: **24,523 t CO₂**

savings

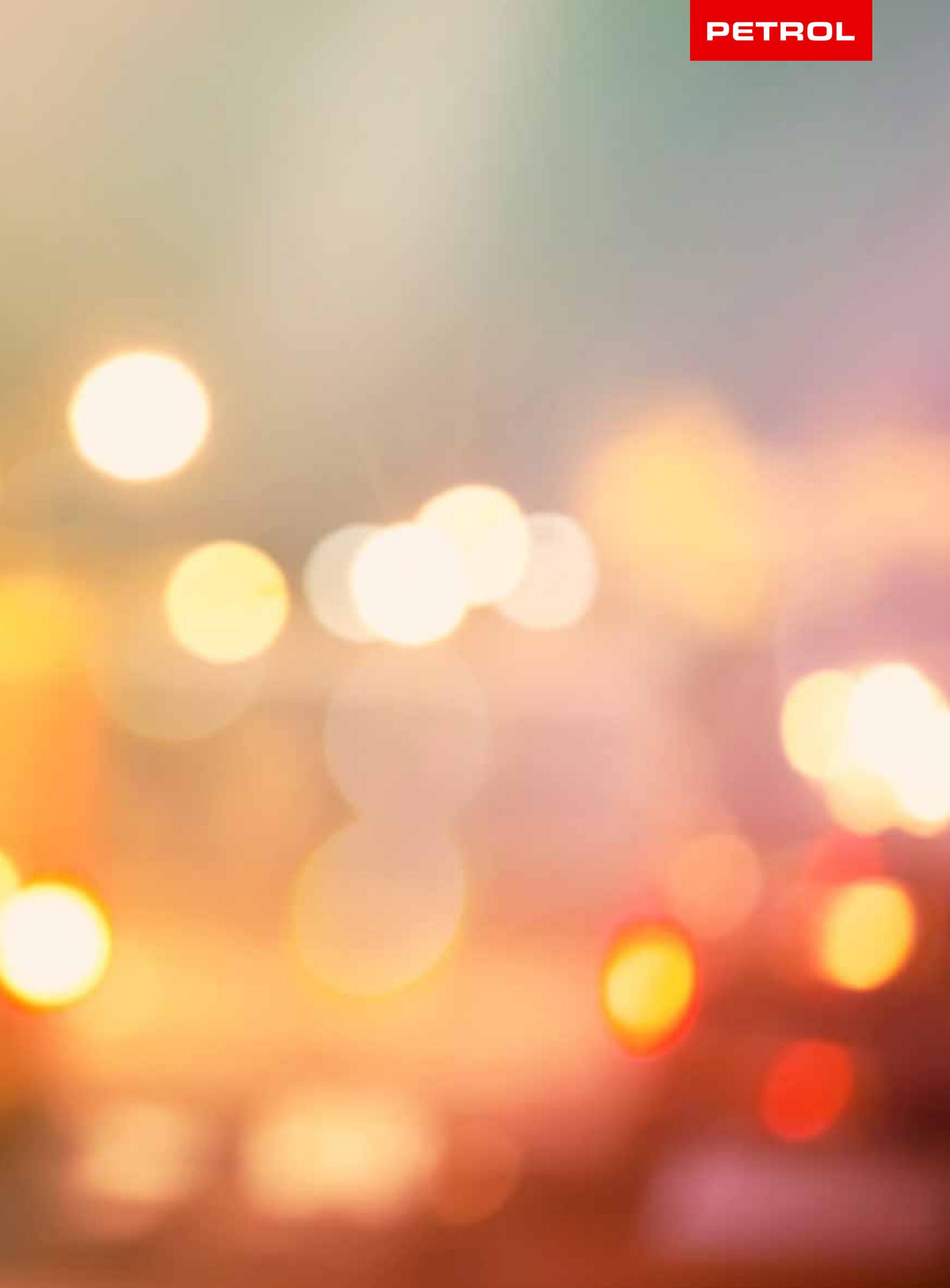
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Introduction



Bringing
innovation to the
**sustainable
development**
of the Petrol Group



Tomaž Berložnik, MSc, President of the Management Board

Dear business partners, shareholders and employees!

Decisiveness for great deeds is expected of the biggest players, wise prudence is expected of the most experienced ones, and courage and vision for the future are expected of visionaries. Realisation of these expectations is a real venture in a rapidly changing environment with numerous challenges. The Petrol Group is well aware of that, as it combines all three dimensions.

We are one of the biggest business entities in Slovenia with growing recognition in the wider region. We have been gathering our experiences for 70 years, of which we are proud. And our vision for the future is bold. The vision not only for ourselves; but we are creating and developing in terms of sustainable transformation of the entire society.

All these dimensions are cornerstones of our sustainability story which is revealed in the sustainability report of the Petrol Group. As an energy company we perform our core business with the highest degree of responsibility; not only to our business partners, employees, customers and the social environment, but also to the natural environment. We continually monitor, develop and introduce new technological and environmentally friendly solutions which help us reduce the carbon footprint of our business activity. We believe that we can only be good managers of something what we can clearly define and measure. That is why we have carefully determined our sustainable development methodology, and specified indicators and strategic goals. In line with our philosophy of continuous improvement, the set of our indicators is increasing from year to year. And our goals are increasingly ambitious. It is essential that all professional fields within the Petrol Group are actively involved in this process, since we are striving to follow synergies in all the areas.

The drive of our development is the integral energy supply. We know that the importance of energy is globally and locally increasing, since it is one of the key factors of business competitiveness, modern life-style, and also sustainable natural balance. The Petrol Group is taking over its share of responsibility to create sustainable moves, transformations in the wider society. On the one hand, all this means bolder steps to increasingly greener energy sources and sustainable mobility. On the other hand, it creates effective management of all energy sources leading to the circular economy. The Petrol Group has developed a wide range of products and comprehensive business models, which has made us to be a partner of local communities and cities in paving their way to sustainability. Of course, our partnerships

with companies and other legal entities and with a growing number of households in the field of energy and water distribution management is increasingly important, too. The results we have achieved jointly are convincing. Our sustainability report reveals the amount of energy, material and environmental savings we have achieved through our projects. Awareness of necessary changes in behavioural pattern in the field of energy and material use is growing at all levels, and the Petrol Group sees its long-term sustainable mission in this particular field; not only in Slovenia but also in the wider region. Our values and mission are successfully being turned into actual business opportunities and economic stability of our business operations.

The economic power of the Petrol Group is essential to fulfil our sustainable mission. The scope and complexity of all areas within our business activity require substantial investments in multidisciplinary knowledge and development. Today, over 200 engineers and other experts are being involved in strategic development projects of the Petrol Group, and this number will rise in the future. The path to sustainability goals also demands greater investments in energy and environmental infrastructure either for smaller entities, government or for the wider region. The Petrol Group has so far paid considerable attention to such investments, and by 2018 additional 130 million euros of investments are being planned by the Petrol Group. More than a half of these funds are intended for services of efficient energy consumption, 15 % for developing the use of natural gas, 12 % for investing in environmental solutions and 11 % for investing in efficient heating within district heating systems.

Our 70th anniversary of operations encourages us to consider about what long-term cornerstones of the sustainable path really are. In view of our growth we can say we depend on our roots, tradition, and our integration in the environment. Therefore, we are committed to high corporate integrity which is being implemented at all levels of our business operations. Responsibility and transparency are an important part of the integrity, which is also reflected in the sustainability report. Each written data has its author behind it, who is fully authorised and competent for their work. Employees with high level of satisfaction and corporate affiliation are the best guarantor for sustainable success of the Petrol Group in the future.

You are kindly invited to our further cooperation on the way to sustainability!

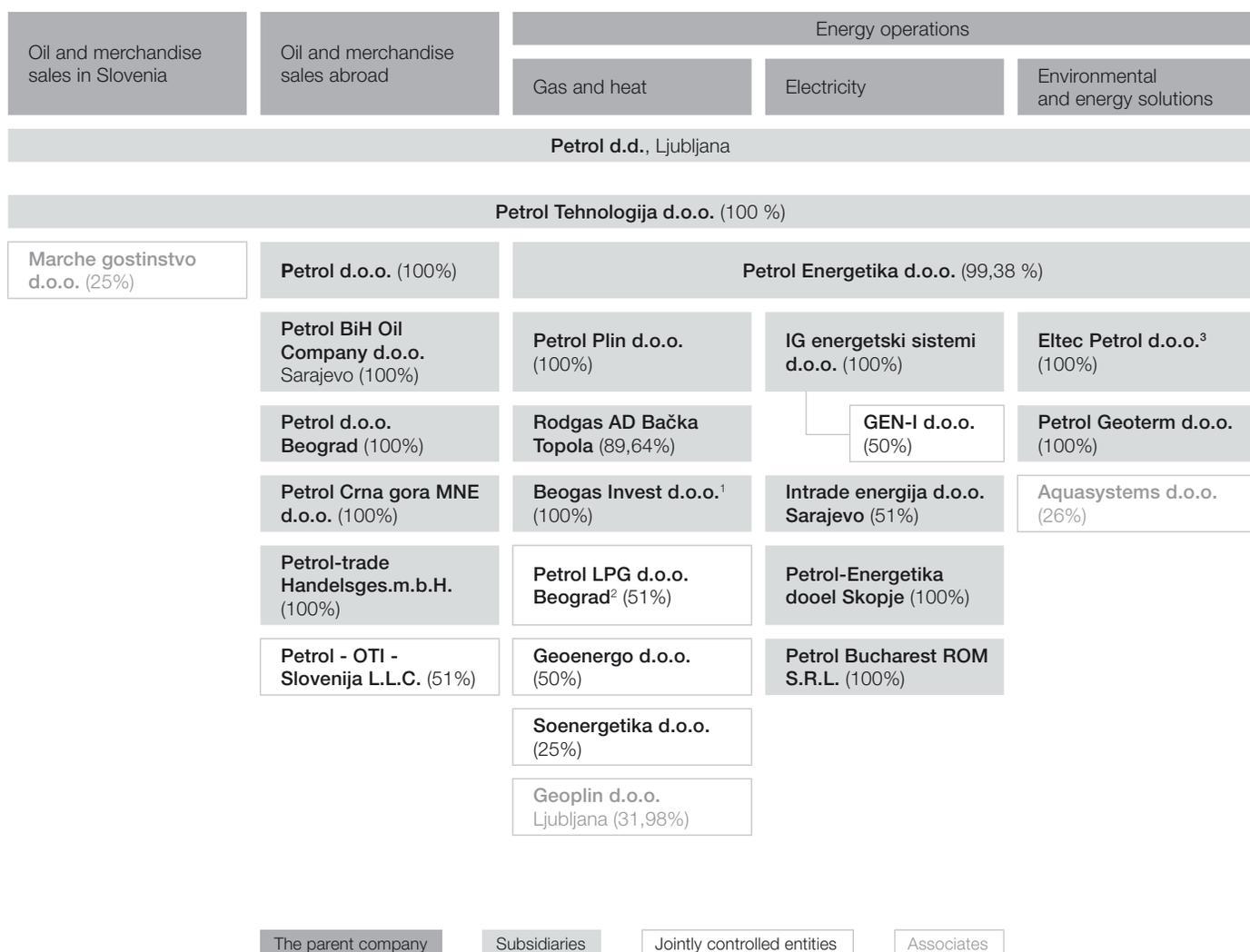
Tomaž Berločnik, MSc,

President of the Management Board



Presentation of the Petrol Group

The Petrol Group as at 31 December 2014



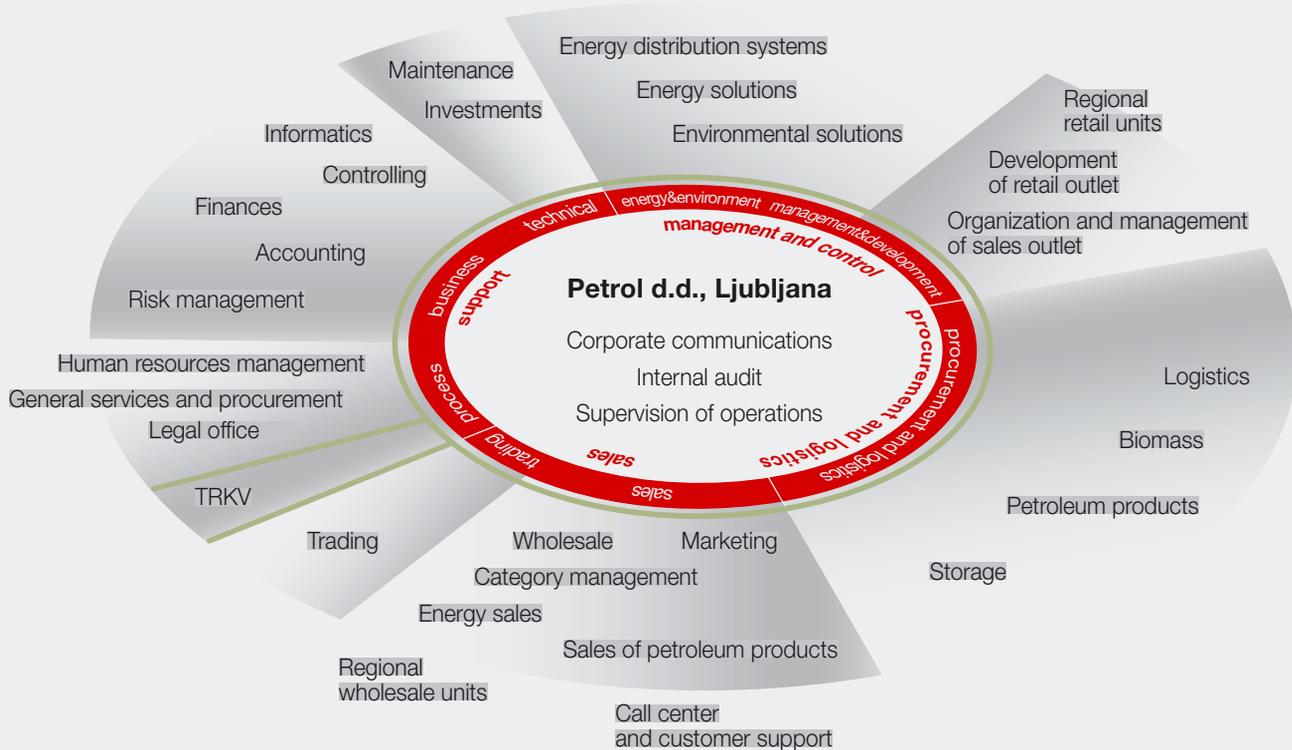
1 Beogas Invest d.o.o. has the subsidiaries Beogas d.o.o. and Domingas d.o.o.

2 Petrol LPG d.o.o. Beograd has the subsidiary Tigar Petrol d.o.o.

3 Eltec Petrol d.o.o. has the subsidiaries Eltec Petrol Hrvatska d.o.o. and Eltec Petrol d.o.o. Beograd.

How are we organized?

Organizational chart of parent company Petrol d.d., Ljubljana



TRKV = Technical Development, Quality and Safety, administrator of methodology for sustainable development of the Petrol Group

The Petrol Group has been steadily growing from a Slovenian petroleum trader to a comprehensive regional supplier of energy and environmental services. With our clear strategic orientation and development priorities the company is significantly shaping the Slovenian energy sector, and it is also an increasingly important player in the energy sector of South-East Europe. This strategic transformation had already led to changes made in the organisational structure of the parent company Petrol d.d., Ljubljana in 2013 and 2014. The company has been gradually developing from a typical hierarchical organisation and management system into a soft and circular business model of management where ideas, initiatives, decisions and implementations take place much faster, in greater dependence on and with greater cooperation of all professional ser-

vices within the company. This model provides for a greater development proactivity, market responsiveness and flexibility, and added value generated by mutual topmost professional knowledge sharing in a wide range of expertise. The foundation of all these management areas is sustainable development which is - in cooperation with the management board - strategically coordinated by our Technical development, quality and safety department. In compliance with the strategic model of Petrol's sustainable development and in cooperation with all organisational areas, the Technical development, quality and safety department communicates fundamental sustainable development, key strategic objectives and sustainable development indicators and their implementation. A significant part of sustainable management is sustainability reporting.

Mission

At Petrol, we offer a comprehensive range of energy and environmental products as well as services, providing consumers in Slovenia and SE Europe with a service that is reliable, economical and friendly to the environment. Thanks to our broad network of service stations, drivers are offered everything they need for a safe and comfortable journey. Businesses and local communities are given a full range of energy supply options at their disposal, while households are provided 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 SE Europe, and enjoy above-average customer satisfaction.

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: Using own ideas to make progress.
- 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 staff, we adhere to the fundamental legal and moral standards of the Slovene society and broader European standards, and we protect the environment.



Respect



Trust



Excellence



Creativity



Courage



Management Board

Tomaž Berločnik,
President of the
Management Board

Rok Vodnik,
Member of the
Management Board

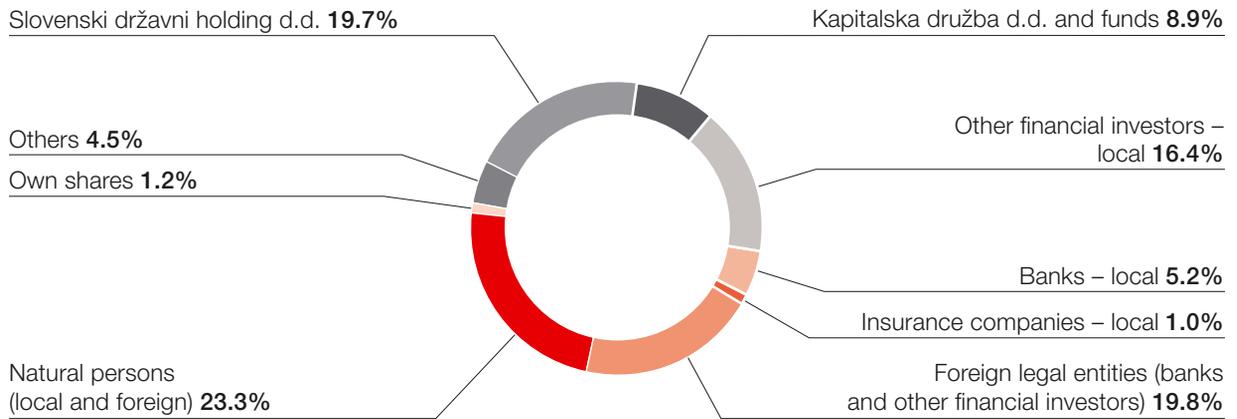
Janez Živko,
Member of the
Management Board
until 28. 2. 2015

Samo Gerdin,
Member of the
Management Board,
Worker Director

Igor Stebrnak is Member of the Management Board since 1. 5. 2015.

The members of the Supervisory Board of Petrol d.d., Ljubljana in 2014 were as follows:

Tomaž Kuntarič, shareholder representative President of the Supervisory Board	Employed in Gorenje Beteiligungsgesellschaft m.b.H.	Appointed at the 18 th General Meeting of 7 April 2009 for a four-year term of office and reappointed at the 23 rd General Meeting of 4 April 2013 for another term of office beginning on 7 April 2013.
Irena Prijović, shareholder representative	Deputy President of the Supervisory Board, Secretary General of the Slovene Directors' Association	Appointed as a replacement Supervisory Board member for the remaining term of office of Tomaž Berločnik at the 20 th General Meeting of 6 May 2010 and reappointed for another term of office beginning on 7 April 2013 at the 23 rd General Meeting of 4 April 2013. Member of the Supervisory Board until 22 April 2013 and Deputy President of the Supervisory Board thereafter.
Igo Gruden, shareholder representative Member of the Supervisory Board	Member of the Management Board of Probanka d.d.	Appointed for a four-year term of office beginning on 7 April 2013 at the 23 rd General Meeting of 4 April 2013.
Klemen Ferjančič, shareholder representative Member of the Supervisory Board	Employed by the company Plinovodi d.o.o.	Appointed for a four-year term of office beginning on 7 April 2013 at the 23 rd General Meeting of 4 April 2013.
Matija Blažič, shareholder representative Member of the Supervisory Board	Pensioner	Appointed for a four-year term of office beginning on 7 April 2013 at the 23 rd General Meeting of 4 April 2013.
Mladen Kaliterna, shareholder representative Member of the Supervisory Board	Chairman of the Board of the company Perspektiva d.d.	Appointed for a four-year term of office beginning on 16 July 2013 at the 23 rd General Meeting of 4 April 2013.
Andrej Tomplak, employee representative	Petrol d.d., Ljubljana, Head of Primorska – Novo mesto Retail Regional Unit	Appointed for a four-year term of office beginning on 22 February 2009 at the 4 th Workers' Council meeting of 16 February 2009. Reappointed for a four-year term of office beginning on 22 February 2013 at the 3 rd Workers' Council meeting of 4 February 2013.
Ika Krevzel Panić, employee representative	Petrol d.d., Ljubljana, Legal Department	Appointed for a four-year term of office beginning on 22 February 2013 at the 3 rd Workers' Council meeting of 4 February 2013.
Zoran Gračner, employee representative	Petrol d.d., Ljubljana, Energy Distribution Systems Organisational Unit	Appointed for a four-year term of office beginning on 22 February 2013 at the 3 rd Workers' Council meeting of 4 February 2013.

Chart 1: Share capital structure of Petrol d.d., Ljubljana as at 31 December 2014**Table 1: 10 largest shareholders of Petrol d.d., Ljubljana** as at 31/12/2014

Shareholder	Address	Shares owned	Holding in %
1 Slovenski državni holding, d.d.	Ljubljana	412,009	19.75
2 Československa Obchodni BANK, A.S. - FID	Praga	266,771	12.79
3 Kapitalska družba, d.d.	Ljubljana	172,639	8.27
4 Vizija holding, k.d.d.	Ljubljana	71,676	3.44
5 Vizija holding ena, k.d.d.	Ljubljana	63,620	3.05
6 NLB, d.d.	Ljubljana	63,183	3.03
7 Nova KBM, d.d.	Maribor	42,985	2.06
8 Zvon Ena Holding d.d. - v stečajju	Maribor	36,000	1.73
9 SOP Ljubljana	Ljubljana	25,628	1.23
10 Petrol d.d., Ljubljana	Ljubljana	24,703	1.18

Locations of our operation

The Petrol Group generates the bulk of its revenue in the Slovenian and Croatian market, but our business is conducted also on other markets of SE Europe and the EU.



Petrol's activity in brief

The central activity of Petrol's business operations is trade in petroleum products across Slovenia, in the markets of South-East (SE) Europe and in the EU. Our trade in petroleum products is performed as retail and wholesale activity in Slovenia and SE Europe, and in the EU markets also as a wholesale. At the end of 2014 there were 315 petrol stations in Slovenia, 101 in Croatia, 38 in Bosnia and Herzegovina, 8 in Serbia, 8 in Kosovo and 9 in Montenegro. A comprehensive energy supply is one of the key factors of the long-term Petrol's growth. We provide a Slovenian customer with a comprehensive range of energy sources; apart from motor fuels also natural gas and liquefied petroleum gas (LPG), heat and electricity. Environmental and energy solutions also play an important role in our supply. We provide LPG to our customers in Croatia and Serbia where we have also entered the natural gas market. We are also becoming an increasingly important player in electricity markets in Slovenia, the EU and in SE Europe.

Management system

In the period 1 January 2014 to 31 December 2014, the Company was subject to the Corporate Governance Code (hereinafter: the Code) as jointly drawn up and adopted by the Ljubljana Stock Exchange, the Slovene Directors' Association and the Managers' Association of Slovenia. The Code in its revised wording was adopted on 8 December 2009 and entered into force on 1 January 2010. It is available both in Slovene and in English from the website of the Ljubljana Stock exchange at <http://www.ljse.si/>. The Company has not adopted a corporate governance code of its own. It is managed in accordance with the Companies Act and within the framework of the above Code. In compliance with the Code's recommendations, the Supervisory Board and the Management Board jointly drew up and, at the Supervisory Board meeting of 23 November 2010, adopted the Corporate Governance Policy of Petrol d.d., Ljubljana, which was then published via the Ljubljana Stock Exchange at the Supervisory Board meetings of 12 December 2013 and information system – SEOnet. The policy was updated 11 December 2014, and published via the Ljubljana Stock Exchange information system (the version currently in force is available at http://seonet.ljse.si/default.aspx?doc=PUBLIC_ANNOUNCEMENTS_BY_PRIME_MARKET_ISSUERS&doc_id=56476) on 23 December 2013 and 13 January 2015, respectively. It is also available, in Slovene and in English, from the website of Petrol d.d., Ljubljana (www.petrol.si).

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 Petrol d.d., Ljubljana is conducted in conformity with the law, Articles of Association as the Company's fundamental legal act, internal regulations, and on 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 of the Management Board and shall not have less than three and more than six members. The exact number of Management Board members, their sphere of duties and their powers are determined by a resolution adopted by the Supervisory Board at the proposal of the Management Board president. 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 2014 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.

Main strategic orientations underpinning the Petrol Group's development:

Key strategic orientations to be pursued by the Petrol Group up to 2019 are as follows:

- High sales growth
- Increase in net profit and the profitability of operations
- Higher added value per employee
- Increased return on assets
- Long-term financial stability
- Focus on quality and business excellence
- Long-term environmental orientation and commitment
- Ensuring good working conditions

The Petrol Group's main targets for 2019 are as follows:

- Net sales revenue of EUR 4.5 billion
- EBITDA of EUR 172 million
- Net profit of EUR 79 million
- Net debt to EBITDA ratio of 2.4
- Investments in fixed assets of EUR 308 million in the period 2015–2019
- Retail network consisting of 528 service stations
- 3 million tons of petroleum products sold
- Revenue from the sale of merchandise of EUR 567 million
- 133 million m³ of natural gas sold
- 11 TWh of electricity sold
- 199 thousand MWh of heat sold

By achieving these goals we will strengthen long-term financial stability of the Petrol Group. 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. Through a stable dividend policy we will ensure a balanced dividend yield for shareholders and the use of free cash flows to finance the Group's investment plans. This will allow for long-term growth and development of the Petrol Group, maximising its value for the owners.

The Petrol Group's sustainable strategy

We are responding to numerous sustainable challenges of the wider environment by applying our sustainable strategy, and we are trying to shift these challenges into our business opportunities as much as possible. Available (i.e. in sufficient quantities and at reasonable prices), pure and efficient energy is a long-term energy objective of the EU which would

like to be among the key players tackling global climate change. As one of the key energy traders in Slovenia and SE European countries the Petrol Group is striving to play its active role in increasing its energy independence, energy efficiency and the proportion of renewable energy sources (RES) in our markets. In the long term we are aiming at making an increasingly greener energy mix, also in terms of sustainable mobility. Our transition to a circular economy is considered as an opportunity for a greater material efficiency and for providing

new green workplaces. While doing so, we are also reducing the carbon footprint. With our sustainable strategy we are striving to reduce the use of primary raw materials, waste selection at source, to generate as clean fractions as possible and to increase the material processing. In locations where the latter is not possible or reasonable, we are developing our waste to energy (WtE) activity.

The drive of the future development are cities, since 75% of the total global population will be living in cities by the end of 2050. At the same time citizens consume over 70% of the total energy. Not only from an energy point of view but also from the perspective of managing all natural (re)sources, cities represent the central sustainable focus of the Petrol Group. Our long-term strategy, which is also followed by our investment policy, means development of integrated infrastructure services in several aspects of city life for their transition to more sustainable cities (MUSCO Company).

We are responding to sustainable challenges with a range of ambitious and development-oriented programmes.

- To end-users we guarantee long-term optimal energy spending. According to our model of contractual assurance of energy savings we offer so-called "negawatts". We also offer a comprehensive energy solution in buildings, for industry and households.
- Petrol is becoming an important partner in energy efficient management of cities and ur-

MUSCo

MULTI-UTILITY
SERVICE COMPANY



ban settlements. For local communities it also provides effective management of the existing systems and construction of new energy efficient systems of district heating where at least 50% of heat is generated from RES (biomass, geothermal energy) or from a combined heat and electricity production (cogeneration) with high energy efficiency. Our strategic objective by 2018 is to increase the production of heat intended for heating from RES and in combination with the cogeneration system for additional 60 GWh, i.e. to double the existing range.

- Energy generated from organic waste (WtE) and water cycle management complete our comprehensive supply of managing urban settlements and cities. In this way we enable our partners to utilise their own potential and consequently to achieve a higher level of their energy independence. By 2018 the Petrol Group is planning to expand all its proven business models in the fields of waste water treatment and waste to energy to its target markets.
- In the heating segment we are speeding up the transition of end users to the use of natural gas by introducing new technologies, such as condensing boilers and gas heat pumps. In this particular field it is our middle-term objective to speed up our transition with the use of natural gas as a transition energy source to a low-carbon company in the existing networks. By 2020 we are striving to distribute over 130 million m³ of natural gas, which will largely replace the use of heating oil in boiler rooms with average efficiency between 60-70%. With the introduction of modern technologies we are increasing energy efficiency by 15 -20% for end users.
- Petro Group is strategically promoting gas as motor fuel, transition to hydrogen technology and e-mobility. We are aware that the network

development for LPG and CNG filling stations depends on increasing the use of gas in traffic, which will additionally reduce emissions of solid particles and CO₂ in traffic. Our activities are directed at promoting the processing of cars powered by LPG instead of petrol. With development of additional filling stations we want to achieve a 5% proportion of the entire vehicle fleet in Slovenia.

- Electricity is becoming an increasing ultimate energy source in all segments of consumption. For this reasons, the Petrol Group is intensively directing its business activity at electricity production. This production will strategically be based on energy potential of wind and water and will account for three quarters of the whole electricity production in the Petrol Group by 2020. The volume of our own production is projected over 250 GWh by the same year, and this will represent approximately 20% of total sales to end users.

To achieve the strategic objectives of sustainable development, the Petrol Group is going to recruit 470 professionals in the fields of energy and environment by 2018, which will be implemented by investing over 130 million euros: 54% in services of efficient energy use, 12% in investments of environmental solutions, 11% in investments of efficient heating with district heating systems, 9% in investments which will increase the use of LPG, and 15% in developing the use of natural gas. Additional investments are planned to increase our own production of electricity from RES. Our long-term strategy in this particular field is made until 2030.

AS A STRATEGIC PARTNER WE FOSTER SUSTAINABLE DEVELOPMENT OF CITIES



Marta Svoljšak Jerman, Ph.D., B.Sc. in Chemistry

Technical Development, Quality and Safety Manager, Petrol d.d., Ljubljana

The Petrol Group is becoming a so-creator of sustainable mobility. Cars today are being equipped with numerous new drive sets with various levels of electrification and with completely new concepts. At the same time, also traditional engines with internal combustion are going through a complete transformation phase. Alternative energy sources are gaining recognition including autogas (LPG) and alternative fuels in transport. In this period we need to identify which technologies should be given priority and which to expose, and thereby taking the existing infrastructure of energy sources into account. Based on real data we will help shape the conception of sustainable mobility in the region, since the region is malnourished with public infrastructure, and therefore the potentials for the so-called public-private partnerships are now being provided.



Sustainable development methodology guardian of the Petrol Group

Petrol as the ambassador of corporate integrity

The Petrol Group can pursue its objectives only by complying with applicable regulations and its Guidelines of corporate integrity. In the course of our operations we will constantly follow high standards of business ethics and create the organisational culture which will encourage lawful, transparent and ethical conduct and decision-making of all the employees. We will strengthen and spread around among the employees and business partners the awareness of the importance of compliance of operations. We will follow the principle of zero tolerance with respect to unlawful and unethical conduct with employees and business partners. Petrol d.d., Ljubljana became the ambassador of Slovenian guidelines of corporate integrity on 14 October 2014, and has established mechanisms for raising employee awareness, promoting conduct consistent with corporate values, as well as for accepting complaints, implementing investigations and sanctioning misconduct. Complaints can be submitted anonymously to kodeks@petrol.si or to the organisational unit Control of the operations. All bona fide applicants are assured with anonymity and protection.

On behalf of the Petrol Group its commitment to respect Slovenian Corporate Integrity Guidelines was signed by Tomaž Berločnik, president of the management board: "The company Petrol is a strong supporter of adopting guidelines of corporate integrity. We respect them, and to a great extent we are implementing them. Petrol adopted Petrol's Code of Conduct in 2012 comprising a set of rules, standards of conduct, and expected conduct. The Code also defines how to operate in the company.

The value of the Code is even greater since it involves many employees who actively participated in the process of making it. However, a written piece of paper does not have a real value without its implementation in practice. Its value is achieved by living the Code. The same will apply to the corporate integrity guidelines signed today."

Our involvement in professional and social environment

We are a member of several economic and social associations, institutes and chambers: Chamber of Commerce and Industry Slovenia (orig. Gospodarska zbornica Slovenije), Slovenian Chamber of Commerce (orig. Trgovinska zbornica Slovenije), Association of Employers in Slovenia, Association of Supervisors in Slovenia, Slovenian Association for Quality and Excellence, SNNK (Slovenian National Oil and Gas Committee), GIZ UNP (Economic interest group for LPG), SIST (Slovenian Standardisation Institute), American Chamber of Commerce, German-Slovene Chamber of Commerce, UPEI (Union of European Petroleum Independents), OME (Observatoire Méditerranéen de l'Energie), etc. By participating in all these organisations, their bodies and committees we actively participate and implement our interests, and gain new knowledge.

Brands

Our brands and symbols are strategically managed within the Petrol Group. We have registered over 20 brands in international markets, and more than 90 in Slovenia. The most important brands and symbols are labelled with the logo.



Energy for life



Petrol's responsibility for our own conduct

We assume full responsibility for our conduct within the Petrol Group. We are part of the Programme of Responsible Conduct, which as a global initiative of chemical industry to improve its own management in the areas of health protection, safety and environment. Within this programme chemical industry promotes responsible conduct in terms of health and environment in their broadest sense, and open communication with stakeholders and public. The programme comprises introduction of cases of good practice, normally through management systems, particularly in the fields of occupational health and safety (OHS), environmental protection and careful and safe handling with chemical products from 'cradle to grave' or from 'cradle to cradle'. The aim is to regularly improve the achievements in the above mentioned fields, which is measured by 16 parameters; three of them measure achievements of OHS, and the rest parameters measure management of the environment including the rational use of energy.

We manage reporting indicators and certification in the field of trade with petroleum products in Slovenia. In accordance with our model of sustainable development the sustainable indicators of our conduct are reported in compliance with the international GRI-4 reporting framework (see page 20).



Petrol's prizes and awards

The Petrol Group is aiming at excellence in all the areas of our operations. We are pleased to see that the wider and professional public has recognised that. We have received a great number of prestigious awards.

2013 – MasterCard Mobile Shopping Awards 2013: The winner among mobile applications in Slovenia and the final 4th place in SE Europe | MasterCard Europe

2013 – POMP: the best mobile application | PM, poslovni mediji d.o.o.

2014 – DiggIt, a gold prize in category Sales for the communication project, research of customer satisfaction at petrol stations | Marketing magazin in TSmedia

2013 – Finance, business daily newspaper: the best sustainable report

2014 – Prizma, Slovenian professional prize in the field of public relations: communications campaign of gamification learning Petrol's Ambassador

2014 - Finance, business daily newspaper and Business Academy: the best annual report in category of communications

2014 – VIP test of Slovenian Consumers' Association: Quality support of gas supply service of two call centres: Petrol 080 22 66 and Petrol Energetika 080 11 23.



Sustainability reporting

development. Not only economic-political trends in the international environment are important for the stability of our business and its development perspective. Much focus is given to stabilising fragile natural balance, climate change, necessary changes in the field of mobility, energy sustainability, and

to responsible management with the comprehensive set of natural (re)sources. We are willing to face demographic and social changes which bring new and fresh life patterns.

The Petrol Group is not only competent to respond to these concrete and serious indications. Because of our size and importance in our markets we feel responsible for co-management of such challenges. For this reason the top management of the company is responsible for all dimensions of sustain-

able development. According to the organisational structure of the company the Technical development, quality and security department is the custodian of the methodology of sustainable develop-

ment within the Petrol Group. This department is also responsible for the integral quality system and it coordinates activities among companies and professional fields within the Petrol Group. Petrol's report on sustainable development is an integral part of sustainable activities of the company. It is based on the sustainable strategy and its implementation, and it reflects relations with our key stakeholders. These are identified according to their expressed interests of both sides. With each of the key stakeholder groups we maintain correct and in-depth relations carried out through mutual communication channels. We are proud to traditionally maintain personified relationships with all key stakeholders as much as possible and also a high level of responsiveness despite of our size and the system complexity. Furthermore, we continually add new communication channels in accordance with meeting new needs which are proactively identified in our daily communication with our stakeholders. One of the significant communication tools is the sustainability report. Petrol's sustainability report 2014 is the second in the row and has the character of a biennial report. It was prepared following the GRI-4 guidelines. The first Petrol's sustainability report was issued two years ago for the year 2012. In the future our sustainability reports will be prepared every two years.

We know this is a kind of sustainable travel, so the sustainability report shows the analysis of the present situation, its comparison with the past data, and at the same time it predicts and looks into the future. Reporting is transparent and exact regarding the data currently available in the Petrol Group. The following attributes are essential when select-

GRI-4

INDICATORS OF OUR REPORTING

100%

INVOLVEMENT OF ALL PROFESSIONAL SERVICES IN THE PETROL GROUP

Communication tools and relationships of the Petrol Group with its key stakeholders

Key stakeholders	Communication tools, relations
Communication tools, relations	Employee researches, Tell the Management Board, Internal communication tools: Intranet, internal newsletter, bulletin boards, events for employees and others
Customers	Web site, Tell Petrol system, Social networks (Facebook, Twitter, YouTube ...) Center of energy solutions (personal advices) Call center Personal contacts Other communication tools: loyalty campaigns, events, etc.
Suppliers	Website, personal contacts, annual report, sustainability report and others
Shareholders / Financial releases	Website, annual report, sustainability report, investors' conferences, personal meetings
The legislature / political public / professional public	Expert papers in the context of professional associations, chambers of commerce, forums
Research and development community	Technical articles, symposiums, forums, professional conferences, consultations etc.
Social environment	Sponsorships, donations, humanitarian and other socially responsible projects, Facebook, My Petrol

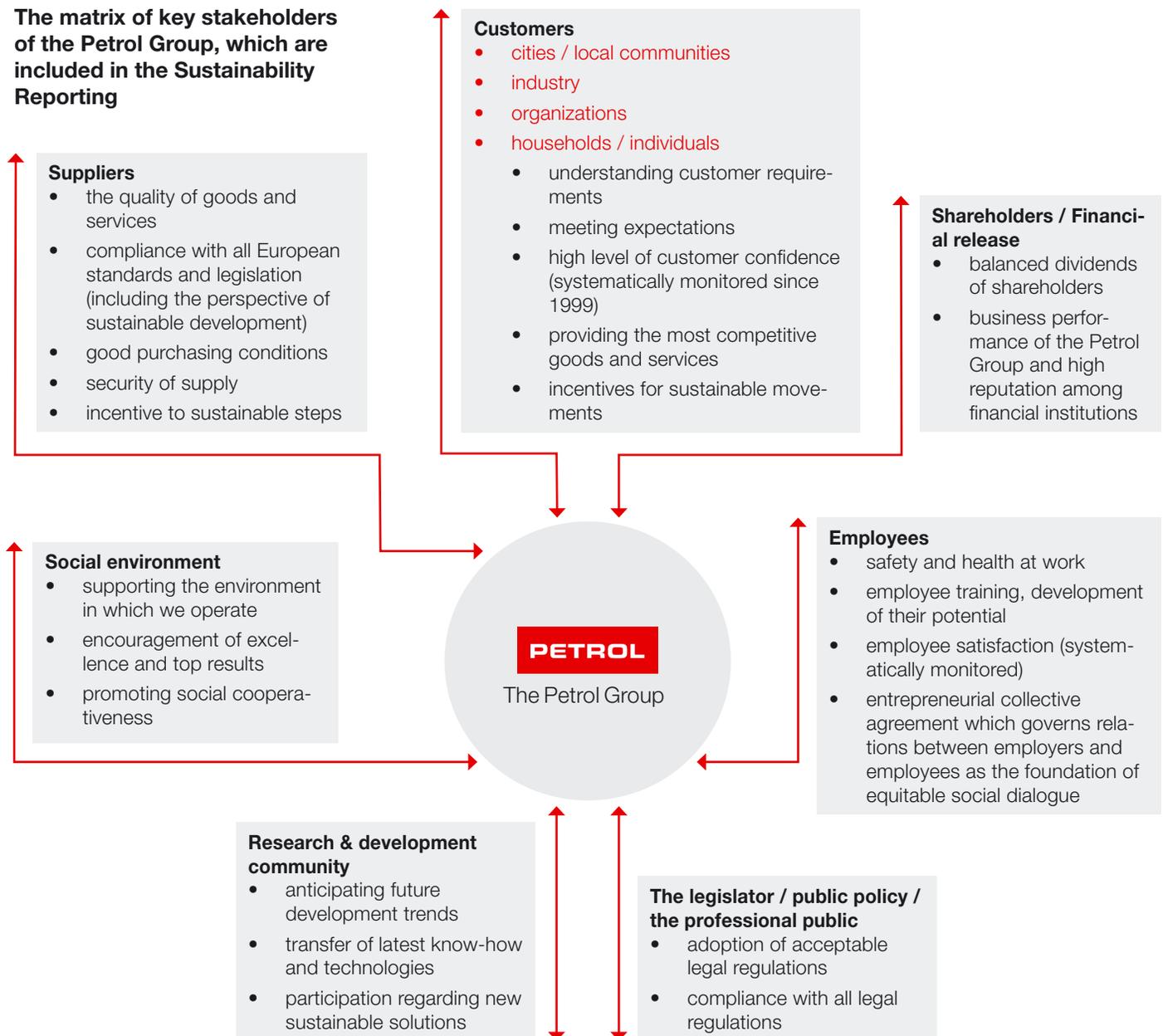
ing the content: relevance, stakeholder involvement and sustainable context. In our process of making the content we strived for balance, comparability, accuracy, clarity and reliability of the data.

Based on the matrix of key stakeholder and the strategy of the sustainable development of the Petrol Group, our key areas of interest were identified. This was not an easy process, since complexity of our business activity comprises a wide range of various areas of interest. We selected those areas which mostly influence our sustainable footprint. Petrol's sustainable indicators measure our efficiency of the sustainability path. In comparison with the first Petrol's sustainability report the second one was significantly extended, and thereby additional drivers of

long-term management of sustainable development appeared in new areas, which is also our strategic objective.

We understand our sustainable conduct in accordance with the philosophy of life-cycle assessment (LCA), so our selected key indicators show our sustainable conduct within the scope of our suppliers and customers. This trend of sustainable influence will be further expanded in the future, since our sustainable conduct gradually influences sustainable transformation of the wider society. A custodian of reporting on Petrol's sustainable development is Marta Svoljšak Jerman, Ph.D., the head of the Technical Development, Quality and Security department.

The matrix of key stakeholders of the Petrol Group, which are included in the Sustainability Reporting



Economic view of sustainable development

PETROL

Aiming to be
the best at what
We do.

„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, stake-
holders, business partners and society as a
whole.“ (PCC)



Business highlights

With comprehensive energy supply as our guiding principle, the Petrol Group remains engaged primarily in the sale of petroleum products in all markets in the wider region. In 2014 the Petrol Group generated EUR 4.0 billion in sales revenue, up 2 percent from 2013. Gross profit stood at EUR 339.5 million, which was 1 percent more than in the previous year. Operating profit totalled EUR 95.9 million or 2 percent more than in 2013, with net profit amounting to EUR 60.7 million, an increase of 15 percent over the year before.

The Group sold 2.8 million tons of petroleum products in 2014 or 1 percent more than in 2013. In 2014 a very good sales performance was delivered in SE Europe markets, where we have been able to position ourselves as an important business partner despite demanding economic conditions. In 2014 we generated over EUR 476 million in revenue from merchandise sales. We are expanding our retail network through which we served customers at more than 479 service stations in 2014.

The parent company's principal activity is trading in petroleum products and selling other merchandise and services. With its 315 service stations, it has a 58-percent share of the Slovene retail market in

petroleum products. It generates the greater part of the Group's revenue and profits. The Company ended the year 2014 with sales revenue of EUR 3.3 billion, up 1 percent on 2013. It generated 75 percent of its sales revenue through petroleum product sales, 13 percent through merchandise sales, and 12 percent through the sale of natural gas, electricity, heat and services.

Petrol d.d., Ljubljana's sales revenue consisted of the sale of:

- 2.5 million tons of petroleum products, up 3 percent relative to 2013,
- 26.1 million m³ of natural gas, down 5 percent relative to 2013,
- 7.4 TWh of electricity, up 80 percent relative to 2013,
- 23.1 thousand MWh of heat, up 34 percent relative to 2013, merchandise totalling EUR 431.8 million, up 1 percent relative to 2013.

Gross profit stood at EUR 249.0 million, which was on a par with the previous year. Operating costs totalled EUR 179.9 million or 2 percent more than in 2013. The costs of materials amounted to EUR 11.7 million or 16 percent more year-on-year, which was due mainly to the higher costs of consumables. The costs of services stood at EUR 106.1



million and were down 1 percent from 2013, thanks to a decrease in property management costs (Petrol Maloprodaja Slovenija d.o.o.'s merger into the parent company effective 1 October 2014 and the resulting increase in labour costs). Labour costs amounted to EUR 30.7 million and were up 14 percent year-on-year, primarily on account of the merger of Petrol Maloprodaja Slovenija d.o.o. into the parent company effective 1 October 2014 (with property management costs falling as a result). The depreciation and amortisation charge totalled EUR 29.3 million, an increase of 6 percent relative to 2013. This was due predominantly to investments in environmental and energy solutions projects and in information technology.

Operating profit totalled EUR 74.8 million or 4 percent less than in 2013. Net finance income stood at EUR –30.2 million, which was EUR 12.9 million more than in 2013, thanks in particular to a EUR 15.2 million increase in the positive net effect of derivatives relative to 2013 and a EUR 4.3 million

decrease in allowances for receivables.

Pre-tax profit stood at EUR 48.5 million, up 24 percent on 2013, with the net profit of Petrol d.d., Ljubljana for the year 2014 totalling EUR 41.1 million or 36 percent more than in 2013.

Total assets of Petrol d.d., Ljubljana amounted to EUR 1,345.4 million as at 31 December 2014 and were down 3 percent from 2013. Non-current assets stood at EUR 868.5 million, down 2 percent year-on-year, with current assets amounting to EUR 476.9 million or 5 percent less as compared to 31 December 2013.

The equity of Petrol d.d., Ljubljana as at 31 December 2014 equalled EUR 419.8 million, which was 5 percent more than at the end of 2013.

The Petrol Group enjoys the trust of the international financial community, which was demonstrated by the successful issuance of 5-year eurobonds worth a total of EUR 265 million.

Table 2: Business highlights of the Petrol Group in 2013 and 2014

THE PETROL GROUP	UM	Results		Index 2014 / 2013
		2014	2013	
Net sales revenue	EUR million	4,014.3	3,947.3	102
Gross profit	EUR million	339.5	337.6	101
Operating profit	EUR million	95.9	93.8	102
Net profit	EUR million	60.7	52.8	115
Equity	EUR million	503.3	467.7	108
Total assets	EUR million	1,554.0	1,617.4	96
EBITDA ¹	EUR million	138.1	133.5	103
EBITDA / Average fixed assets	%	17.1	16.5	104
EBITDA / Gross profit	%	40.7	39.6	103
Operating costs / Gross profit	%	74.3	74.0	100
Net debt / Equity ²		1.01	1.13	89
Earnings per share ³	EUR	29.5	25.6	115
Share price as at period end	EUR	284.0	218.0	130
Volume of petroleum products sold	million tons	2.80	2.77	101
Volume of liquefied petroleum gas sold	thousand tons	68.3	68.5	100
Volume of natural gas sold	million m ³	112.6	121.8	92
Electricity sold	TWh	8.7	4.9	178
Revenue from the sale of merchandise	EUR million	476.1	474.8	100
Investments in fixed assets	EUR million	58.5	86.1	68
Number of service stations as at period end		479	476	101
Number of employees (including at third-party managed service stations) as at period end		3,912	3,945	99

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

Chart 2: Number of service stations

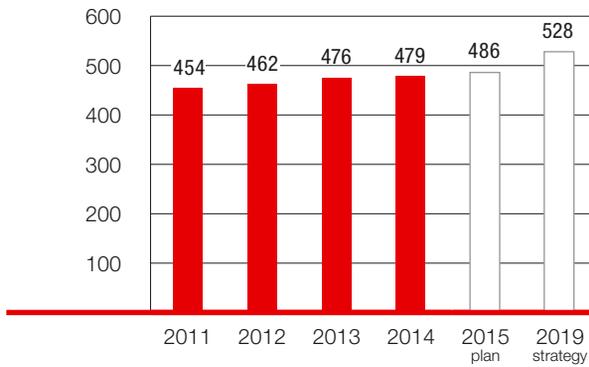


Chart 3: Volume of petroleum products sold (million tons)

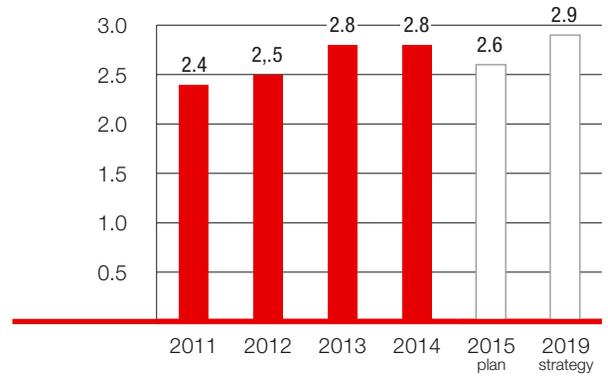


Chart 4: Revenue from the sale of merchandise (EUR million)

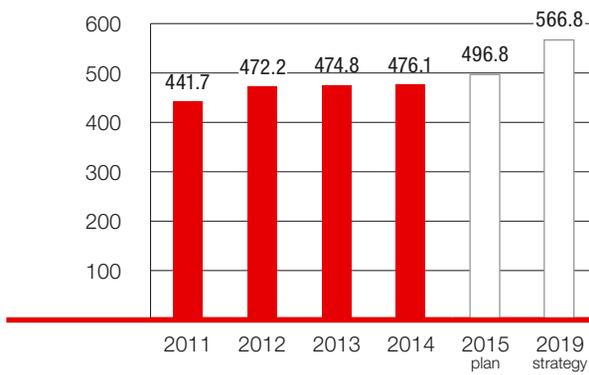


Chart 5: EBITDA (EUR million)

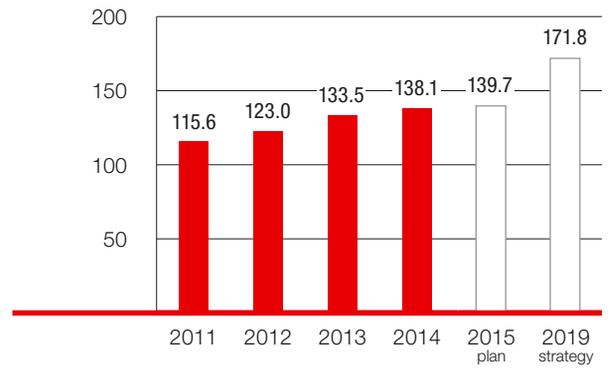


Chart 6: Net profit (EUR million)

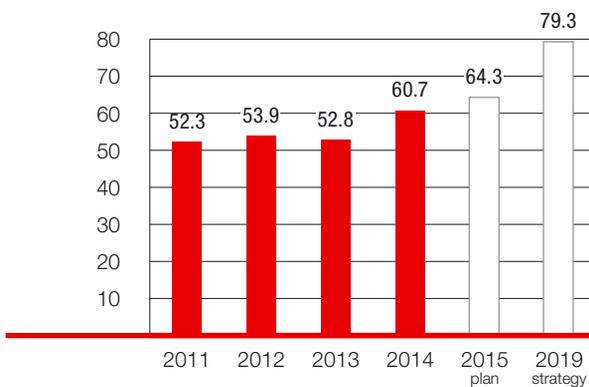


Chart 7: Breakdown of the Petrol Group's investments in 2014

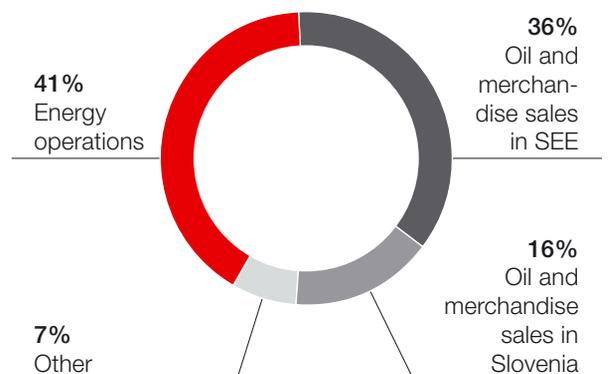


Table 3: Directly created and distributed economic value of the Petrol Group and Petrol d.d., Ljubljana

Directly created economic value (EUR) in 2014		The Petrol Group	Petrol d.d., Ljubljana
A	Revenue		
	- Sales revenue	4,014,302,791	3,281,032,265
	- Financial revenue	48,389,834	39,979,603
	- Gain on disposal of fixed assets	2,768,660	2,112,121
	TOTAL	4,065,461,285	3,323,123,989
B	Operating costs		
	Cost of goods sold	3,674,840,248	3,032,017,472
	Costs (without labour costs)	189,231,750	149,186,052
	TOTAL	3,864,071,998	3,181,203,524
C	Labour costs	63,032,225	30,743,573
D	Pay-out to capital owner and other financial suppliers and other suppliers of financial expedients		
	Dividend payments	20,822,140	20,822,140
	Interest expense	28,878,445	26,626,280
	TOTAL	49,700,585	47,448,420
E	Income tax	9,792,614	7,371,915
F	Investments in social environment		
	Sponsorships and donations	1,392,051	1,153,821
	Environmental charges and charges unrelated to operations	978,069	155,666
	TOTAL	2,370,120	1,309,487

Table 4: Sales revenue considering geographic areas in which the Petrol Group operates (in EUR)

Country	2014	2013
Slovenia	2,414,615,106	2,527,952,943
Croatia	599,092,116	545,049,534
Bosnia and Herzegovina	219,708,582	214,043,526
Montenegro	42,550,228	33,723,534
Serbia	60,957,647	31,964,258
Austria	292,850,232	327,752,051
Other countries	384,528,880	266,837,108
Total	4,014,302,791	3,947,322,954

60%

OF REVENUES
GENERATED IN THE
DOMESTIC MARKET BY
THE PETROL GROUP

Table 5: Sales revenue of the Petrol Group by business activities in 2013 and 2014

in 000 EUR	2014	2013	Index 14/13
Oil and merchandise sales	3,483,784	3,544,892	98
Energy activities	530,519	402,431	132
Total	4,014,303	3,947,323	102

Petrol's shares and payments to shareholders

Petrol's shares are traded on the prime market of the Ljubljana Stock Exchange (LJSE), and have been listed there since 5 May 1997. In 2014 the volume of trading in Petrol's shares at the stock exchange amounted to EUR 45.5 million, up 89 percent from 2013. Petrol's shares were again one of the most traded among those listed on the Ljubljana Stock Exchange. The shares accounted for 22.42 percent of the index as of 22 December 2014.

30.3%

THE SHARE PRICE
WAS UP YEAR-ON-
YEAR

At the end of December 2014, the share price was up 30.3 percent year-on-year. The average price of Petrol's shares, which stood at EUR 279.22 in 2014, rose by 29 percent year-on-year. The share price ranged between EUR 215.45 and EUR 310.00 in 2014.

The volume of trading in Petrol's shares at the stock exchange amounted to EUR 45.5 million in 2014 and was up 89 percent from 2013. The increase in the trading volume is the result of a higher average share price in 2014 relative to the previous year and a rise in the number of shares traded.

The trading in Petrol's shares accounted for 7 percent of the LJSE total trading volume of EUR 686.3 million and 8 percent of the share trading volume.

Table 6: Overview of dividend payments in 2009-2013

Business period	Total dividend payments in accordance with a resolution of General Meeting		Gros dividend per share
	in EUR		in EUR
2009	12,309,175.90		5.90
2010	15,647,257.50		7.50
2011	17,211,983.25		8.25
2012	20,863,010.00		10.00
2013	21,071,640.10		10.10

Chart 8: Total dividend payments in 2009-2013
(in 000 EUR)

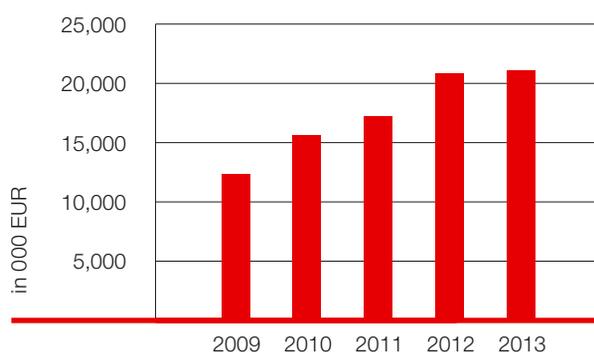
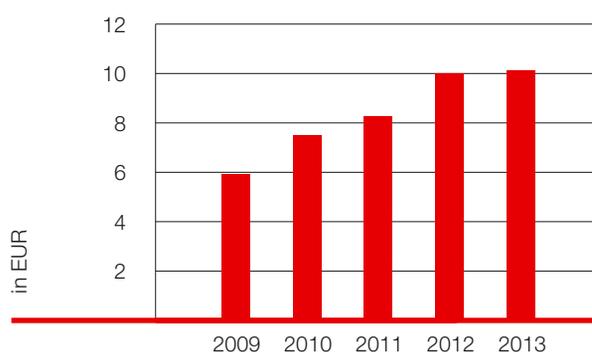


Chart 9: Gros dividend per share (in EUR)



Key risks and business risk management

The Petrol Group uses a comprehensive business risk management system to continuously monitor the risks in its business environment, making sure that the Company's key risks are identified, assessed and controlled in due time. Business risk management is integrated into the entire organisational structure and all levels of the business process. Risk management is the responsibility of every employee of the Petrol Group, since they are

daily exposed to risks by their decisions and actions.

Petrol's business risk model consists, in substance, of a set of 20 business risk categories divided into two major groups: environment risks and performance risks (Table 7). At Petrol, risks are assessed every two years, with the last assessment of the Petrol Group's business risks taking place in 2013, next will take place in 2015.

Table 7: Business risk categories within the Petrol Group

I. Environment risks		
I.1. Political risks	I.3. Economic environment risks	I.5. Disaster risks
I.2. Financial environment risks	I.4. Legislation and regulation risks	
II. Performance risk		
II.1. Operating risks	II.2. Management and decision-making risks	II.5. Financial risks
II.1.1. Human resources management risks	II.2.1. Management risks	II.5.1. Price risks
II.1.2. Commercial risks	II.2.2. Business and financial decision-making risks	II.5.2. Credit risks (counterparty risks)
II.1.3. Safety and protection risks	II.2.3. Strategic decision-making risks	II.5.3. Liquidity risks
II.1.4. Risks of discontinued operations		II.5.4. Foreign exchange risks
	II.3. Information risks	II.5.5. Interest rate risks
	II.4. Risks of fraud and other illegal activities	II.5.6. Financial instruments risks

Plans for 2015

The Petrol Group operates in a competitive business environment both internationally and locally. In the international business environment, the most relevant factors influencing the Group's operations include price fluctuations in the oil market and the US dollar exchange rate, which both reflect global economic developments (mostly in the EU and in the United States, but with China and India also increasingly gaining in prominence). Petrol's local environment, on the other hand, is determined by government measures taken to regulate prices and the energy market as well as by the overall economic situation (economic growth, price growth rates, increase in consumption and production). The demanding economic conditions are expected to continue in Petrol's main sales markets (Slovenia and Croatia) in 2015.

Despite the persistence of the difficult and uncertain economic situation, the Petrol Group has set itself ambitious goals for 2015. To achieve them, the Group will pay particular attention to the streamlining of operational and supporting business processes in 2015.

The Petrol Group's main business targets for 2015:

- Net sales revenue of EUR 3.8 billion
- Net profit of EUR 64.3 million
- 2.6 million tons of petroleum products sold
- Revenue from the sale of merchandise of EUR 496.8 million
- 9.0 TWh of electricity sold
- Retail network consisting of 486 service stations
- Investments in fixed assets of EUR 64.5 million

In 2014 we drew up the strategic business plan of the Petrol Group for 2015–2019, which is a fundamental corporate document defining the business future of the Petrol Group based on its mission, vision, values, goals and strategies. The document specifies the main operational guidelines to help us achieve long-term growth and development.

We seek to achieve business excellence in all areas of our business. We are the first company trading in petroleum products, gas and other energy products that is positioned as a sustainable, socially responsible company in Slovenia. At Petrol, we are aware of our close links to the business and social environment. We therefore foster good and productive relations with all stakeholders.

Petrol and social environment





Sustainable relationship with employees

Employees are one of the strategic stakeholders of the Petrol Group. For this reason its human resources management comprises a well-considered employment policy, an effective remuneration and promotion system, care for education, training and personal development of employees. It also monitors employee satisfaction and their commitment to

work. There were 3,912 employees in the Petrol Group at the end of 2014, which represents 2% more employees than at the end of 2012. There are 66 % male and 34 % female workers within the Group. In recent years the employee structure has been improving on behalf of female workers. Compared to 2009 the proportion of female workers of the Petrol Group has been increased by 4.3 %, and compared to 2003 this proportion has increased by 9.5%.

The number of jobs for indefinite period of time is still prevailing in the Group. There are only a small number of employees having a fixed-term employment contract, and this number has been decreasing in the last recent years. At the end of 2014 there were only 9.3 % or 362 employees with a fixed-term

employment contract. This number is 10 % smaller compared to the number of fixed-term employment contracts in the period 2009-2013. During that period the rate of employees with a fixed-term employment contract was between 17 and 19 %.

The company Petrol has adopted a Code of Conduct comprising all written fundamental principles of its business practice and operations. Prohibition of discrimination of any kind, harassment and ill-treatment of employees are an integral part of the Code. One of the tools of HR management and development within the Petrol Group is an annual interview. During the annual interview the HR manager and an employee define goals and the development path of the employee, which stimulates and motivates employees. In 2014 Petrol's annual interview was upgraded by the 360° Competency Assessment Model, with which Petrol's staff potential has been assessed much better and targeted opportunities for personal development of the staff have been thoroughly determined.

The model of nine core competences is designed for the management and high-skilled professional workers and for sales representatives of the Group. The model includes identification of any deviations of the achieved level of individual competences over the expected ones in several fields; management and development of employees, customer relations and relations among the employees, self-

Table 8: Learning in the Petrol Group

Training participants in the Petrol Group	2010	2011	2012	2013	2014
The average number of teaching hours per employee	18.3	21.3	20.7	21.8	22.6
The total number of training attendances	7,738	12,599	11,735	11,934	11,802

3,912

EMPLOYEES

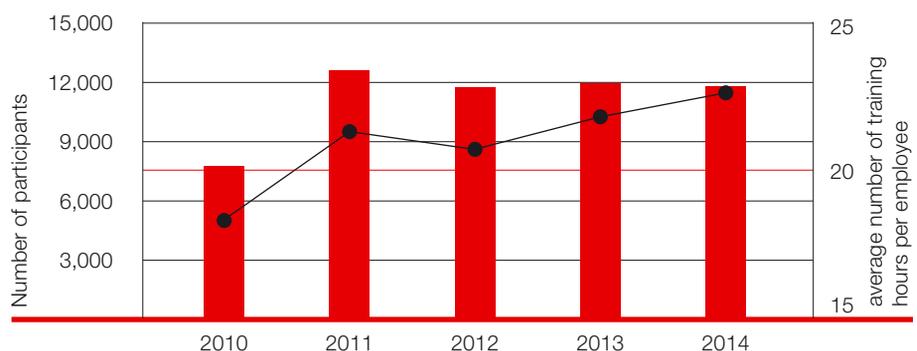
90.7%

JOBS FOR INDEFINITE PERIOD OF TIME

2%

MORE EMPLOYEES THAN AT THE END OF 2012

Chart 10: The number of participants and the average number of training hours per employee in the Petrol Group



initiative and innovativeness, project management and achieving business performance. 11,802 Petrol's employees attended various forms of education and trainings in 2014. Among those, 29 employees were involved in a form of training leading to a formal level of education. 88,307 teaching hours of various forms of training were carried out, which represents 22.55 teaching hours of training on average per employee (see Table 8).

Increasing competences and skills of employees

Training of employees in Petrol is considered as a continuous learning process supported by all the associate companies of the Petrol Group. Its em-

ployees are also actively involved in this process. Petrol as a company operating in the service sector also focuses on development of skills, i.e. sales, communication and negotiation skills. We respect legislation and regularly train our employees to perform their work safely by acquiring licences and certificates of their expertise. 90% of all our trainings are performed in-house, which means a systematic and integral involvement of specific target groups of employees that are involved in our training process according to uniform standards. Our employees particularly attend the School for sales professionals, School for managers, School for instructors, Sales Academy, Purchase Academy and various workshops designed for different profiles of employees. Some employees are trained abroad

11,802

EMPLOYEES ATTENDED VARIOUS FORMS OF EDUCATION AND TRAININGS

360°

COMPETENCY ASSESSMENT MODEL UPGRADED THE PETROL'S ANNUAL INTERVIEW



25

PERSPECTIVE AND PROMISING EMPLOYEES STARTED AS THE SECOND GENERATION OF PETROL BUSINESS ACADEMY

whereby they perform an internal knowledge transfer to other work colleagues after their return. Over 26 internal knowledge transfers were carried out in 2014. Within our training process goals and standards of acquired skills and competences are determined. The acquired knowledge is examined through written tests, and the acquired skills are observed during the work of employees by qualified internal coaches.

Petrol Business Academy is a programme specially designed for development of young potentials within the company, and is performed jointly with the Faculty of Economics in Ljubljana. The second generation started with this programme in 2014 and includes 25 perspective and promising employees. This programme is designed for highly-motivated individuals selected among the employees who already have some years of work experience within the Petrol Group, and whose development potential has been recognised by the company's management.

To perform their tasks successfully these selected workers need fundamental knowledge and skills in the field of economics and business practice, which they will apply during their work on specific projects. The newly acquired knowledge and skills the participants of Petrol Business Academy will present to the management board of the company after their successful completion of the programme.

In 2014 a new server for e-learning was established. Interactive material for work safety, occupational health and for fire safety with the final examination has been introduced as the first distance learning programme. Distance learning has several advantages; it can take place wherever and whenever online, it saves time for transportation to the location of learning, learning dynamics is adjusted to an individual, etc. A professional coach is available for any questions of participants.

We have also introduced a learning method through gamification, i.e. through a computer game JollyDeck employees can compete with each other in showing their knowledge. The ones acquiring knowledge in the shortest time can also win awards. This is the method where indefinite number of employees can acquire necessary knowledge in a very short period of time. In 2014 two learning

WE INTRODUCED A DISTANCE LEARNING PROGRAMME

GAMIFICATION EXTENDS THE KNOWLEDGE OF EMPLOYEES



campaigns were carried out; the one in Slovenia with the title 'Get ready for winter' and the other one in Bosnia and Herzegovina titled 'Tyres and fuel'. In 2013 the learning campaign was carried out in Croatia. At the ceremony Golden Thread (orig. Zlata nit) we succeeded in being among the best three finalists of Golden Practice in 2013, and in March 2014 a project of introducing learning campaigns with JollyDeck was presented to general public.

Internal organisational climate of the company remains high

Petrol regularly assesses its internal organisational climate and employee satisfaction. We have participated in the project Slovenian Organisational Climate from its outset. In 2010 our research was upgraded and an in-depth survey of employee commitment was also carried out. Based on the outcomes obtained from our research the company annually prepares action plans to improve organisational climate in company's units with relatively poor and unsatisfactory results and to maintain a healthy climate and overall job satisfaction among employees in other parts of the company.

Just like in 2013 we could commend our good results also in 2014 (see Table 9). At the level of the entire Petrol Group all measured criteria (climate, management and development systems, job satisfaction and employee commitment to work) were highly rated and they almost completely remained at a high level from 2013. The average result of all categories of organisational climate is 3.73. The category of management and development systems was estimated 3.64, and the category job satisfaction and employee commitment to work was estimated 3.68. A significant result of our research in the last four years is also a continually decreasing number of employees who are not actively committed to their work. We also strongly improved the so-called macro indicator of occupational health of the entire company. The ratio between actively committed and not actively committed employees was 1:1 in 2010, and this ratio significantly improved to 2.2: 1 in 2014. If we compare these results of the same category with other Slovenian companies, the internal organisational climate of the Petrol Group is favourable and job satisfaction of Petrol's employees is higher than average job satisfaction in Slovenian companies.

Table 9: Internal climate of the Petrol Group

	2013	2014
Organisational climate (average)	3.75	3.73
Management and development systems (average)	3.66	3.64
Job satisfaction (average)	3.7	3.7
Participation	75	76
Index OCS	3.7	3.7
Employee commitment (average)	3.8	3.8
Committed (%)	40	39
Not committed (%)	42	43
Actively not committed (%)	18	18

3.73

AVERAGE RESULT OF ALL CATEGORIES OF ORGANISATIONAL CLIMATE IS HIGHER THAN AVERAGE JOB SATISFACTION IN SLOVENIAN COMPANIES



Anita Lovše, B.A. in Economics

Human Resources Management, Head of Education and Personnel Development, Petrol d.d., Ljubljana

For a further development of the Petrol Group it is of great importance to prepare the employees for business challenges in the future. For this reason we provide constant trainings and development of employee competences. Investing in professional trainings, internal knowledge transfer among work colleagues, development programme for great potentials and talents can provide the company with a more secure future of all stakeholders. We are educating our internal staff systematically and developing their competences with the aim that they will take more responsibility for their work and assignments in the future. Modern tools to support decision making are the basis for more effective human resources management, and for even better business performance.



Rapporteur of relations with employees

Work safety and occupational health

Petrol takes care of health of its employees. Preventive health checks have been performed for several years now. Their frequency depends on the requirements of a specific workplace. 45% of employees of all the Petrol Group companies were included in preventive health checks in 2014. 1,192 regular periodic preventive and targeted health checks of employees were carried out within the Petrol Group.

Risk assessment at the workplace

All companies within the Petrol Group have adopted workplace safety statements with risk assessment. The latest development and advances in the field of work safety and occupational health are regularly incorporated in new processes and projects. We also monitor the risk of possible accidents and health disorders. All such risks are periodically estimated and kept at an acceptable level by the application of safety measures. 20 injuries at workplace were recorded in 2013, and 18 injuries in 2014.

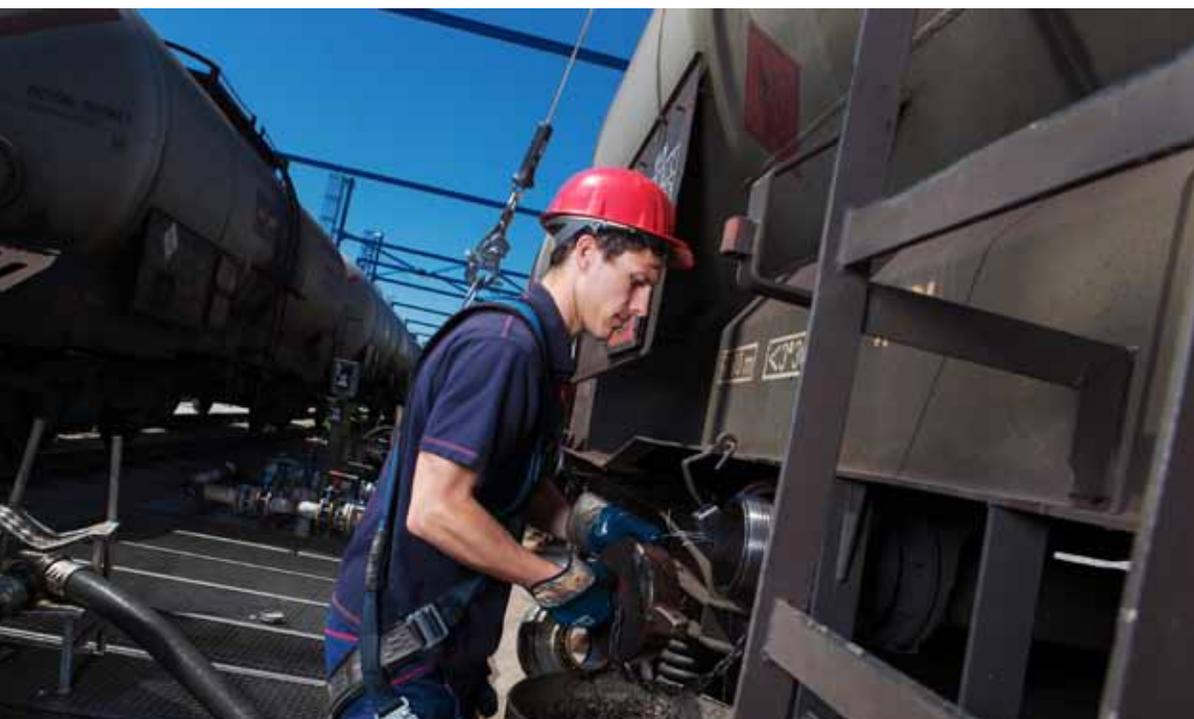
A priority in the development of work safety and occupational health is to reduce the risk of high-risk workplaces, and to establish a professional, managerial and information integration with other fields of safety, in particular with fire safety and environment protection.

THE RISK OF HIGH-RISK WORKPLACES WAS REDUCED

Occupational health and safety in Petrol is performed in compliance with the applicable legislation, and by introducing cases of good practice. Occupational health and safety have been managed in accordance with the occupational health and safety management system OHSAS 18001 and is a part of the integrated quality system of the Group.

Favourable trends of absenteeism

The year 2014 comprised 313 working days or 2,087 working hours for a six-day week, or 261 working days or 2,088 working hours for a five-day week respectively. The employees' utilisation of working time in the Petrol Group in Slovenia was 80.3 %, what represents 0.4 % more than in 2013 (see Table 10). Absence due to sick leave to the disadvantage of the company was in 2014 reduced by 0.2 % (from 4.00 % in 2013 to 3.84 % in 2014). Absence due to leave (personal holiday), public holidays or other work-free days was reduced by 0.5 % (from 14.45 % in 2013 to 13.91 % in 2014). Absence due to maternity leave increased in the company by 0.3 % (from 1.6 % in 2013 to 1.9 % in 2014). In 2014 employees were absent from work 53.0 days on average; 10.4 days due to sick leave (to the disadvantage of the company), 5.3 days due to maternity leave and 37.3 days due to leave and public holidays.



80.3%

UTILISATION OF WORKING TIME

45%

OF EMPLOYEES WERE INCLUDED IN PREVENTIVE HEALTH CHECKS

Table 10: The employees' utilisation of working time in the Petrol Group in Slovenia, without a lease service stations (in %)

Year	Presence at work	Absence					
		Absence due to sick leave to the disadvantage of the company	Absence due to sick leave to the disadvantage of Health Insurance Institute of Slovenia	Maternity leave	Public holidays	Personal holiday	Other absence
2009	80.1	2.6	1.9	1.4	2.2	11.8	0.0
2010	80.7	2.3	2.3	1.8	1.9	11.0	0.0
2011	80.2	2.3	2.3	1.7	2.4	11.1	0.0
2012	79.2	2.2	2.2	2.1	3.4	10.9	0.1
2013	79.9	2.2	1.8	1.6	3.2	11.1	0.2
2014	80.3	2.0	1.8	1.9	2.6	10.7	0.6

Include.all

We participated in the project Include.all as a pilot company in Slovenia along with the Slovenian organisation Združenje managerjev (eng. The Managers' Association of Slovenia). In 2014 we raised the issue of representation of women in management trying to determine possible causes and find solutions how to include all talents in decision-making processes equally. Employees from different organisational units and dependent companies were included in discussions. The measures that were jointly supported were mostly related to various different management styles. Petrol is aiming at introducing the process of monitoring work efficiency and personal development of our employees as a compulsory method within HR management. The company wishes to establish a system of mentoring as a form of HR development and knowledge transfer. It also wishes to upgrade Petrol Academy with new educational programmes and to better manage skills and competences of all the employees. Where necessary, an indicator showing the gender structure will be added (i.e. when selecting candidates in the recruitment process, for Petrol Academy, and candidates for other forms of trainings, etc.).



Family-friendly company

After obtaining the full Family-Friendly Company Certificate the company started with its new three-year period in 2014. The full certificate was also acquired by Petrol Geoterm d.o.o. Petrol has adopted 19 measures to facilitate coordination of family and work obligations of employees. The most popular ones among employees are: taking a day off at the first school day for parents whose children have just started with the first grade of elementary school, enjoying flexible working time during the first week of introducing their children to a kindergarten, greetings of the management board to employees on special occasions (child birth, round-number anniversaries and birthdays), receiving a gift package for a newborn baby.



On the intranet we publish different prize quizzes for employees offering attractive prizes which employees can utilise with their family members, f.e. free tickets for various sports and cultural events. During our traditional winter and summer sports games we also organise a special programme for employees' children. We wish to communicate to our employees that Petrol is actively advocating for coordination of work and family obligations of the employees by using several different measures. Through this project we believe we are increasing our employees' affiliation to the company and by doing so Petrol's values are being brought to life.

projects

Open, clear and two-way communication with the employees

Internal Petrol's communication follows the trends, so the majority of communication in the company is carried out by using e-mails, the intranet, e-news and by using internal business-social network. All these communication channels are to a certain extent available on personal mobile phones and other mobile devices of employees.

Although there are several modern communication tools available, the classic ones have still been preserved until the present day. Internal communication and the process of informing employees will also in the future be performed via circulars, information desks, posters, etc.

A key concern in Petrol today is raising employee awareness in terms of its organisational and corporate culture, which is framed within Petrol's values and Code of Conduct. We want to enhance our corporate culture by implementing numerous projects and organising events for the employees. It is our wish to include as many employees as possible in these events, with which we want to increase motivation and employee loyalty to the company. All activities of internal communication in Petrol are thoroughly implemented and planned in order to inform, coordinate, motivate, educate, socialise and manage the communication of changes. In this way we wish to contribute to a better employee productivity, their positive attitude to work and the company, their job satisfaction, and we also want to motivate employee proactivity, the sense of self-initiative and creativity leading to increasing growth prospects of the company's business.

Tell the Management Board

Since 2012 the company has enabled all the employees to have an opportunity to speak with the management board whenever they want by using the online application Tell the Management Board. Through this channel the board receives over one hundred questions, ideas, suggestions, proposals, praises and complaints expressed by employees over a year. Furthermore, the employees have the opportunity once a month, every first Friday of the month, to have a conversation with the board personally, i.e. with the president of the management board. At an annual level up to 15 employees seek the president of the management board through the channel Open Door wishing to communicate to him their ideas, suggestions or any of their initiatives to improve our joint work in the company.



Rapporteur
in the field
of commu-
nication with
employees



Urška Ojsteršek, B.A. in Communicology

Corporate Communications, Petrol d.d., Ljubljana

Eternally topical challenge of communication management regarding employees is the formation and raising awareness of the organisational and corporate culture which in the Petrol Group merges with corporate values and Code of Conduct. We are aiming to enhance our corporate culture by organising various projects and events intended for employees. It is our wish to see our employees actively involved in these activities which will motivate them and their corporate affiliation will rise. A milestone in the internal communication of the Petrol Group in 2014 was the introduction of the business-social network Petrol Connections which offers the employees a modern digital platform to strengthen their working relationships, cooperation and interconnections.

Sustainable relations with suppliers

Relations with our suppliers are part of the key business processes within the Petrol Group. We are aware of the fact that sustainable business activity also includes the entire supply chain. The scope of our business portfolio also determines the complexity of our relations with suppliers. We are responding to sensitivity and uncertainty of the global energy market with thorough and carefully planned agreements with reliable suppliers. We have been building and strengthening our multi-annual partnership with individual suppliers for years, i.e. our sustainable policy has gradually been transferred to our suppliers. We have also entered into some new cooperation agreements with new suppliers wishing to create new sustainable partnerships.

In our relations with suppliers we advocate for excellence of supplies in terms of time, quality and price. Fuel quality specified according to Petrol's purchase specifications is checked upon each delivery in compliance with the quality control plan of products and raw materials. The plan sets out the types, range and the dynamics of control implementation. The plan is regularly updated regarding the quality status of individual products and the level of risk factors that may affect the quality.

In 2013 and 2014 all examined samples reached adequate quality at the national-level monitoring. In all the markets where our petrol stations are present all our purchase activities were carried out rationally and effectively during 2013 and 2014. The main objectives of procuring merchandise are optimisation of purchase terms and conditions and

WE HAVE BEEN BUILDING AND STRENGTHENING OUR MULTI-ANNUAL PARTNERSHIP WITH INDIVIDUAL SUPPLIERS FOR YEARS, I.E. OUR SUSTAINABLE POLICY HAS GRADUALLY BEEN TRANSFERRED TO OUR SUPPLIERS

provision of goods designated for sale, and adequate implementation of such services at our petrol stations in Slovenia and in the South-East European markets. Along with our suppliers we have created a product range for our permanent set of products available, which is topical and attractive in each individual market. We have also sought some attractive products designed for special offers for price-sensitive customers and customers following trends. An orderly flow of documentation is essential in the area of procurement. At this level, we are striving to streamline by way of applying electronically supported operations with suppliers and distributors. Delivery of goods to shops and other points of sale is carried out either directly via distributors or indirectly via warehouses. Delivery of virtual goods is carried out through IT applications. Optimisation of stock at all petrol stations and in all warehouses, and optimisation of other logistics costs belong to permanent activities in the process of procuring merchandise.

100%

IN 2013 AND 2014 ALL EXAMINED SAMPLES REACHED ADEQUATE QUALITY AT THE NATIONAL-LEVEL MONITORING

Introduction of biofuel

Until May 2014, when changes in the excise legislation were made, we had mixed biodiesel with fossil diesel in the extent up to 5% in the Slovenian market, depending on the season of the year, which totally contributed to approximately 8,000 tons in 2014. Our future policy on procurement and sales of biofuels will follow the decisions made by the legislative body. We are well prepared for a consistent mixing of biodiesel into fossil diesel if new excise legislation is adopted. Together with our suppliers we are in the phase of preparing eventual mixing of bioethanol into petrol, or we will use second-generation biofuels.



Sustainable relations with customers

Customer satisfaction is of supreme importance in order to make our relations with customers sustainable and to create good business results of the entire Petrol Group. For this reason we have been systematically monitoring customer satisfaction since 1999. A number of different parameters have been measured which influence the satisfaction and loyalty of our buyers of energy sources, buyers at service stations and wholesale customers. We have noted with satisfaction that more and more customers are willing to express their opinion or give their proposals for improvement of our processes and offers. We listen to them carefully, since it is our daily challenge to satisfy the needs of our customers who have high expectations in their contact with Petrol. We monitor, analyse and integrate our customers' responses with buying habits and other meaningful information. Based on these results we improve our offer of products and services, which again is checked with customers and so the circle of continuous optimisation is completed.

Good work brings good results. Our customers are becoming more and more responsive to our communication with them. There are less and less complaints, and the key performance criteria is rising. One of such criteria is the index of customer satisfaction with their last visit of any of Petrol's service stations. This satisfaction is constantly rising through time. In the last measurement in October 2014 the satisfaction index rose to 91 index points. The index of customer general satisfaction with the last visited Petrol's service station is 94! In 2013 Petrol won the highest score 4.4 for excellent quality support services of distribution of electricity according to the VIP test of Slovenian Customers' Association (orig. ZPS), and in 2014 it won the highest score 4.4 for quality support of gas distribution services.

94

THE INDEX OF CUSTOMER GENERAL SATISFACTION WITH THE LAST VISITED PETROL'S SERVICE STATION

projects

In 2013 and 2014 opinions of customers and users were included in the development of our all major digital projects. Thus, before the launch of the web Petrol trade **eShop** we checked the first impression of our customers and online shoppers. Based on findings, we performed significant changes in shopping process and further developed the trading platform.

Two-way communication with customers is conducted on our **Facebook pages** and with their help our offer is being upgraded. On the Facebook page "Coffee to go" we have gained valuable advices for our offer of that famous and popular drink. Thus all our service stations introduced free sprin-

kles, which enable customers to personalize taste of their favorite coffee.

With neurological and "eye-tracking" tests we discovered ways of evoking more positive emotions of our readers, that's why our **email communication** has also seen greater recovery.

Since Petrol's **mobile application** received several prizes (Mastercard Mobile Shopping Awards POMP, Webs), we checked out with our users, what they like and dislike about it. The findings were used for the further development of the applications – we eliminated less interesting functionalities and prepared the basis for mobile projects from 2015 onwards.

4.4

THE HIGHEST SCORE FOR EXCELLENT QUALITY SUPPORT SERVICES ACCORDING TO THE VIP TEST OF SLOVENIAN CUSTOMERS' ASSOCIATION



"We were told ... and we replied ..."

We actively communicate online (forums, blogs, news ...). We publish some highlights.

http://www.zalog.si/index.php?option=com_agora&task=topic&id=121&Itemid=3#p3966



"The real surprise! Unbelievable!"

On website of the Civil society Spodnji kašelj, Podgrad, Zalog, appeared a comment, a local woman wrote: "So I decided to open a new topic - the stench that comes from the company Petrol and their warehouse in Zalog." She added that she was not completely convinced that smell really came from the Petrol's warehouse. We replied to the lady that we checked the matter and smell certainly did not come from Petrol's storage, as we take good care of its safety. The first responder came from the Tourist Association Zalog, who, among other things wrote: "The real surprise! Unbelievable! A company on which a complaint regarding descending odors in the environment has fallen – actually responded... The Petrol Company registered on this forum and immediately responded with the signature of the person responsible for the matter. All praise and congratulations! Due to the fact that this forum read more and more people and businesses, this can be a model for the way communication with the public ought to be conducted. Companies in Zalog and the surrounding area, may this be a role model of an excellent example of your good practice. I believe, however, that Petrol will connect with the civil sphere to help find the cause of the apparent interference into the environment." In addition, a president of Civil society Spodnji kašelj, Podgrad, Zalog also responded to the Petrol's reply. He wrote: "On behalf of Civil society Spodnji kašelj, Podgrad, Zalog I am sincerely grateful for the answer you provided when the problem of odor from your company or the warehouse in Zalog appeared on our website. Until now Our Civil society did not get any notification by the villagers exposing this problem." We thanked both persons for their reply and added that in similar cases they should turn to Petrol directly.

<https://slo-tech.com/forum/t599976>



"Congratulations. This is a great attitude towards customers, rarely seen in Slovenia."

A user of the Technological online forum slo-tech.com opened a topic titled "Petrol, electricity and confusion - article in the annex". He described how a sales person of Petrol's electricity said one thing to him, but in the annex the information was different. The user was wondering what is valid and who is misleading. We responded with an official username: "Given that annex is a legal document, it is of course binding, regardless what our sales person had said. Never the less we would like to examine how the misunderstanding occurred, and resolved it, so please send us your information at e-mail elektrika@petrol.si." Another user wrote: "With all due respect, this is a great attitude towards customers. Rarely seen in Slovenia." The user, who complained about the misunderstanding, replied: "As I consider that this is not a general practice of your company (if it was, there would be probably many other similar experiences), I am sorry that goodwill of your company is damaged because of some individuals. Case closed. Let it be solved behind closed doors." He also sent us email with a description of the event.

Tell Petrol is a successful and popular tool for communication with customers. Via this tool each one of our client gets a direct and personal response from one of Petrol's experts responsible for a particular area. We are continually upgrading the sys-

tem and shorting the response time. In 2014, the response time was more than halved according to 2012 (see Chart 11). Thus we show a responsible and partnership attitude towards each of our customers.

26%

OF VISITORS HAVE VIEWED AT LEAST ONE QUESTION TELL PETROL

30.5 h

THE AVERAGE TIME FOR ANSWER IN 2014



Question

Author: Jana Nidorfer (jana.nidorfer7@gmail.com)
Date: 29. 12. 2014 17:48:22

I would like to commend your online business, which is user-friendly also for us – elderly.

If one has a problem, he or she can tell it to Petrol and it is solved. Practically and easily.

Best wishes and a happy and successful year 2015!

j.nidorfer

Reply

Dear Mam,

Thank you very much for the words of encouragement and praise. The satisfaction of our customers is one of the main elements of our business.

In 2015 we wish you much success and personal satisfaction!

Sincerely, Tina Leskovišek,

OE Support



Question

Author: JERCA GABOR (jercagabor@yahoo.com)
Date: 18. 08. 2014 14:52:44

Hello.

Every time I visit Petrol's service station at Labore I am reminded that it is really high time to write to you my thoughts of praise. I am a fairly regular visitor of that particular service station. Every time I am impressed by ALL of your employees - from the first to the last.

I don't know them by their names, but they all stand out with their kindness and sincerity. Either you are very lucky getting such great staff or you are doing something terribly right on the field of staff training. I myself am a manager of the Castle Strmol protocol and I am well aware how important human resources are for any company. Please pass my praise to your employees and thus make them a beautiful day, as they make mine every time I meet them. Much continued success and thank you.

Jerca Gabor. M. Sc.

Reply

Author: Matjaž Šifkovič
Date: 19. 08. 2014 08:26:57

Dear Mrs. Jerca Gabor, M.Sc.

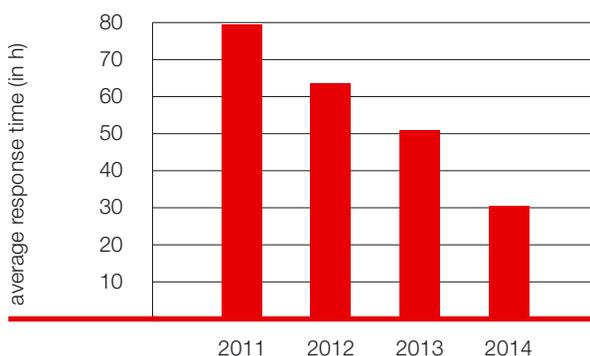
Thank you for your compliments regarding our sales personnel at SS Labore in Kranj.

I'll be happy to transfer your praise to the staff and I believe it will give them encouragement and more energy for work. You are cordially invited to visit our service stations both in Slovenia as well as abroad also in the future.

With best regards, Petrol Retailer, Slovenia, Ltd., Regional Unit Ljubljana - Kranj,

Matjaž Šifkovič, Director

Chart 11: Average response time to e-mail in the Petrol Group (in hours)



Our support processes are continuously assessed

Satisfaction of our customers is high, since they are offered genuine and quality products and excellent services. All this is provided by our support processes. These processes include our employees who are not in a direct contact with final customers, but they nevertheless contribute to a high level of customer satisfaction. Since 2005 we have been monitoring the quality of our support processes by conducting the research Quality of internal services. The research was upgraded and expanded at a corporate level in 2011, and in 2014 it was further expanded to assess satisfaction with cooperation in various corporate processes. Over 1,500 employees within the Petrol Group were included in the research. Based on the research outcomes several measures and educational workshops have been carried out to improve our support processes, whereby we have been striving to additionally raise the awareness of importance of the internal quality market and the human factor as a significant factor of our business success, competitiveness and improved internal communications.

1,500

EMPLOYEES WERE INCLUDED IN THE RESEARCH

Complaints are solved quickly and successfully

Expectations closely related to the quality of products and services play a significant role among the factors affecting customer satisfaction. High quality merchandise and services belong to the main commitments of our business operations. This is the reason why each case of consumer dissatisfaction is carefully examined. We are aware that effective resolution of complaints is part of the most important factors which in the long term favourably affect customer satisfaction and loyalty, and consequently it also affects a good name and reputation of the company. Complaints within the Petrol Group are considered as important information on customer satisfaction with our services. By resolving complaints effectively we provide our customers with a complete service which does not end with a mere purchase of a product or a service.

In 2013 a uniform system of recording and managing various forms of complaints was introduced, which includes all communication portals to unify a quicker, more effective and customer-friendly resolution of customer complaints. All complaints are systematically examined and reviewed. Based on several different analyses changes are introduced which in practice improve our business processes and increase satisfaction of our customers. In 2014 the number of complaints was reduced by 20%, and the average time of resolving complaints was improved by 6%.

20%
NUMBER OF COMPLAINTS WAS REDUCED



Continuous care for better product quality and development of new product

In the whole range of products offered in the market we are trying to improve their quality and to collect customers' experiences of using our products. In 2013 and 2014 we added additives to the majority of our key fuels that were present in the market (motor fuels, diesel and extra light heating oil) and thereby we provided our products with higher level of quality. It was a package of additives assuring

increased protection of engines, some savings in consumption and a significant reduction of air emissions resulting from internal combustion in engines.

Conductive packaging

SAFER USE OF HAZARDOUS CHEMICALS

In terms of safer use of hazardous chemicals the traceable conductive packaging has been introduced. So we provide a complete safety for the correct use of hazardous chemicals during their storage, transport and use. Our permanent product range has been

upgraded and made more attractive for customers by launching some completely new products into the market. In 2013 and 2014 we entered the wood industry by offering liquid paraffin to customers. Its sales potential is estimated to approximately 300 tons per year. We have also developed and implemented new biological oil Verigol Bio Professional used for chains of forestry saws, and designed exclusively for professional users.

Our information system provides a regulated system of automatic production of quality certification for fuels and chemical products. Certificates for fuel quality are automatically generated on the basis of lab reports from our accredited laboratory. The system enables time optimisation of work and adequate product traceability. In 2013 and 2014 we continued developing the system of issuing sustainable certificates for biofuels. Through our own application and the international system Nabisy we provide issuing traceable sustainable certificates for the European market. In the future we would like to expand this certification system to other products within our product range.



Information for efficient and safe use of products

Within its available product range the Petrol Group offers many products under its own brand name which must be adequately labelled. Much attention is dedicated to labelling hazardous and non-hazardous chemicals of our own brand name (f. e. Vitrex, Bencin Plus, etc.), labelling of food products of our own brand (Q energy drink, Ice coffee to go,

etc.), and labelling of allergens in non-prepacked food in different points of sale. The goal of labelling is to give all necessary information necessary for a customer for a safe and efficient use of products.

In 2015 transfer to labelling chemicals of our own brand will be implemented according to Regulation on classification, labelling and packaging of substances and mixtures (statutory term is 1 June 2017).

We advise our customers and create savings

Petrol's activity is organised according to the principle of a product or service life cycle. For this reason we pay attention to pre-sales and post-sales activities. Petrol gave advice to 6,117 customers personally or by phone within its Centre of Energy Solutions (orig. CER) in 2013 and 2014. We issued 4,243 offers, and provided 824 customers with a complete package offer. We created substantial savings in the field of energy use and CO₂ exhausts.

In 2013 and 2014 the Centre of Energy Solutions intensively pursued its vision to become a professional centre and a well-established brand which would mean a synonym for energy efficiency in Slovenia. All activities were oriented into raising public awareness of efficient energy use with emphasis on energy solutions in buildings. By organising various workshops and events we created annual energy savings of 1,000 MWh/year, meanwhile we managed to reduce CO₂ exhausts by 250 tons per year.

We additionally approached to our customers offering free individual consultations on energy efficiency, which completes the CER comprehensive offer. An independent energy consultant is available for customers once a week (four different appointments a week). During the October campaign 'Month of additional savings' in 2014 such consultations were offered three times a week (11 different appointments a week). In the second half of 2014 these consultation terms were 80% occupied, which shows good recognition of CER among people, and this is making CER a key authority in the field of energy efficiency. Furthermore, there were two important milestones in 2014; expansion into the Croatian market (establishment of CER Croatia) and establishment of Gospodarsko interesno združenje (GIZ) CER (eng. CER Association of Economic Interests), which has already been joined by some new partners.

6,117

ADVICES GIVEN TO CUSTOMERS WITHIN THE CENTRE OF ENERGY SOLUTIONS IN 2013 AND 2014



projects

A humanitarian project of the Centre of Energy Solutions

In 2014, the partners of the Centre of Energy Solutions performed a major charity project – together we have renovated home of a young, socially disadvantaged family from Cirkulane which was destroyed by an explosion. With their donations partners - Petrol, Jelovica, Knauf Insulation and JUB enabled that family for a decent and healthy living. Petrol donated the entire heating system. It includes everything from heat pumps, pellet stoves up to radiators. Knauf Insulation donated all neces-

sary insulation for the house and covered the costs of façade's production. Jub donated leveling compounds, emulsion and paints for inner walls, the adhesive insulating closure plasters and wood paint. Jelovica contributed windows and inner doors, together with the assembly. A total value of built-in materials and labor was approximately 23,000 EUR (excluding VAT). With this project the partners of the Centre of Energy Solutions proved not only their responsibility to the environment, but also to society.



Sustainable raising awareness and communication

Petrol has constantly informed the external public about numerous development projects and energy solutions as cases of good practice in the field of alternative mobility, energy renovation, district heating and cogeneration, public lighting, waste water treatment, fuel quality and sale of fuel products, etc. We have been communicating over the internet, social media and external media. We have made and published the movie *Cities of the Future* where Petrol's activities are illustrated in terms of

sustainable development of cities and trends for sustainable use of key energy sources for future generations. Petrol has already been implementing these trends. It published 19 messages among corporate messages designed for public and 14 videos on its website in 2013/14 in order to inform general public on available sustainability solutions, projects and events organised by Petrol. These were also published in external media; 226 publications related to sustainable development, 596 publications about ecology and 27 publications concerning fuel quality.



Rapporteur
for the energy
advice to
customers



Daniel Vuk, B.Sc. in Electrical Engineering

Energy Solutions, Project Manager, Petrol d.d., Ljubljana

There is still a lot of space to reduce energy waste of the Slovenian citizens, since 70% of our buildings and houses are still energy inefficient! The Petrol group is today offering its best innovative and comprehensive solutions to reduce energy consumption. This offer will further be expanded and it will ensure advancement in the only right path to sustainable lifestyle. The Petrol Group is aiming at raising awareness of the public to save energy which is becoming a present-day trend and a way of living. A great number of households wish to reduce their energy costs and save something. Therefore, they appreciate professional, neutral and reliable advice how to reach this goal. Families appreciate if we take time for them, listen to them, understand their problem and try to find the optimal solution for their houses or other facilities.

Relations with investors and professional public

12.5

THE SHARE OF FOREIGN INVESTORS INCREASED BY

Relations with investors

The company Petrol d.d. Ljubljana regularly and actively cooperates with domestic and foreign investors through public announcements, individual meetings, presentations and public presentations of the company. We regularly participate in conferences for investors, annually organised by stock exchange institutions, stock broking companies and banks. In 2013 and 2014 we participated in:

- the investment conference First Quotation in Ljubljana organised by the Ljubljana Stock Exchange (LSE) (April 2013);
- web conferences of Slovenian companies organised by Alta (September 2013, March and September 2014);
- other investment conferences organised by Ljubljana Stock Exchange (December 2014);
- the event Investors' Day @ Inter Capital in Zagreb (February 2014);
- joint investment conferences organised by Ljubljana Stock Exchange and Zagreb Stock Exchange (May 2014);
- conferences organised by Erste Group in Stegersbach (October 2014);
- winter investment conferences organised by Ljubljana Stock Exchange (November 2014); and
- the conference organised by the investment company Wood&Company in Prague (December 2014).

We also took part in several individual meetings with domestic and foreign investors. 20.02% of all shares issued by Petrol d.d., Ljubljana were owned by foreign legal and natural persons on 31 Decem-

ber 2014. The share of foreign investors increased by 12.5% compared to the same share at the end of 2013, and it increased by 13.68% compared to the same share at the end of 2012.

We share our knowledge with other professional entities

Petrol's professionals and managers regularly improve their knowledge by attending international conferences, congresses and other forms of professional meetings. They transfer their knowledge to other work colleagues as well as to a wider public by attending interest groups meetings, round table meetings, and by cooperating with media, etc. We held several professional lectures: at the ESCO Europe 2014 conference in Barcelona, at the second Business Conference on Energy Efficiency in Serbia, at the international conference of district heating SDDE in Portorož, at the conference Days of Professionals in Energetics (orig. Dnevi energetikov) and at the Croatian Waters conference. We have cooperated with TV Slovenia in a series of educational environmental programme Eko utrinki (eng. Eco-glimpses). We have been regularly informing the public on wood biomass, biogas plants, district heating on wood biomass, and energy efficiency. We are still holding lectures at the Faculty of Economics in Ljubljana about financing environmental projects through public-private partnerships. Within the bilateral forum SI.RISK – ANRA we held lectures for professional public dealing with risk management and insurance with the topic of continuous business operations as a constituent of risk management. At some other various business events we also held lectures on efficient insurance of business entities.



We are strengthening our research and development activity

A large part of Petrol's activity is based on excellent knowledge and highly qualified personnel, particularly in the field of electricity. Increasing competition due to market development requires development of new products, which consequently causes additional investments in our own R&D. The aim of

the development strategy, which was supported by the KROP 2012 project, is effective planning and development of tools and products necessary for trading and supply of electricity. The development strategy is based on synergy of integrating excellent knowledge, an adjustable and efficient IT system, and also on development of innovative tools, products and services. Development cycles coincide with the process of entering new markets, and

are focused on upgrade of the existing products, with which we want to establish new technology solutions and services. Our development strategy is based on our own financial investments, since we wish to preserve independent growth and business operations of the company. In 2013 and 2014 a new R&D group was established in Petrol d.d., Ljubljana. Two researchers were recruited within the R&D group, who are mostly active in the field of optimisation and synergy of multi-energy systems, risk management of a multi-energy system in the present market conditions, and also in the field of

application of statistical and stochastic methods in short-term and middle-term analyses. Six more employees have been included in this development process, and in the future we are planning to enlarge the Group. In 2015 we are starting with development of mathematical models to support trade of natural gas.

We are an active discussion partner of the legislative bodies

Due to its wide range of activities and high quality knowledge the Petrol Group has been an active discussion partner within industry associations and with the legislator. We have submitted an application for the approval of exceedance of steam pressure at an annual level owing to added bioethanol. It is the project of mixing bioethanol in the warehouse located in Zalog. The possibility of exceedance is foreseen with the applicable Decree on the physical and chemical properties of liquid fuels. We are initiators of transition of sulphur-free fuel oil use. We have made several proposals to increase the shares of biofuels which we will launch into the market as a replacement for fuels made of petroleum, and to achieve the objectives determined by RES national action plan. We actively cooperate through our proposals in the fields of construction and maintenance of buildings and other facilities, equipment, technical guidelines, fire safety and explosion protection, energy efficiency, green energy products, sustainable management of local communities and cities, and many more.

+ 2

TWO
RESEARCHERS
WERE RECRUITED
WITHIN THE R&D
GROUP



We are living together

We consider social responsibility as a sustainable commitment to cooperate with the environment where we operate. We know that our support to the immediate social environment significantly affects our business

performance and development. We participate with Slovenian athletes competing in different collective and individual sports. We sponsor clubs, associations and events across Slovenia, and for some specific sports and events we are also traditionally one of the biggest sponsors.

By supporting sports events that have a great response in general public we want to increase our recognition and strengthen our brand. Table 11 shows a review of our sponsorship funding and donations. We have cooperated in culture activities for many years; we financially support Ljubljana Festival, Lent festival and some other cultural events. Our sponsorship is also allocated to professional projects (conferences, symposia, events) that are related to our core business. The year 2014 was marked by the Olympic Games in Sochi, where Slovenian athletes proved to be really successful, and some of them were also sponsored by Petrol. Most of our donation funds are designated for

humanitarian projects carried out by non-profit organisations. Instead of the New Year gift-giving tradition the project Our energy combines has been performed since 2011, which includes all our petrol stations and business facilities. In 2014 we started to carry out activities of corporate volunteering, which is the way how employees can give something back to the company by doing their additional work, showing their knowledge and raising additional material assistance.

We continuously organise various events for internal and general public:

- For internal public: business conferences, Petrol Academy, sports games, festivities for employees, Petrol's excursion, Family-friendly company, etc.
- For external public: meetings with business partners, VIP events, sponsorship and promotion events, participation in conferences, Pre-New Year's meetings and events, openings of new facilities, etc.
- Corporate events: events related to humanitarian projects and blood donating events, Donate energy for life, sport-related events and events concerning cherishing relationship with sponsored persons under the auspices of the Team Petrol Project.

Table 11: Sponsorships and donations of the Petrol Group and the company Petrol d.d., Ljubljana (in EUR)

	The Petrol Group		Petrol d.d., Ljubljana	
	2014	2013	2014	2013
Sponsorships and donations	1,392,051	1,715,465	1,153,821	1,438,564



Donate energy for life

Since 2011 we have been promoting active blood donation, particularly among younger generation, across Slovenia with our project Donate energy for life. We have created the website www.daruj-kri.si which is daily updated and shows current status of blood reserves and the needs for different blood groups in all blood transfusion centres across Slovenia. Each individual can find there the information which location or place across Slovenia has current blood shortage of a specific blood group. In cooperation with the Slovenian Red Cross and the Blood Transfusion Centre of Slovenia (BTC) we demonstrated in 2014 that tolerance and mutual respect were firmly intertwined with blood donations. Almost 10,000 new blood donors joined this solidarity initiative in 2014.

Our energy connects

'Our energy connects' is a charity project through which we help people in our local environment. The project is funded with company assets which would otherwise be designated for business gifts. At the same time the project also involves our work colleagues working at service stations. They have been encouraged to participate in the project in form of their money contributions and their selection of the humanitarian projects within which their money donations would help as many people as possible in the local environment. We have donated 200 EUR to each selected humanitarian project. We carefully select beneficiaries of our contributions who are eligible for donations and help. In 2014 this project had been implemented for the fourth time when we donated 63,200 EUR to our local environment. The selection of local beneficiaries who really need help has been increasingly thoughtful and careful each year, and this has revealed that our employees at service stations are developing long-term relationships with these beneficiaries.



In 2015 Petrol celebrates its 70th anniversary

In 2015 Petrol celebrates its 70th anniversary of its existence. Company's communication this year is internally and externally oriented; the focus is on enhancing respect for the company's tradition and its relevance in a broader and narrower social environment. Petrol is already in the process of collecting and sharing impressions of current employees and also memories of former employees about the meaning of being 70 years present in the market. A special monographic edition of the internal magazine Energy among us dedicated to the 70th anniversary is underway. Our active social engagement

is also disclosed in co-operation with the Academy and the Institute for Multimedia, which connects our business practices with the academic realm of marketing. Creative media, such as animation, advertisements and video clips are being produced. Through our active participation and transferring experience the student's products meet the highest quality standards.

They are being introduced to the public via our multimedia channel, on social networks and national television (TV Slovenija). The theme of this year's products is the 70th anniversary of Petrol, which means 70 years of our social interpenetration and active role in the region.

Give back to the society

In 2014 we initiated the activities of corporate volunteering 'Give back to the society'. Under the auspice of Amcham organisation we implemented five projects across Slovenia, within which 35 our employees performed volunteer work and contributed to improving the life quality of our local communities. Totally 175 hours of volunteer work were dedicated to landscaping kindergarten and school playgrounds, and to personal assistance of helping older citizens do heavy chores in their homes. Volunteering could also be implemented by all employees across Slovenia through a humanitarian call for donation of hygiene objects for home and personal hygiene. Through this action we managed to collect 8 m³ of humanitarian aid, which was handed over to the National Forum of Slovenian Humanitarian Organisations.

We support sports activities of younger generations

We encourage employee cooperation with primary and secondary school students within the project 'Sports of youth', i.e. sport competitions organised by schools and other mass events organised for students. The project is being carried out in cooperation with the National Institute of Sport and the Olympic Committee of Slovenia. In this way we are strengthening our Petrol brand and the slogan 'Energy for life' among the youth.

Holiday work with heart

In 2014 the first project 'Holiday work with heart' was implemented at the service stations of the regional unit Retail Ljubljana-Kranj in partnership with ZPMS (Slovenian Association of Youth). The project provided holiday work for secondary and academic students from socially deprived families. In 2014 holiday work was provided for 13 students.

projects

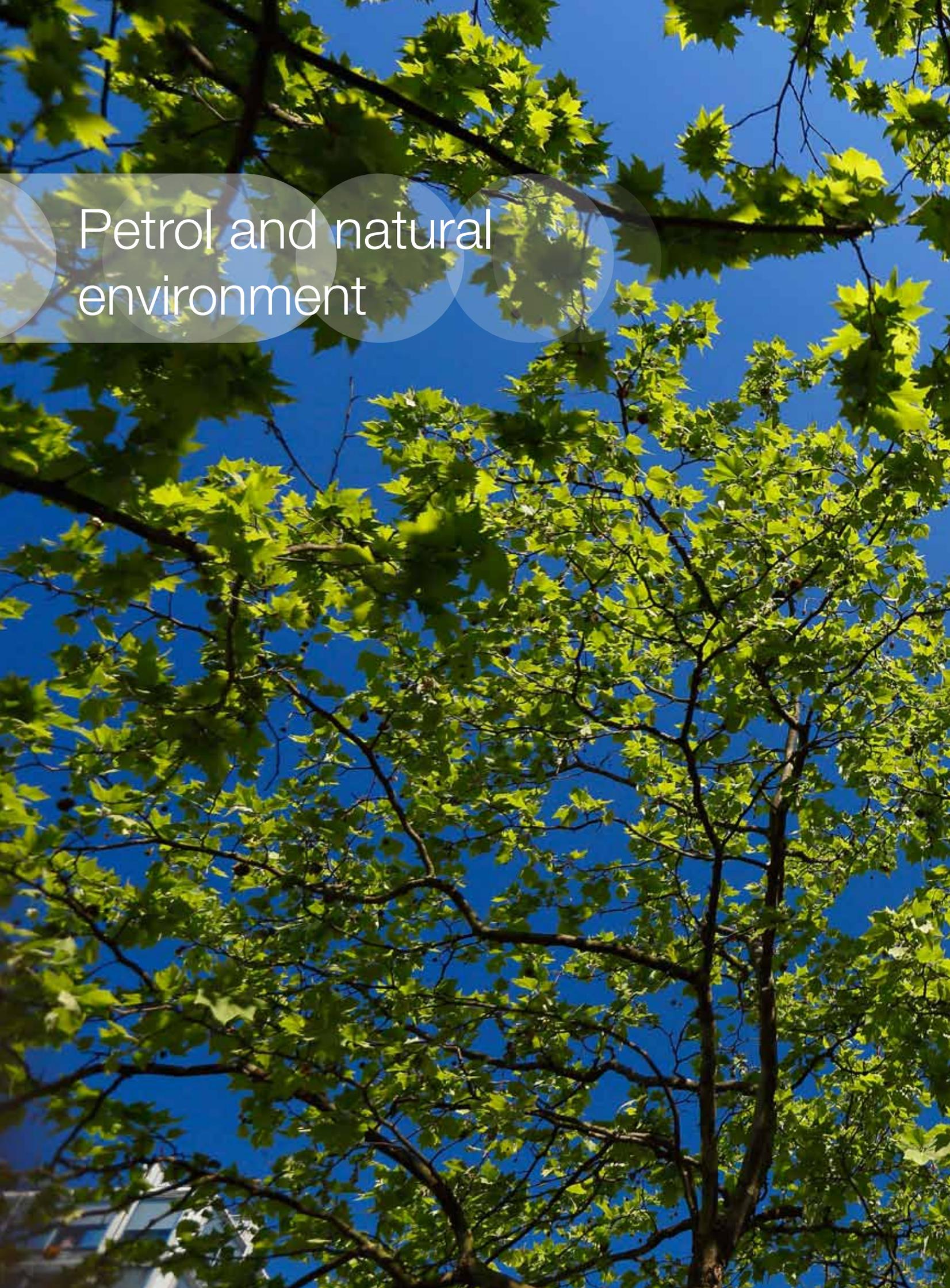


Aleksander Salkič, M.Sc., B.Sc. in Informatics
 Manager of Corporate Communications, Petrol d.d., Ljubljana

There is a famous saying that a nation is more united by the common plan of the future than the common past. The latter stands for sponsorships, too. The results of the athletes sponsored by the Petrol Group have been outstanding in the recent years. However, it is impossible to be topmost and the best all the time either in professional sports or in sponsorships. Therefore, we have designed a strategy based on long-term trust, affiliation and values. We have been traditionally sponsoring certain professional athletes, and even though they are currently not all achieving top results, we still sponsor them. We are trying to hold on those sports disciplines which we have sponsored for a long period of time. Sponsorship is definitely not considered only as a sales function, but we are also trying to integrate the social responsibility directly into our business operations.



Rapporteur for sponsorship



Petrol and natural environment



PETROL

Strategic goals for 2020

The Petrol Group has set its short-term main operating goals by 2019 (see page 15) and some long-term ones by 2030. The EU has set an important package of goals regarding their future activities in the field of energy use and climate change by 2020. For this reason also the Petrol Group indicates its key sustainable goals by the same year 2020. Our strategic indicators in the field of energetics comprise dependence on liquid fossil fuels, energy consumption and our own power and heat generation from renewable energy sources. Consumption of drinking water and a share of recycled waste waters within our own activities are key indicators in the field of water supply. Although a commitment to a circular economy is among fundamental sustainable commitments within the Petrol Group, waste management represents a very complex activity owing to the nature of

our core business. A wide range of service stations, which is one of our central competitive advantages, enables waste disposal in our so-called eco-islands, i.e. waste collection areas, for all passersby who are not necessarily our customers.

Strategic goals of waste management are set and pursued for the locations that are exclusively under Petrol's control (a reduced amount of mixed municipal waste and waste in general). Waste management is constantly in the process of its optimisation, which to a great extent depends on behavioural patterns of general public. In the field of transport we are aiming at an increasing share of the logistics fleet with state-of-the-art engines and with an increasing share of motor vehicles within our vehicle fleet powered by renewable energy sources. One of our strategic goals is also an increase of the sustainable sales programme of our merchandise and services.



-5%
-5%
200 GWh

ENERGY

Energy consumption: The Petrol Group will reduce its reliance on liquid fossil fuels by **1%** per annum; until 2020 by **5%** total.

Energy efficiency: The Petrol Group will increase its energy efficiency, until 2020 it will reduce its energy consumption at least by **5%**.

Renewable energy - own production: The Petrol Group will produce **200 GWh** of electricity from renewable energy and **50 GWh** of heat from renewable sources in 2020.

Until 2020 the Petrol Group will provide natural gas from its own source and biogas for the purposes of the production of heat and electricity units owned and operated by Petrol.

-7%
0,5%

WATER

The Petrol Group will decrease its use of drinking water by **7%**.

The share of recycled waste water in our activities will increase by **0.5%**.

Standards of environmental water management will be established in all markets of our operation.

-5%

WASTE

By 2020, the amount of mixed municipal waste will be reduced by at least **1%** annually.

Waste will be annually reduced by at least **1%** at locations that are under the exclusive control of Petrol.

Standardized system of separate waste collection will be implemented at all locations of the Petrol Group operation.

20%
15%

TRANSPORT

By 2020, the share of the logistics fleet with the most modern EURO VI engines will be increased up to **20%**.

By 2020, the share of alternatively powered vehicles of Petrol's fleet will increase from 5% to **15%**.

1-3

MERCHANDISE

1-3 products, that meet eco-efficiency and sustainability criteria will be introduced in our sales programme annually.

Sustainability as a guideline for our business decisions

Petrol's attitude to sustainability strategically directs all policies of business operations and consequently all business decisions. It is also the foundation of the new business model of the parent company Petrol d.d., Ljubljana on its sustainable path to transforming a company from a mere trader

ISO 50001

ACQUISITION IN 2015

of petroleum products to a company providing comprehensive energy supply. There are actually two roles we are playing in the market. First is quality provision of petroleum products, their complementary products and services with minimum possible ecological footprint. This is our firm commitment which is annually confirmed by concrete results. The second role has been gaining on its significance in the last recent years. It focuses on the provision of various products and services available in the market in order to accelerate sustainable transformation of a wider society. Among key challenges of the global society and our strategic markets we recognise the needs for sustainable energy sources and energy efficiency, transfer to a circular economy, effective management of water sources, sustainable mobility, sustainable management of cities and local communities, etc. This is also our mission, with which we can contribute to a more environment-friendly environment and also to a more sustainable society in the long term.

The Petrol Group consistently follows high environmental standards, and it also cooperates with others in finding new solutions for generally recognised challenges at the European and national level. Therefore, we need highly professional and motivated employees (by 2018 the company is going to recruit 470 professionals in the field of energetics and environment). At the same time, such proactive attitude of the company dictates substantial financial investments, since we are now introducing and performing the best practices of environmental protection in all our markets. Beside the certified systems of quality management (ISO 9001) and environmental management (ISO 14001), the Petrol's integrated quality system also comprises requirements of the HACCP food safety management system, the OHSAS occupational health and safety advisory system and the information security system according to ISO 27001. In 2014 Petrol d.d., Ljubljana started integrating the requirements of the energy management system ISO 50001. Acquisition of the certificate is expected in 2015.

An environmental aspect of our sustainable development is measured and managed by indicators reflecting the ecological footprint of our own activity (service stations, storage facilities for petroleum products and liquefied petroleum gas (LPG), treatment plants, biogas plant, business facilities, etc.), and also by indicators showing contribution of our core business activities to a greater environment-friendly carbon footprint of other market segments and areas of a wider society. We regularly perform

Table 12: Overview of certificates and laboratory accreditations in the Petrol Group in Slovenia

Company	Quality management system	Environmental management system	Laboratory accreditations	Other certificates
Petrol d.d., Ljubljana	ISO 9001: 2008	ISO 14001: 2004	SIST EN ISO/IEC 17025:2005	POR*, FSC **, AEO***
Petrol Tehnologija, d.o.o.	ISO 9001: 2008	ISO 14001: 2004	SIST EN ISO/IEC 17020:2004	
Petrol Energetika d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/	
Petrol d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/	
Eltec Petrol d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/	
Petrol Geoterm d.o.o.	ISO 9001: 2008	/	/	
Beogas d.o.o.	ISO 9001: 2008	/	/	

* Based on the Report on the Implementation of the Responsible Care Global Charter Commitments, Petrol d.d., Ljubljana was awarded a Responsible Care Certificate for its activities relating to storage, logistics and retail network of service stations in Slovenia and granted the right to use the initiative's logo. Responsible care is a global initiative of the chemical industry to ensure continuous improvement in environmental protection, health and safety at work. Based on our Report on the implementation of the commitments set out in the Charter of the World Programme of responsible care for the year 2014 we have extended the validity of the certificate and thus the right to use the logo until the end of 2015.

** Petrol d.d., Ljubljana is a holder of an FSC Certificate for the production of wood chips used for heat generation. The FSC Certificate, which is issued by an international NGO called the Forest Stewardship Council, promotes environmentally appropriate, socially beneficial and economically viable management of forests.

*** Certificate AEO facilitates access to customs simplifications, less physical inspections and documentation reviews, preferential treatment in the case of the checks, choice space for such controls and the possibility of prior notification. Certificate AEO is awarded by Customs Administration of the Republic of Slovenia, which carries out control and inspection of the recipients of the AEO certificate. To obtain the AEO certificate it is necessary to meet a number of conditions and criteria: security and safety standards, an appropriate record of compliance with customs requirements and a reliable system of managing commercial and transport records, which allows control, and proven financial solvency.

monitoring of waste waters, air emissions, noise sources, leak detection of reservoirs, and fuel quality. We also perform monitoring of the treatment of biodegradable waste and waste assessment. To monitor operation and management of biological processes in treatment plants and biogas plants we perform daily measurements of individual parameters with which an effective process control and a possibility to reduce an environmental burden can be assured.

Our strategic sustainable indicators are measured and managed annually. Our professionals from different professional fields within the Petrol Group participate in the process of assessing environmental aspects at least every three years, or when significant legislation or environmental policy changes occur, or when an opinion of the interested public has changed. We work closely with our suppliers and contractual partners in the management process of significant environmental aspects and indicators.

Environmental policy of the Petrol Group

Petrol's environmental management system is adjusted to the requirements of the international standard ISO 14001 and is considered a constituent of the Petrol's development plan. All Petrol's employees are responsible for meeting such requirements, and the management board of the company guarantees these requirements will actually be met, as well as our fundamental environmental goals will be achieved.

In the field of environmental management the Petrol Group has committed to four fundamental goals:

1. All warehouses, service stations and other facilities will be ecologically upgraded;
2. Emissions of hazardous substances will be reduced to the minimum level possible;
3. We will use natural sources and resources economically;
4. We will prevent accidents and reduce risks for their occurrence as much as possible.

All this we can manage particularly owing to:

- following statutory and other requirements;
- cooperation with national and other institutes;
- raising awareness and informing employees of our environmental policy
- training and educating all those employees who can significantly influence the environment;
- implementing our carefully planned environmental policy in respect of the suppliers, ser-

- vice providers and other business partners;
- development of our own environment-friendly products,
- informing users on proper handling and use of our products;
- controlled, safe and environment-friendly disposal of hazardous waste;
- continuous upgrading of the environmental management system, and
- good quality services.

The Petrol Group energy policy

The Petrol Group is aiming at responsible and effective energy use and water saving in all our facilities, and dealing with all devices and equipment. Management and business operations with energy sources are of great importance in our company, so we follow the examples of best and cost-effective practices. Our aim is to reduce costs for energy and water regarding the revenues of the company. This is the way how we want to achieve competitive advantage in the industry. Energy policy compels us to establish control over the use of energy and water necessary for provision of our services, and this will create savings in the company.

The Petrol Group is committed to continuously optimise its business efficiency and to reduce costs of energy and water, to reduce its environmental impact and consequently its greenhouse gas emissions.

Compared to 2011 we have set the following objectives for measuring efficiency of our energy policy:

- to reduce the total energy consumption by at least 1% per year, which will add up to 500 MWh;
- to reduce our fossil-fuel dependence by at least 1% per year by means of a rational use within the energy policy, by introducing renewable energy sources (RES) and effective practices;
- to reduce electricity consumption by at least 1% per year by investing in cost-effective devices and equipment;
- to reduce drinking water consumption by at least 1% per year;
- to reduce pollution, particularly CO₂ emissions by at least 275 t/a, mostly by measures of rational energy use and increased use of RES.

Main principles for achieving energy policy goals are the following:

- to incorporate efficient energy use in all aspects of our business operations, performance and attitude;
- to perform regular employee trainings on efficient energy use and water saving;
- to continuously improve energy efficiency by performing efficient energy use and saving water in all the areas of company's operations - and by doing so - to provide a safe and comfortable work environment and concurrently to reduce its influence on the environment;
- efficiency of implementing energy policy does not only depend on technical solutions, but to a great extent on the performance of organisational measures and employee behaviour;
- to share experience with efficient energy use and water saving inside the company and also with other companies within the group;
- to encourage innovativeness, creativity and efforts in the fields of efficient energy use and RES.

All employees are responsible for implementation of measures of efficient energy use and water saving, since we all use both energy and water at work. We must report to the responsible superiors on any irrational energy use and water consumption, and strive to assure minimum water consumption in all the areas and locations where we work. There will be one person for each facility taking care of consistent implementation of our energy policy. The energy manager is responsible for implementation of our energy policy, and for development of energy efficiency and rational water consumption.

Our environmental and other licences

The Petrol Group needs environmental and other licences for its business operations. We have acquired the following licences in Slovenia:

- the central waste water treatment plants Murska Sobota, Mežica and Sežana: environmental licence (EL) for water emissions;
- the biogas plants Ihan and Črnomelj: EL for waste treatment in terms of water, air and noise emissions;
- the sludge drying facility Ihan: EL for waste treatment, air and water emissions;
- Petrol Energetika, business Unit Štore: EL for the operation of cooling systems in terms of discharging substances in water; within the SEVESO plant we have an EL for noise emissions;
- Petrol Energetika, Heat power plant Ravne: IPPC licence for combustion plants;
- fuel storage facilities Rače, Celje, Lendava, Zalog and LPG storage Sežana: EL for noise;
- fuel storage facility Sermin: environmental licence for a risk plant (SEVESO plant), EL for air emissions, EL for water emissions and EL for noise emissions;
- we have acquired environmental licences for 8 service stations (Hrastnik 1, Žlebič, Ravne na Koroškem, Vranksko, Grabonoš, Dul, Starine North, Voklo 1), and we have filed applications for EL for service stations Podsmreka, Kozina Motorway, Povir South, Lopata, Postojna, Cerklno, Podplat, Radeče 2, Ajševica). We were in the process of regulating the procedure of sinking river on 31 December 2014 for 3 service stations (Lon 1, Lom 2, Restaurant Lom 1).



Until 22 March 2014 we had to acquire energy licences to perform our energy activity, so the company acquired the energy licence for the supply activity, trading, representation and for intermediary activities in the natural gas market for GEOENERGO d.o.o. on 30 August 2013, and the energy licence for the activity of the extraction of crude oil and natural gas for PETROL GEOTERM d.o.o. on 19 November 2013. The new Energy Act (orig. EZ-1) of 22 March 2014 abolished licences for making business with the energy activity. Our core business includes handling with hazardous substances. We consistently follow the applicable legislation which regulates environmental protection, management with hazardous substances and chemicals, fire safety, inspection and other related areas. In 2011 Petrol adopted its commitment to safety, which means the basis for prevention of major accidents of the company Petrol d.d., Ljubljana for plants imposing smaller and larger risk for the environment.

Efficient implementation of our safety system

High qualifications and awareness of employees are of key significance for effective implementation of the safety system. For this reason Petrol regularly performs trainings in accordance with the training programme and schedule. The training programme comprises occupational health and safety, handling with hazardous chemicals, fire protection, explosion protection and protection of the environment. In 2014 a partial audit of training programmes for employees was carried out. It referred to the integration of the training programme 'Handling with Hazardous Chemicals' within the Occupational Health and Safety Module. The training was com-

pleted according to the programme in the extent of six teaching hours followed by the examination and a practical test of extinguishing fire.

47 seminars were organised in 2014 in the fields of occupational health and safety, fire safety, and protection of the environment. 1,740 employees participated in these seminars; employees working at service stations, in warehouses with petroleum products, in the business premises Petrol d.d., Ljubljana, Petrol Tehnologija d.o.o., in Petrol Laboratory, drivers of road tankers for fuel transport, and external providers of cleaning services at service stations. In 2014 instructors of service stations trained 483 students, assistants working temporarily at service stations during the summer months, in the fields of occupational health and safety, fire safety and environmental protection in accordance with given instructions. 29 employees from service stations participated in a practical training of filling liquefied petroleum gas for motor vehicles (LPG or autogas) at 4 service stations. In 2014 also one training in accordance with the Seveso Directive in warehouses with petroleum products was carried out, which was attended by 12 employees. 48 fire drills and 6 drills in the field of protection and saving were carried out. There were no unexpected environmental incidents. In 2013 a damage of the drainage valve in an above-ground fuel tank occurred. The damage of the valve was immediately repaired and did not affect the environment.

48

FIRE DRILLS IN 2014

0

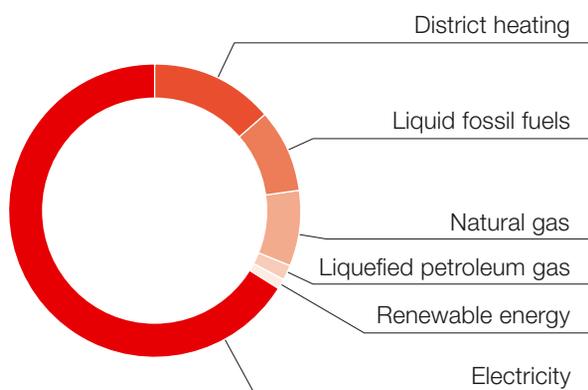
EXTRAORDINARY EVENTS IN 2014



Energy efficiency

Our approach to energy efficiency and rational water consumption is comprehensive and multi-disciplinary during the construction and renovation of service stations and other Petrol's facilities. Each individual facility is implemented with the best solution regarding the financial assets invested there. For this reason we regularly check all the novelties and new developments in the market to make further improvements. Our experiences in the field of maintenance are cyclically transferred to new projects and their solutions. The Petrol multi-disciplinary professional team is responsible for ensuring sustainable design and quality construction of buildings, for implementation of RES and for the selection of energy efficient devices. The process is completed when staff is trained on effective use of the building and devices they deal with during their work.

Chart 12: Energy use for Petrol own business by type of energy in 2014



Our facilities are economically efficient, i.e. they reduce the use of energy and natural resources and consequently they reduce their environmental impact. They are user-friendly, comfortable and healthy. Reducing energy use and elimination of energy loss are among the central sustainable objectives of the Petrol Group. In this way the company contributes to Slovenian and European endeavours to increase energy efficiency. We are aware that improvement of energy efficiency significantly contributes to greater competitiveness, security of energy supply, and also to delivering on commitments regarding climate change and the Kyoto protocol.

In 2014 we consumed 53,255 MWh for our own business activity (see Table 13), including all our service stations, car wash facilities and all other Petrol's facilities. The biggest share of energy represents electricity (66%), the second source is district heating (17%) and the third is liquid fossil fuels (9%). The rest energy sources represent only a minor proportion of energy consumption (see Chart 12). Since electricity represents the biggest share in energy end-use in Petrol's facilities, it is our strategic orientation to exceed the consumption of electricity which is necessary to perform Petrol's business activities by producing our own electricity from RES. In 2015 we are planning to reduce the total energy used for performing main Petrol's activities by almost 2% in comparison with the precedent year (see Table 13), and by 2020 the Petrol Group will reduce its dependence on liquid fossil fuels by 1% annually, and its energy consumption by at least 5%. In this way it will increase its energy efficiency.

Table 13: Energy use for Petrol own business by type of energy in 2014 and forecast for 2015

Own use of energy	Year	District heating	Liquid fossil fuels	Natural gas	Liquefied petroleum gas	Renewable energy **	Electricity
		in MWh	in MWh	in MWh	in MWh	in MWh	in MWh
Petrol - service stations, car washes included	2014	5,153	4,401	1,693	781	+ 625	28,206
	plan 2015	5,101	4,000	1,600	800	+ 500	27,924
Petrol - other facilities (commercial buildings, warehouses and other buildings*)	2014	2,129	569	2,717	79	+ 0	6,872
	plan 2015	2,023	520	2,853	75	+ 33	6,804

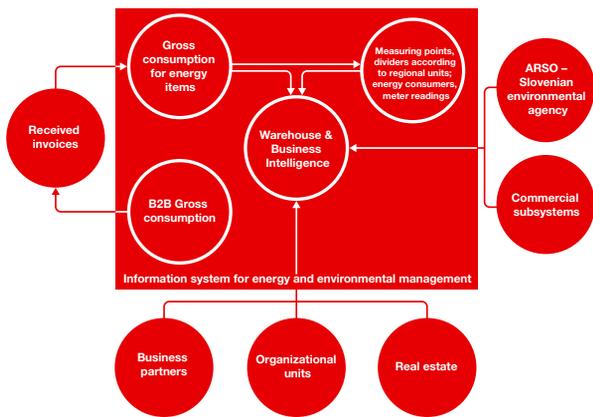
* Auxiliary buildings of companies Petrol Technology, Eltec Petrol, Petrol Energetika, Petrol Geoterm also included.

** The annual estimated savings achieved by RES technologies (the data include office work only).

Important: In 2014, temperatures during the winter and summer were milder, which resulted in lower energy consumption..

IT- supported energy and environmental management

The introduction of modern IT solutions for energy and environmental management provided us with a detailed view into energy and environmental indicators of our buildings, which represents added value in the control and management of energy, water and waste.



In addition to data capture and archiving the new information system allows us an advance data analysis of the quantities of energy, water and waste consumption, and also their costs. These data enable us to analyse and display the actual energy consumption within the Petrol Group and also a comparison of energy consumption in similar facilities.

The modern method of data monitoring is a key element for achieving the objective of reducing the operating costs. It enables a simple method of following targeted values and checking investment and organisational measures. A quicker identification of deviations enables a more efficient action. Information application provides us also with more effective planning of the activities, easier identification of priorities, etc. It also indirectly raises employee awareness about the condition of facilities. The method is a really useful tool to confirm good practices and technologies. In the future this method will be used for further optimisation of our operation in this particular field within the group, and it will help us identify which employee habits and practices significantly affect an individual segment.

Cogeneration machinery in Zalog

In Zalog warehouse and technical centre the existing boiler rooms were modernised with modern alternative technologies – a device for simultaneous generation of heat and energy (cogeneration) in order to achieve greater efficiency of the heating system and to reduce the consumption of the primary energy source intended for preparation and distribution of water for heating. The project comprised the installation of cogeneration machinery of 184 kWe and modernisation of the existing boiler room.

Also a modern central control system was established to control the operation of the device. The renovation was carried out in 2014. This project enables us long-term efficient heating for all facilities in Zalog location connected to the central boiler room. By installing the cogeneration machinery the level of CO₂ exhausts emitted into the air has decreased by 114t/year, compared to the separate power and heat production.

projects



114 t CO₂

LESS EMISSIONS PER YEAR DUE TO THE INSTALLATION OF COMBINED HEAT AND POWER IN ZALOG

Hrpelje service station - a case of sustainable construction

Hrpelje service station was among the first facilities where the energy-efficient design and implementation of all the elements affecting energy consumption were provided. Most attention was focused on heat properties of the building. The building is designed as a compact, monolithic block without different overhangs. All additional functional canopies are made of steel and with particularly designed details (special double deck spacers with additional insulation) to reduce thermal bridging fastened to the face of the building. The building's foundations are insulated to the bottom with waterproof heat insulation. In this way the coldness coming from the surrounding ground is reduced to enter the building. The insulation in the floor construction was increased to the thickness 21 cm, which prevents coldness to enter the building through the floor. The outside peripheral walls of the building are coated with thermal insulation of 17 cm of thickness. Special attention was paid to the implementation of additional insulation works of all window and door reveals, and this essentially contributed to reduction

of linear thermal bridges next to the joinery. Also parapets of the walls in the shop were constructed as massive and were built, and this has improved heat characteristics of the circumference of the front of the service station shop. The roof of the building is covered with thermal insulation of 26 cm of thickness. Joinery of the circumference on the building is mostly constructed with PVC elements of improved characteristics in terms of thermal insulation (glass, filler in a full door). All elements of this joinery are fastened by specific profiles to the supporting wall at the level of the facade insulation, which contributes to additionally reduction of thermal bridges. The door sills are fitted on gas-concrete bricks, which additionally reduce transfer of coldness from the surroundings into the building and vice versa. All cooling objects (cooling cabinet, cooling chamber) in the shop are fitted with a glass door, which prevents the outlet of cold air into the shop, and it also reduces the consumption of electricity. All these measures and ventilation with a recuperation device enabled us to reduce the necessary power required for heat pumps, which in the long-term reduces energy use and the amount of CO₂ exhausts.



During construction



The facility prior to operation

Energy rehabilitation of the existing housing stock

At the time of introducing Fresh, the new catering activity at service station, in 2014 we also improved energy efficiency of the existing facilities. The first facility was the service station Kozina, where also some measures to improve heat characteristics of the building were carried out. When renovating the building some simple but effective measures were taken. The existing joinery of the building in the warehouse and the catering part of the building was fixed, some seals were renewed on bearing surfaces, and the old thermopane glazing was replaced with new inserts composed of an insulating

panel and an outer glass cladding. In this way a uniform outlook of the external joinery was maintained. The walls in the warehouse and the kitchen were additionally thermally insulated. On the one hand, we decreased ventilation losses, since a strong wind, bora wind, invaded into the heated or cooled rooms. On the other hand, we improved the heat characteristics of the building. Some parts of screed were renovated by addition of polystyrene granules, which contributed to improved heat characteristics of the floor in the building. In a greater or lesser extent, the actions to improve energy efficiency were performed in all implementations of Fresh catering activity in 2014.



Fresh: energy efficient food preparation

Fresh catering supply was introduced in 12 locations across Slovenia by the end of 2014. Our complex facilities, like service stations, were additionally fitted with equipment for preparation and storage of food products. Heat treatment of food, which takes a relatively large amount of energy, became a new field of our energy management, since we can save many kilowatt hours of energy by using a carefully thoughtful approach.

Due to high air flow and its impact on energy consumption for heating and cooling the building, much of attention was paid to the selection of an efficient kitchen hood. For this reason, new energy efficient hoods were installed instead of conventional exhaust hoods. The new energy-efficient hoods require lower air flows for their operation. With the use of recuperation systems in winter

we use the heat from waste air to heat the inlet of fresh air, which is blown into the room. In this way more than 70% of energy is returned into the room, which would otherwise be lost. The same applies to food preparation, which is also aerated with heat recovery ventilation devices that achieve over 80% efficiency. All built-in thermal equipment (microwave ovens, convection ovens, ovens, etc.) is mostly of higher energy efficiency class. Since the concept of Fresh programme demands lower daily supplies of ingredients for food preparation stored at the locations, we - having energy efficiency in mind - selected also the cooling technique which compared to the food of a lower price class saves also up to 60% of energy.

70%
OF ENERGY IS RETURNED INTO THE ROOM, WHICH WOULD OTHERWISE BE LOST

Energy-efficient hand dryers

In our own facilities we are introducing the most environment-friendly way of hand drying – with the use of energy efficient hand-dryers which dry hands without using a lot of energy and release into the environment only 3 grams of CO₂ per one drying. This is significantly less than drying hands with one paper towel for one hand washing and drying, which releases of 10 g of CO₂ in the environment. The environment is mostly burdened by the use of classic hand dryers, where up to 20g of CO₂ can be produced, since classic hand-dryers heat the air.



17 g CO₂
LESS EMISSIONS PER ONE HAND DRYING

Lower energy consumption by using heat pumps

The best way to reduce energy consumption without reducing the range and quality of our business operations is to increase energy efficiency and to renovate our energy systems. High savings in terms of the savings/investment ratio represents the investment in a heat pump for heating the rooms and preparation of warm sanitary water. Traditional heating and combustion devices are now to a great extent being replaced by heat pumps in places where there is no district heating or gas pipeline available. In new facilities heat pumps are already

a fixture, meanwhile in renovating facilities they are being installed in places where the life-cycle of the old heating devices has expired. The use of heat pumps provides us with long-term energy savings and protection of the environment. Heat pumps obtain at least two thirds of its energy for heating the building and preparation of warm sanitary water from the surroundings. In this way we can reduce CO₂ emissions on account of lower energy consumption, and we also significantly contribute to sustainable environment. With built-in heat pumps we reduced our energy consumption by approximately 500 MWh/a in the last two years indirectly from fossil fuels, particularly from extra light heating oil. With the use of built-in heat pumps for preparation of warm sanitary water our energy consumption has reduced by 260 MWh/a. By implementing the latter measure almost half of the saved energy contributed to reduction of fossil fuel consumption, and the other half directly contributed to reduction of electricity consumption for preparation of warm sanitary water.

260 MWh/a

LOWER ENERGY CONSUMPTION FOR PREPARATION OF WARM SANITARY WATER BY USING HEAT PUMPS



Closing cooling cabinets

In addition to replacing old disused cooling equipment with energy efficient one we also started the rehabilitation project of open cooling equipment (cooling cabinets and chambers), which are an obligatory element of each service station and also a great consumer of electricity. Cooling systems losses occur particularly on account of mixing the cold air in a cabinet with the warm air from the building. On the one hand, energy con-

sumption for cooling objects is increasing, and on the other hand, it is also increasing in winter due to heating the building. An effective solution to reduce these thermal losses is the process of building-in closed cabinets or a subsequent retrofit of doors on the existing cabinets, which physically prevents mixing of cold and warm air currents. We are gradually continuing with the introduction of closed cooling cabinets in new buildings, and also with rehabilitation of the existing ones. The expected effect is reduction of electricity consumption for cooling by one third, which is also shown by measured values.

33%

LOWER ELECTRICITY CONSUMPTION FOR COOLING

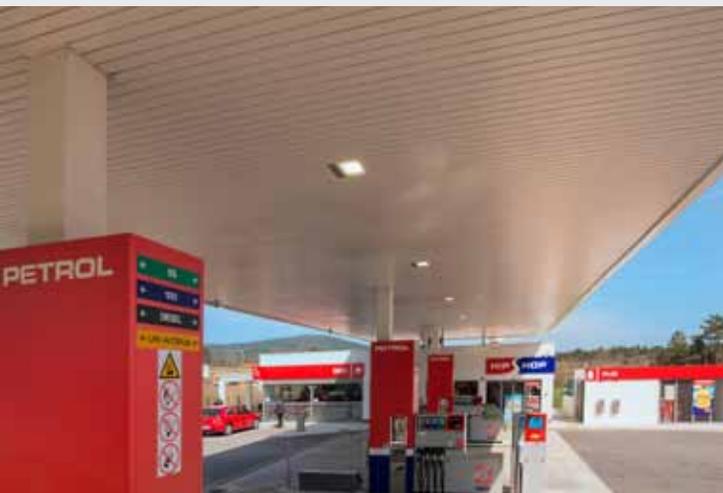
Update of external and internal lighting

Our commitment to increasing energy efficiency and sustainable energy use encourages us to bold changes in the field of lighting. Our first major update of external lighting was carried out at our service stations by 2012 and contributed to reduction of energy consumption by approximately 1,550 MWh/a, consequently the carbon footprint was reduced by 680 t/a. The second update of our lighting was completed in December 2014 and included 25 service stations and Zalog warehouse-technical centre.

In 2014 a gradual update of internal lighting started in buildings equipped with old lighting. By the end of 2014 modern internal LED lighting was installed at 6 service stations. Our measures of internal and external lighting contributed to reduced electricity consumption to 710 MWh/a, and thus the carbon footprint was reduced by 310 t/a. The majority of measures were implemented in 2014, so the actual results will be fully seen in 2015. These measures are going to be continued in the near future. By 2016 at the latest all old external lighting is expected to be replaced by more efficient modern ones. We are going to continue with replacement of internal lighting.

25

SERVICE STATIONS WITH UPDATED EXTERNAL LIGHTING



6

SERVICE STATIONS WITH MODERN INTERNAL LED LIGHTING



Patricjo Božič, B.Sc. in Mechanical Engineering
Investments, Energy Manager, Petrol d.d., Ljubljana

The goal of energy management is the increase of energy efficiency of the Petrol Group and to remain the leading company in this particular field in the industry. We are most proud of our employees who on account of various programmes of raising employee awareness have recognised their own role in improving energy efficiency within the Petrol Group.



Rapporteur
in the field
of energy
efficiency

Renewable energy sources

Our company is well aware that the future of the energy will more and more be 'renewable'. As the largest Slovenian trader with petroleum products we are actively involved in raising the share of renewable energy sources, since this is the way of reducing the carbon footprint

of energy sources, and at the same time we are increasing our energy security. Electricity, heating and cooling, and transport are the areas recognised by the EU as priority areas for the implementation of renewable energy sources. For this reason, RES are incorporated in our energy strategy.

In the last three years we have visibly increased our own energy production from the renewables, particularly from solar power, organic waste and biomass. In 2012 we produced the total amount of 27,656 MWh of renewable energy, and in 2014 this amount increased to 42,005 MWh, which shows the growth index of 152 (see Table 14). During those two years we almost doubled the production of biogas; in 2012 we produced biogas in the amount of 3.4 million m³, and in 2014 already 6.5 million m³ of biogas was produced. In 2015 we are planning to produce RES energy in the amount of 46,661 MWh and 7.4 million m³ of biogas.

The entire Petrol Group will produce 200 GWh of electricity and 50 GWh of heat both from the renewables by 2020.

20%

INCREASED PRODUCTION OF RENEWABLE ENERGY SOURCES WITH RESPECT TO 2013

33%

INCREASED PRODUCTION OF BIOGAS WITH RESPECT TO 2013

Table 14: Energy production from renewable energy sources in the Petrol Group

Renewable energy sources - own production	Year	Electricity from solar energy**	Biogas	Electricity from bio waste	The heat from bio waste	Energy from biomass
		in MWh	in mio m ³	in MWh	in MWh	in MWh
Petrol in Slovenia*	2012	2,415	3.4	7,166	7,524	10,551
	2013	2,026	4.9	9,949	10,446	12,550
	2014	2,307	6.5	13,638	14,320	11,741
	plan 2015	2,823	7.4	14,880	15,624	13,334

* All companies of the Petrol Group in Slovenia

** Photovoltaics

Chart 13: Energy production from renewable energy sources in the Petrol Group (in MWh)

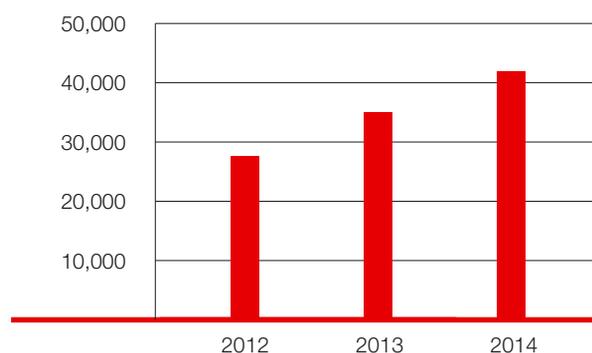
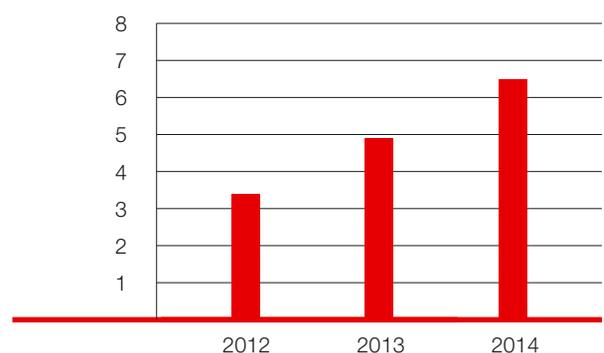


Chart 14: Biogas production (in million m³)



Transport

Our prudent energy management incorporates also the energy which is necessary to perform our core business. This type of energy is divided into two segments: transport of employees within the Petrol Group and transport of fuels performed by our contractual providers. For employee missions within the Petrol Group

company cars are being increasingly used, which economizes missions and energy consumption, and consequently also travel expenses. In 2014 totally 474,420 L of fuel and 11,228 L LPG were consumed for missions. This shows the trend of growth in energy consumption compared to the precedent two years, but it is mainly the consequence of more intensive market activities of the Petrol Group (see Table 15).

Table 15: Fuel consumption for employee missions within the Petrol Group

Transport for our core business	Year	Petrol	Diesel	LPG
		in l	in l	in l
The use of energy for own transport*	2012	34,922	414,522	11,749
	2013	36,741	415,027	12,226
	2014	40,351	434,069	11,228
	plan 2015	39,000	433,000	12,000
Total		151,015	1,696,619	47,203

* Employee missions within the Petrol Group in Slovenia

Table 16: Energy consumption for transport of fuel traded by the Petrol Group

Year	Electricity	Diesel
	in MWh	in l
2012	8,916	1,825,466
2013	8,348	1,653,965
2014	8,612	1,699,995
plan 2015	8,350	1,674,495

Transport routes and means used for transport of fuel traded by the Petrol Group are continuously optimised. This is partly due to our environment obligations and also a continuous increase of market competitiveness. In 2012-2014 we were in the process of decreasing the consumption of electricity and diesel. We wish to continue this trend in 2015. Apart from expanding our business activity, we are also planning to reduce our electricity consumption by approximately 1% and diesel consumption by approximately 1.5% (see Table 16).

Totally 3,017,050,000 l of fuels were transported in 2014, of which 47% by rail and 53% by road tankers. Security of transport is provided by extensive inspection of tanker drivers and the road tankers prior to their first entry into Petrol’s fuel storage facilities. Further controls of road tankers and their equipment are carried out prior to their accidental entry into a fuel storage facility. Transport security is supported by electronically controlled road tankers which also monitor the movement of road tankers and each fuel manipulation on the transport route.



3,017,050,000 liters

TRANSPORTED IN 2014

Drinking water management

Much attention is paid to a rational use of drinking water, and also to sanitary and technological waters. Several updates of sanitary equipment were carried out within the Petrol Group in order to reduce the consumption of drinking water. In 2014 the Petrol Group consumed 313,148 m³ (Table 17) of drinking water for its core business activities across Slovenia. In 2015 we are planning to consume 309,800 m³ of drinking water, which shows the index of 98.9. 70,655 m³ of water were recycled and reused in 2014, and in 2015 it is estimated this quantity will rise to 70,655 m³ (see Table 19). Drinking water is being saved in several areas by several actions.

When constructing new facilities and renovating the existing ones we use technologies which reduce water consumption such as sensor fixtures and fixtures on pressure used in washbasins and water dispensers. Also the number of modern two-stage flush toilets is increasing.

We perform settings of water flows which contribute to pressure reduction and consequently to water consumption. In the field of anhydrous technologies we are currently installing anhydrous urinals and also testing some newly appeared technologies in the market.

In 2013 a new car wash facility was built which uses reused water in the extent of 80%, the same percentage as in other 50 service stations of the Petrol Group, and annually saves up to 70,655,000 l of drinking water.

Table 17: Water use for own business

Water use for own business	Year	Drinking water use
		in m ³
Petrol in Slovenia *	2014	313,148
	plan 2015	309,800

* All companies in the Petrol Group in Slovenia
The data are valid for office work only, without technology.

80%

OF WATER IS REUSED IN 50 CAR WASHES



Waste water treatment

In its business activities the Petrol Group is today facing three categories of waste water – rainwater, technological and sanitary waters. Indicators in the field of water management for the process of fuel supply in 2013 and 2014 are shown in Table 18. Rainwater is discharged through technologically advanced collection systems. The amount of emissions is being efficiently reduced by treating water with the cutting-edge oil traps also for technological waste waters. Since there is no possible connection to the sewage network, the treatment of waste waters is performed through small waste water treatment plants (WWTPs). The locations that are still using cesspits are now intensively being included in the new system of waste water treatment. The management system of small WWTPs and oil traps has been optimised. Waste

water treatment is a significant part of the integral water management within our business activity.

At the end of 2014 there were 62 smaller WWTPs in operation with internal control. We constantly follow the latest technologies of waste water treatment, which are also being introduced when necessary changes are on the way, or when we acquire new small WWTPs. We are going to install remote control of the WWTP operation. In 2015 we expect to connect 11 small WWTPs to the public sewage network, and also the number of necessary controls of small WWTPs will be optimised. The operation of 37 small WWTPs will be taken over by the team responsible for environmental solutions within Petrol d.d., 5 WWTPs will be managed by Petrol Energetika, and the rest will be taken over by external providers.

62
SMALL WASTEWATER TREATMENT PLANTS WERE IN OPERATION AT THE END OF 2014

Table 18: Water indicators for the core business of fuel supply, 2013 and 2014

Indicator	Year 2013	Year 2014
Chemical oxygen demand	3.31 t	2.95 t
Phosphorus compounds	0.03 t	0.03 t
Heavy metals	No emissions	No emissions
Nitrogen compounds	No emissions	No emissions
Other substances that can potentially threaten human health or environment	No emissions	No emissions

Table 19: Use of recycled and reused water for own business

Use of water for own business	Year	Total use of recycled and reused water for own business**
		in m ³
Petrol in Slovenia *	2014	70,655.00
	plan 2015	72,000.00

* All companies in the Petrol Group in Slovenia ** The data are valid for car washes

The analyses of content and value of emissions upon discharge of waste waters, which is performed by the authorised laboratories, show the quality of Petrol's treated waste waters at a high level.



Soil protection

Within the set of the activities performed by the Petrol Group the greatest risk for soil contamination represent potential spills of petroleum products. The Petrol Group prevents such occurrences particularly by taking preventive measures of storage and transport of fuels. Efficiency of such preventive measures is based on several elements: continuous professional trainings of employees who are in contact and handle with fuels, the construction of quality oil tanks in warehouses, and ensuring safe transport conditions. Safe operation of fuel storage is achieved by implementation of the following activities:

- With a systematic identification of risk which could be a cause for major accidents during operation, maintenance, when major changes of storage and manipulation with the fuels are made, and during eventual construction activities in the storage locations;
- By producing risk assessments and protection and rescue plans for the locations of fuel warehouses and other hazardous substances;
- By implementing qualitative risk assessment for exceptional occurrences, disasters and accidents with hazardous substances for all identified risks at storage locations;
- By determining possible scenarios of disasters and accidents, their eventual consequences and recipients of these possible consequences of the identified disasters and also the so-called 'unbelievable scenarios of major accidents';
- By examining and determining adequate measures to prevent exceptional occurrences, accidents and to reduce their consequences;
- By following the applicable legislation, technical standards and the best available techniques upon determining measures to prevent accidents and reduce their consequences.

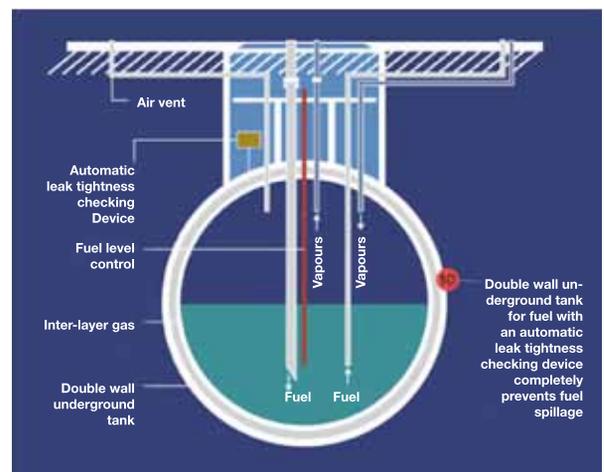
The company is striving for a high level of safety which can also be achieved by regular preventive maintenance of safety-critical devices, by implementing statutory and professionally required inspections and testing of safety devices, and by means of consistent implementation of the safety management system, which is audited at least once a year.

Double skin underground storage tanks

Raising the level of environmental prevention requires the introduction of technologically advanced equipment which can provide high safety and pre-

vent negative impact on the environment. A good example for this is a storage room with the so-called zero leaking option, which is a logical element of a typical service station of the Petrol Group. Here we talk about double skin underground storage tanks with double walls of which tightness is under a constant control. The new generation of double skin storage is cutting-edge, more safe and durable compared to the previous versions. These storage tanks are made from the materials which are permanently resistant to petroleum products. They are equipped with control systems of tightness in the space between the two walls. The tightness control is performed according to the latest technology with the constant pressure between the two walls (inert gas, air), which in case of leaking gives light and audible signal to warn the employees working in the sales area of the service station.

A little bit older 'classic' tightness control method for testing tightness between the two walls of a tanker, which still meets technical and statutory requirements, is a double skin liquid (rezervin – not harmful to the environment) which in case of leaking of the outer wall pours out into the environment and in the case of leaking of the inner wall the liquid is coloured. These containers, with a control pipe indicating the level and colour of the liquid between the walls, are placed in shafts above the underground storage tanks. The control is performed according to instructions by employees. A similar preventive system (gas, the air, light and audible signalling) the company also installed for above-ground storage tanks in warehouses Zalog, Rače, Celje and Sermin, and in some storage tanks in the warehouse Lendava. All storage tanks using this type of tightness control have a double-layer bottom with the control of eventual leaking. Some tankers are also placed in oil traps made of steel and equipped with meters and remote reading of the level and temperature of fuel.



Air quality

Care for air quality is reflected in our efforts of reducing emissions of light volatile hydrocarbons. Their formation is the consequence of volatilisation during the processes of transferring and storing fuels. The process of reducing emissions of light volatile hydrocarbons is in the Petrol Group performed in all three key elements of the distribution chain of petroleum products: in storage, transport and sales. Air emission indicators for the process of fuel supply in 2011-2014 are shown in Table 20.

A closed system of fuel transfer in fuel warehouses

In compliance with statutory requirements the Petrol Group provides fully equipped system for a closed system of fuel transfer into the above-ground tankers and into road tankers for all its liquid fuel terminals and fuel warehouses Zalog, Rače and Sermin, and at the location Sermin also for fuel transfer to railway tanks. All renovated tanks are equipped

with internal floating membranes and fixed free-standing aluminium roofs. All three fuel warehouses are equipped with vapour recovery units (VRU), the walls of the tankers are also coloured with reflective white paint which prevents heating of fuels and thus reduces air emissions. This method of renovation of above-ground storage tanks almost entirely prevents evaporation of hydrocarbons.

A closed system of fuel transfer at service stations

A closed system of fuel transfer (level 1) is installed in all our service stations. In compliance with legislation fuel transfer from road tankers into the underground storage tanks (UST) can be performed in all service stations in accordance with level 1 (vapour return). By the end of 2014 approximately 50% of service stations were equipped with the level 2 (fuel transfer according to a closed system into the fuel tanks of motor vehicles). All service stations, which use more recent fuel dispensers or petrol pumps, (Tokheim) are equipped with the system of vapour return (level 2).

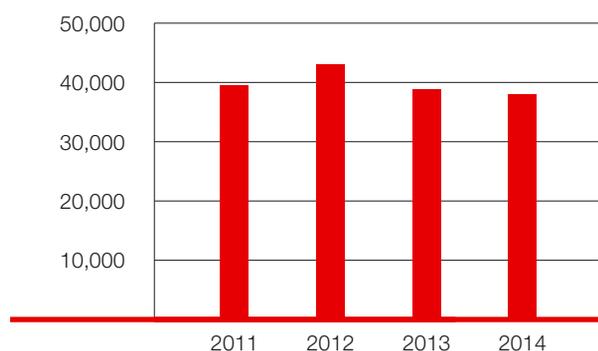
Table 20: Air emission indicators for fuel supply process in 2011-2014

Indicator	2011	2012	2013	2014
	t	t	t	t
Emissions to air (sulfur dioxide) ¹	1.17	1.00	0.96	0.94
Emissions to air (nitrogen oxide) ²	1.76	2.47	1.72	1.69
Volatile organic compounds ³	0.31	0.30	0.30	0.30
Carbon dioxide ⁴	39,420.00	43,046.00	38,732.00	37,960.00

- 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.

Chart 15: CO₂ emissions for fuel supply process in 2011-2014 (in tons)



Waste Management

With its strategy of waste management the company Petrol is committed to its transition to the so-called circular management, where waste is considered as raw material. Much attention is paid to prevention of waste generation and to acceleration of effective waste sorting at the source. Our waste management comprises the whole cycle of waste treated as raw material – from cradle to cradle. That is why we consider that our development and business processes of all products and services, which are available in the market, are based on the strategy of material circulation – from raw materials to waste and back to raw materials with minimized material loss and carbon footprint.

Petrol's activities also produce municipal waste, non-municipal waste (paper, cardboard and plastics in form of packaging) which are pure waste fractions, and hazardous waste (see Table 21). By accelerating the sorting of municipal waste the amount of mixed municipal solid waste (MMSW) is being reduced, which also means lower costs (see Chart 16). In 2014 the information platform was created to monitor environmental indicators and to easily monitor types and quantities of waste, and consequently to better manage our costs related to waste management. In 2014 the project of placing waste containers for separate waste collection was performed at the locations where the Petrol Group carries out its business activity.

Table 21: Waste Management of the Petrol Group in the years 2012-2014 and forecast for 2015

Waste management	Year	Collected mixed municipal waste	Collected waste oils	Collected waste paper	Collected waste plastics	Collected waste batteries	Collected hazardous waste**
		in m ³	in kg	in kg	in kg	in kg	in kg
Petrol - service stations, car washes included	2012	12,534	31,578	665,275	335,832	31,303	711,361
	2013	13,653	25,932	565,696	259,230	16,982	642,117
	2014	9,966	25,621	447,378	109,941	30,046	584,042
	plan 2015	9,000	25,000	500,000	120,000	30,000	550,000
Petrol - other facilities (commercial buildings, warehouses and other buildings*)	2012	305	6,648	17,558	20,609	460	202,019
	2013	368	5,052	27,748	23,606	48	435,589
	2014	1,027	5,665	44,655	32,923	20,235	314,701
	plan 2015	700	5,000	50,000	35,000	1,000	280,000

* Included companies of the Petrol in Slovenia: Petrol Tehnologija, Eltec Petrol, Petrol Energetika, Petrol Geoterm

** Packaging polluted by hazardous substances, oily rags (MMSW converter = 177 kg/m³)

Chart 16: Quantities of collected mixed municipal waste (m³)

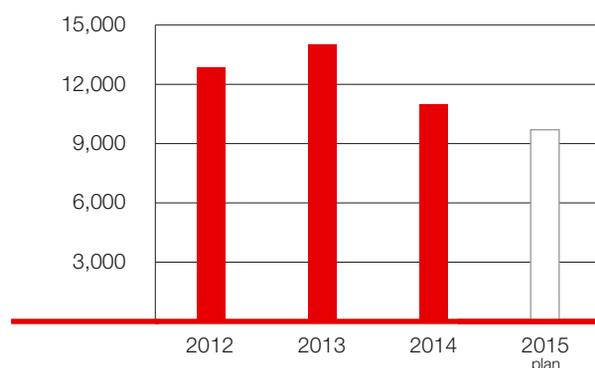


Chart 17: Quantities of collected waste paper (in kg)

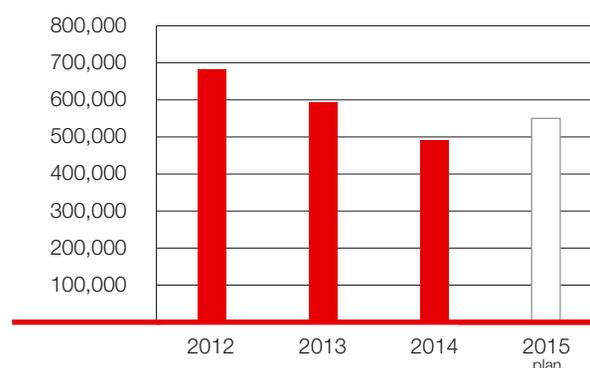


Chart 18: Quantities of collected waste plastics (in kg)

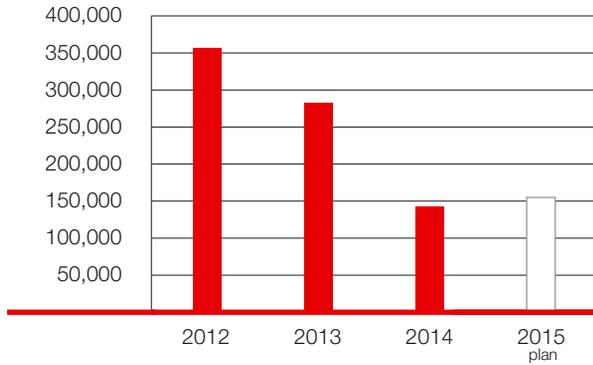
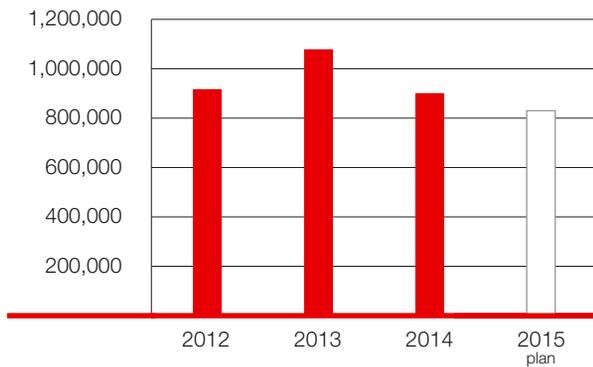


Chart 19: Quantities of collected hazardous waste (in kg)



Tatjana Zajc, B.Sc. Chemistry, MBA
 Environmental Solutions, Project Manager,
 Petrol d.d., Ljubljana

We pay attention to waste management in all our locations, since it is an increasingly topical area, also globally. We constantly reduce the formation of mixed municipal waste by establishing waste sorting at the source. This was the greatest achievement in this field in 2014 and at the same time it is also the greatest challenge for the future. We identified different methods of waste sorting and determined necessary changes of the work plan which will bring lower quantities of waste.



Rapporteur
 for waste
 management

The transition to cleaner fuel

Central development areas of the Petrol Groups are trading of gas, heat and electricity, as well as management of major environmental projects, thus our sustainable footprint is carefully measured on these areas. Of course, our footprint is measured also in the area of liquid fossil fuels which remain the most important energy of the Petrol Group (sales trend is shown in Chart 20). In the long term we want to play an important role in the marketing of renewable energy sources. Sales growth of energy from renewable energy sources is shown in Chart 24 and Chart 26.

Natural gas and liquefied petroleum gas are considered topquality and cleanest fossil fuels, offering vast possibilities for use – from heating and industrial use to electricity production and vehicle propulsion. Both energy products are characterised by efficient use, low costs and mitigation of negative environmental impacts. The sale and distribution of gas have been gaining importance within the Petrol Group.

Chart 20: Sales of liquid fossil fuels of the Petrol Group in Slovenia* (tones)

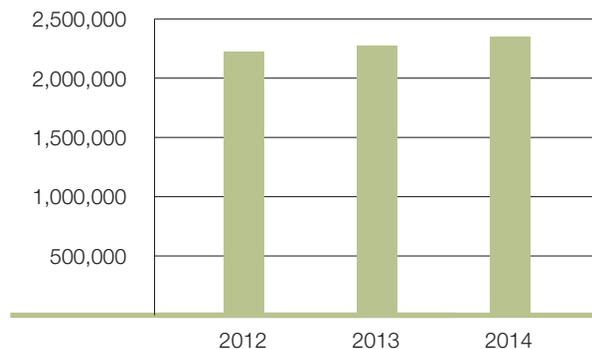
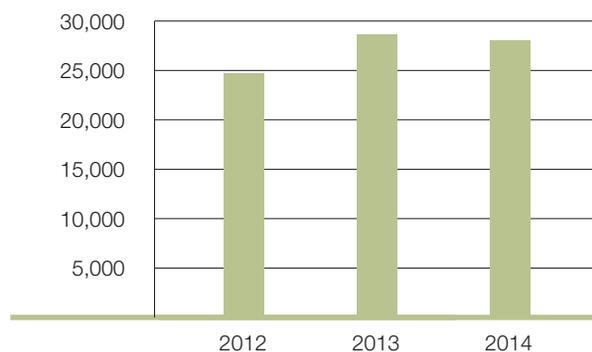


Chart 22: Sales of liquefied petroleum gas of the Petrol Group in Slovenia* (tones)



Business activities involving liquefied petroleum gas are divided into several segments, i.e. gas sales through networks and gas storage tanks, autogas sales and bottled gas sales. The volume of natural gas sold by the Petrol Group in 2014 amounted to 112.6 million m³ (in Slovenia 81,035 million m³, Chart 21), a decrease of 8 percent from 2013 and 10 percent less than planned. The lower sales were mostly due to an exceptionally mild winter. The sales of liquefied petroleum gas totalled 68.3 thousand tons (in Slovenia 28 thousand tons, Chart 22), which was on a par with 2013 and 8 percent less than planned. Out of this quantity, autogas, which is sold at 164 service stations, accounted for 27.8 thousand tons, up 7 percent from 2013. Petrol also sold 4.1 thousand tons of industrial gases or 18 percent more than in 2013. In 2014 the Petrol Group operated 28 gas supply concessions in Slovenia - 22 for the supply of natural gas and 6 for the supply of liquefied petroleum gas

In May 2014, we began to install Lovato autogas systems in our Tip Stop service shops. Customers were offered a topquality autogas system at affordable prices and favourable payment terms. In 2014, 91 such systems were installed, boosting the sales of autogas in the process. In November 2014, the

Chart 21: Sales of natural gas of the Petrol Group in Slovenia* (m³)

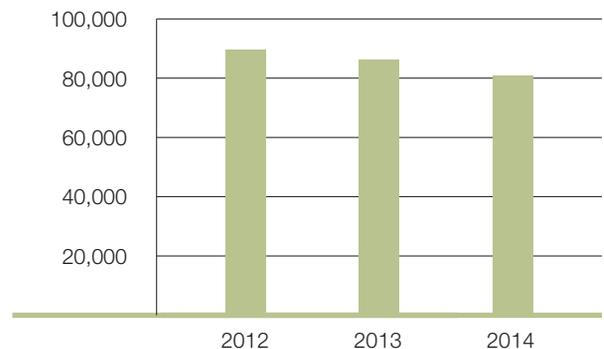


Chart 23: Sales of 100% biodiesel of the Petrol Group in Slovenia* (tones)

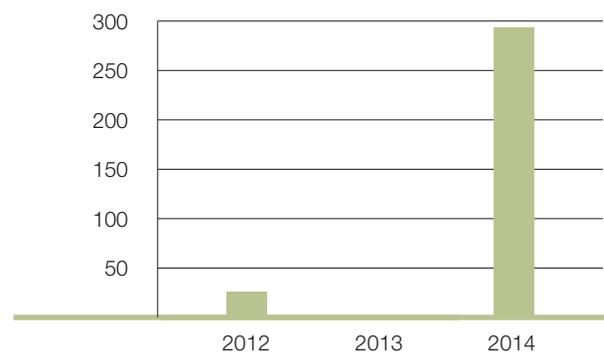


Chart 24: Energy sales of wood biomass of the group Petrol in Slovenia* (tonnes)

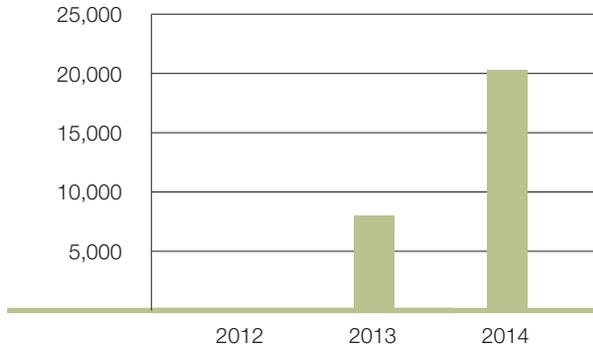


Chart 25: The Petrol Group's sales of electricity in Slovenia* (in MWh)

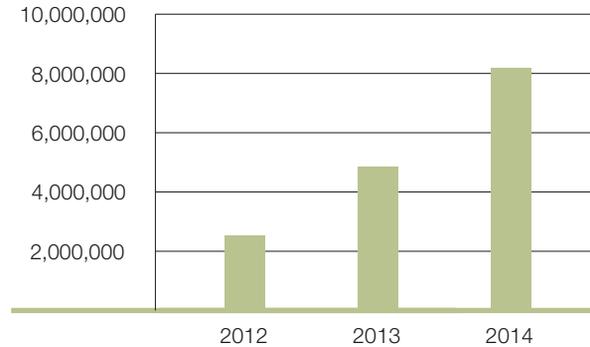
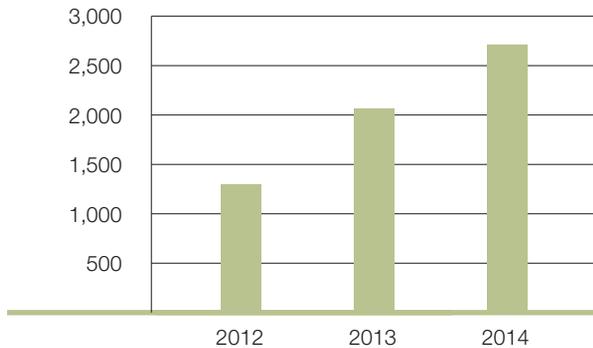


Chart 26: Solar energy sales of the Petrol Group in Slovenia* (in MWh)



* The data include trading within the Group.

company Petrol LPG d.o.o. obtained all the necessary permits to start operating the Smederevo terminal. It thus gained access to LPG sources in Russia, Belarus, Ukraine and Romania. The company plans to set up a trading platform and become one of the major market players in SE Europe. In this way, Petrol ensured a stable supply to SE Europe markets over the long term.

Supplying heat for heating purposes is turning into an important segment of Petrol's comprehensive energy product supply, which is done through district heating systems and heat and electricity co-generation systems. In 2014 the Petrol Group sold 82.4 thousand MWh of heat, which was 21 percent more than in 2013.

The Petrol Group became even more actively involved in the international wholesale electricity trad-

38,000

HOUSEHOLD CONSUMERS OF ELECTRICITY

21%

INCREASE OF SOLD HEAT ENERGY

78%

INCREASE OF SOLD ELECTRICITY

ing in 2014. As trading infrastructure developed and new markets emerged, it traded in all of the most important markets of Central and SE Europe in 2014. The presence in these markets and the expansion to new ones is crucial for optimising procurement channels for Petrol's end customers.

In 2014 a considerable amount of development work was carried out, which was needed owing to the constant changes of the electricity market situation. To help large customers manage the risks arising from long-term electricity supply contracts, we began offering them additional advanced services.

With regard to electricity supply to end customers in Slovenia, Petrol won 6,300 new household customers in 2014, up 18 percent over the year before. This means that Petrol now has 38,000 household customers. By offering the electricity-related range, we pursued Petrol's goal of comprehensive energy product supply.

Electricity plays an important role both in households and in all segments of the economy, and the deregulation and liberalisation of the energy market

have resulted in making the electricity market more interesting for the Petrol Group. The use of electricity has been expanding since, besides its primary function of lighting in households, it is increasingly being used for heating and cooling buildings. In the future, electricity is expected to play a significant role as a new and environmentally acceptable motor fuel for various means of transport.

Our long-term orientation towards the marketing of renewable energy sources is shown also in significant proportion of renewable energy sources in the structure of electricity supplied to our customers (in 2014, total of 70,134 MWh, see Table 22). In 2014, 31 small photovoltaic power plants under the Petrol Group's management produced 2,307 MWh of electricity (see Table 23).

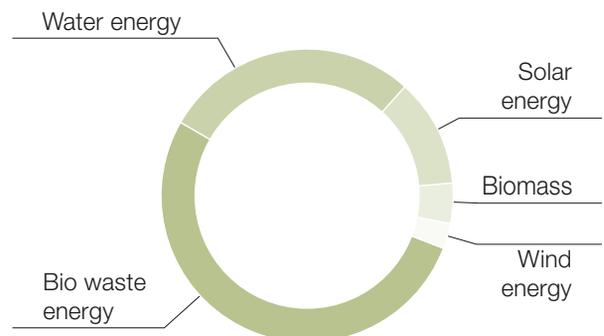
Table 22: Renewable energy in the supplied electricity to the customers of the Petrol Group in Slovenia

Year	Water energy	Wind energy	Solar energy	Biomass	Bio waste energy
	in MWh	in MWh	in MWh	in MWh	in MWh
2012	33,408	5,905	4,001	3,108	40,100
2013	22,460	2,037	9,392	3,478	42,790
2014	22,460	2,037	9,392	3,478	41,227
plan 2015	22,460	2,037	9,392	3,478	43,137

Table 23: Produced electricity and CO₂ savings in small photovoltaic power plants managed by the Petrol Group

Year	Electricity	Environmental savings
	in MWh	in t CO ₂
2012	2,414	1,118
2013	2,025	938
2014	2,307	1,068
plan 2015	2,823	1,307

Chart 27: The structure of renewable energy in the supplied electricity to the customers of the Petrol Group in Slovenia



WE ARE THE LARGEST PRODUCER OF ELECTRICITY FROM BIO-WASTE IN SLOVENIA

At the end of 2010, Petrol acquired Ihan Biogas Plant and thus became involved in energy production from waste. In 2014 liquid manure and organic waste were processed at the plant. Anaerobic treatment results in biogas, which is used by co-generation engines to produce electricity. In this process, heat is produced as well. In 2013 we acquired a second biogas plant in Črnomelj, which also processes organic waste and produces green electricity. Thanks to this acquisition, we became Slovenia's biggest producer of green electricity from organic waste.

Energy and environmental savings

Energy efficiency and use of alternative sources, and consequently reduction of the carbon footprint of our customers are strategic and sustainable challenges of the Petrol Group. More than 200 engineers and other professionals in the energy field within the Petrol Group daily create successful projects in Slovenia and abroad related to professional areas, such as energy management of cities, technical and economic optimisation of district energy systems, efficient lighting, energy in building management, and utilisation of geothermal power.

The scope of our business activity comprises facilities and optimisation of district energy systems, industrial energy, comprehensive solutions for households, the implementation of the statutory Programme for major obligated parties (major energy distributors of heat, electricity, gas and liquid fuels), gas and oil production, and utilisation of geothermal power.

More than 200

ENGINEERS AND OTHER SPECIALISTS FROM THE ENERGY SECTOR CREATE SUCCESSFUL PROJECTS

Long-term contractual energy supply and provision of savings is the most common model of performing projects of this kind, whereby there is no necessary required initial financial stake for the buyer either working in public sector or in the business sector. The major benefit for customers, arising from this model, is the fact that Petrol takes all technical and economic risks for the project implementation and management. The company provides financial assets for implementation of measures and supplies to the buyer all necessary energy of adequate quality. At the same time the company guarantees savings in energy consumption regarding the precedent energy source used by the buyer.

The total energy savings of the Petrol Group in Slovenia for markets are shown in Table 24, and environmental savings in Table 25.

Table 24: Energy savings of the Petrol Group in Slovenia achieved by market projects

Year	Heat supply	Cogeneration of electric and heat energy	Renovation of boiler rooms and installation of cogeneration of electric and heat units	End customers	Savings in lighting	Integrated projects of efficient energy use
	in MWh	in m ³ NG	in MWh	in MWh	in MWh	in MWh
2012	518	1,863,732	146	215,223	4,396	5,380
2013	812	46,350	28,429	115,189	1,682	1,098
2014	796	94,400	3,132	11,769	3,351	133
plan 2015	1,547	32,130	1,000	40,000	4,238	729

Table 25: Environmental savings of the Petrol Group in Slovenia achieved by market project

Year	Heat supply	Cogeneration of electric and heat energy	Renovation of boiler rooms and installation of cogeneration of electric and heat units	End customers	Savings in lighting	Integrated projects of efficient energy use
	in t CO ₂	in t CO ₂	in t CO ₂	in t CO ₂	in t CO ₂	in t CO ₂
2012	544	3,541	28	79,987	2,035	2,126
2013	555	117	4,747	418,858	779	707
2014	895	194	933	3,312	1,551	602
plan 2015	3,337	61	500	13,333	1,962	251

In the field of energy solutions the company introduced the following major projects or activities in 2014:

- Several projects on energy management in buildings;
- Performance of the Programme of major obligated parties (energy distributors), which is our statutory obligation;
- Several projects on efficient lighting;
- Two projects of optimisation of water distribution systems.

In compliance with the Energy Act (orig. EZ), as an energy provider to final customers, we must assure energy savings for our consumers. The decree which entered into force at the end of 2014 de-

300,000 MWh

ANNUAL ENERGY SAVINGS
BY THE END OF 2020

termines the period and the amount of energy savings, the calculation method of energy savings, distribution of energy savings according to individual years of a specific period, the method and the deadlines for implementation of the obligations of achieving energy savings, types of energy services and measures to achieve energy savings. With its projects available in the market the Petrol Group will provide for its partners annual energy savings in

the total 300,000 MWh and annual environmental savings in the amount of 101,000 tons of CO₂ by the end of 2020. All these savings will be achieved by taking the following measures:

1. Measures of efficient and greater use of renewable energy sources (RES) in heat production in public and service sector and industry:

- The comprehensive renovation of buildings;
- Renovation of individual elements or the entire outer part of the buildings;
- Installation of solar panels, heat pumps and other devices for heat production from RES;
- Installation of energy efficient lighting systems in buildings;
- Energy efficient outdoor lighting;
- Energy-efficient household appliances;
- Installation of energy efficient electric motors;
- Installation of frequency inverters;
- Increasing systems efficiency for preparation of compressed air;
- Installation of devices for efficient co-production (cogeneration);
- Replacement of electric furnaces with new biomass boilers;



- Replacement of boilers using all types of energy with new high efficiency biomass boilers;
- Replacement of boilers using all types of energy with new high efficiency gas boilers;
- Installation of systems utilising waste heat;
- Placing of equipment to perform operating monitoring and energy management for customers;
- Installation of advanced measurement systems;
- Introduction of the energy management system, and
- Optimisation of technological processes which is based on a performed energy audit.

2. Measures of efficient energy use in one-, two- or multi-dwelling houses:

- Installation of solar panels;
- Installation of heat pumps;
- System upgrade for joint heating in multi-dwelling buildings, including heat stations comprising the installation of thermostatic valves and hydraulic balance of the heating system;
- Optimisation of the heating system in multi-dwelling buildings;
- Installation of devices for efficient co-production;
- Replacement of electric furnaces with new high energy efficient gas boilers;
- Replacement of electric furnaces with new high energy efficient biomass boilers;
- Replacement of boilers using all kinds of energy sources with new high energy efficient gas boilers;

- Replacement of boilers using all kinds of energy sources with new high energy efficient biomass boilers;
- Installation of energy efficient lighting systems;
- Energy efficient household appliances;
- Installation of advanced measurement systems, and
- Introduction of advanced systems for measuring and calculating energy.

3. Measures of efficient energy use in traffic:

- Purchase of electric vehicles;
- Purchase of energy efficient tyres, and
- Other measures to increase energy efficiency in traffic.

4. Measures to increase efficiency of district heating systems:

- The comprehensive renovation of the heat station;
- Reduction of system losses for heat distribution;
- Connection of buildings to efficient district heating.

5. The comprehensive renovation of the heat station irrespective of the ownership of the heat station and the location of heat meters:

- With measures to increase efficiency of the heat distribution system;
- With installation of devices for heat production for district heating, with which the district heating systems meet the criteria for energy efficiency of district heating systems specified by the Energy Act.



Miha Valentinčič, B.A. in Economics

Energy Solutions, Development Manager of Energy Solutions, Petrol d.d., Ljubljana

We offer integral solutions for efficient use of all energy sources, including the renewables, to our customers in the public, business and industrial sectors. Petrol's energy experts design and implement technical solutions and management in order to make energy supply most cost-effective, reliable and environmentally friendly. We feel a great responsibility and also a realistic challenge to ensure sustainable energy supply of homes and other buildings, to establish a sound and energy efficient infrastructure in all bigger towns of the region, and to cooperate in the development of sustainable mobility.



Rapporteur in the field of energy solutions

Final customers – counselling for households

the programme by 15 % is envisaged until 2020. With development of energy solutions for households we are aiming at long-term competitiveness. By using a systematic transfer of knowledge and competences and by simplifying the processes we are going to expand the concept of counselling and sales also to the rest of our points-of-sale (call centre, mini energy centres).

In our Centre of energy solutions (orig. CER) in BTC Ljubljana and in Zagreb – the latter one was opened in 2014 in cooperation with our partners – we offer to our customers and households counselling on efficient energy use, the use of alternative energy sources for heating and cooling, renovation of windows, insulation materials, heating and ventilation systems, the use of energy sources and the

Petrol d.d., Ljubljana is taking the leading role in the field of the supply of comprehensive energy solutions for households in Slovenia. Annual growth of

comprehensive renovation of buildings. CER has also the role of selling, so we organised a set of various events on energy efficiency. Through CER the Petrol Group counselled over 6,000 customers (see page 45) personally or over the phone in 2013 and 2014. We issued 4,243 comprehensive offers, and provided 824 customers with a complete package offer and thus we created substantial savings in the field of energy use and CO₂ exhausts. Petrol d.d., Ljubljana, Jelovica d.d. and Knauf Insulation d.o.o. established GIZ CER (eng. Association of Economic Interests) in September 2013, which enables us a joint entry in foreign markets and international integration in the field of energy efficiency. Membership of GIZ CER is open to new partners, companies which in addition to their regular core business wish to care for the environment. The Programme of major obligated parties was financed in the amount of 200,735 € of non-refundable funds in 2013 and 307,922 € in 2014 to assure energy savings for final customers. According to this Programme the planned annual energy savings for 2013 was 115,189.41 MWh and 418,858.09 tons of CO₂ emissions. For the year 2014 these savings were 11,768.93 MWh and 3,312.40 tons of CO₂ emissions (see Table 26).

Table 26: Programme of major obligated parties to assure energy savings for end customers of the Petrol Group

Activities	Quantification of energy savings*	Environmental savings**
	in MWh/year	in t CO ₂ /year
2013		
Implementation of energy audits	4,033.57	391,770.60
Installation of energy efficient electric motors	0.00	0.00
Replacement of boilers using all types of energy with new high efficiency biomass or gas boilers	56.12	/
Efficient update of heating or cooling including heat stations	499.40	7.00
Placing of equipment to perform operating monitoring and energy management for managers	644.32	341.49
Information and awareness-raising programmes	109,956.00	26,739.00
2014		
Installation of solar panels, heat pumps and other devices for heat production from RES	1,199.58	442.54
Installation of energy efficient lighting systems	245.56	229.87
Installation of systems utilising waste heat	497.22	104.42
Renovation of individual elements or the entire outer part of the buildings	0.00	0.00
Implementation of energy audits	531.52	298.73
Installation of energy efficient electric motors	101.51	53.80
Replacement of boilers using all types of energy with new high efficiency biomass or gas boilers	205.47	144.77
Efficient update of heating or cooling including heat stations	0.00	0.00
Placing of equipment to perform operating monitoring and energy management for managers	3,406.52	1,148.07
Information and awareness-raising programmes	5,581.55	890.20

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.



824

SATISFIED CUSTOMERS,
DUE TO OUR
COMPREHENSIVE
PACKAGE OF ENERGY AND
CO₂ EMISSIONS SAVINGS

Energy efficient neighbourhood

In cooperation with our partners we wanted to create an energy efficient neighbourhood in Maribor in 2014. We invited 6 different households (families) from the City Municipality of Maribor to cooperate in the project. These households learned to manage energy efficiently in the three-week period. Energy counsellors helped them giving advice about efficient energy use. These families later became the ambassadors of the Energy efficient neighbourhood. In cooperation with these 6 families we addressed and raised awareness of all citizens of Maribor and its wider surroundings on efficient consumption of electricity and options to save energy. Electricity consumption of the participating families can be watched and observed live on [www.varcna-](http://www.varcna-soseska.si)

[soseska.si](http://www.varcna-soseska.si). Additionally, their weekly energy consumption in the form of floor graphics was shown on Freedom Square in Maribor. Danijel Vuk, the project manager of CER in Petrol d.d., Ljubljana quoted: "With this project we would like to point out the fact that the majority of Slovenian households are still considered wasteful, which consequently means that there is still a lot of potential to reduce our energy consumption. If we carry on at this pace, the electricity consumption will be increased by 50% until 2030. For this reason, it is extremely important to learn where and how to save energy today." This project was co-financed by the Petrol's Programme of major obligated parties (energy distributors) to assure energy savings of final customers.

projects



Methodology for calculating energy savings – reporting

When implementing measures to reduce energy consumption, evaluation of the achieved savings is of vital importance. Since there are many variables which can significantly affect the amounts or values of savings, it is significant to be familiar with valuation methods. EVO, Efficiency Valuation Organization, the world organization for quantifying results of energy efficiency projects and programmes, has published the International Performance Measurement and Verification Protocol (IPMVP) which describes two valuation methods:

1. Savings is equal to normalised savings

According to this method, the energy from the reporting period and from the basic (reference) period adjusted to the collection of common fixed (or 'normalised') selected criteria. Each measure is thus determined on account of the calculation in some constant conditions.

Normalised savings:

- is not affected by the conditions from the reporting period, since the collection of common fixed selected conditions is determined only once and remains constant;
- can be compared to the savings envisaged under the same collection of fixed conditions;
- can be reported only after the cycle of energy consumption of the reporting period is complete, so the mathematical correlation between the energy consumption in the basic period and work conditions can be carried out.

In Slovenia normalised savings were defined by the report prepared by IJS Institute Jožef Stefan (2011) for the Ministry of Economic Development and Technology, Directorate of Energy with the title Methods for calculating energy savings while implementing measures to increase efficient energy use and to increase the use of renewable energy sources. These methods are used to calculate annual savings in all stated projects in the tables. A saving which is calculated in this particular way is not necessary equal to the saving calculated from the actually measured values. And here we can use the second method according to the Protocol mentioned above.

2. Saving is equal to 'avoidable' energy consumption

According to this method a saving is defined for the reporting period – a saving is the energy consumption which would have been consumed in the reporting period unless a specific measure (therefore we avoided it) had been taken. Avoidable energy consumption (a saving) is energy consumption in the reference period – energy consumption in the reporting period \pm adjustments.

The first part of the equation (energy consumption in the reference period – energy consumption in the reporting period) means those quantities of saved energy that are measured. These values are a constituent of all reports which demand the data obtained from measurements. Adjustments are necessary because during the valuation of the resulting difference we would like to avoid effects which are not the result of the measure or the project, but are the result of independent variables (weather conditions) and dependent variables (change of the use of facilities, systems, f.e. increase of operating hours, number of users, increase of the working surface, etc.)

Because of credibility and proper understanding of Petrol's reports the calculation of two typical examples using both two methods are presented.



Example 1: Bled public lighting

According to the methodology the envisaged annual energy consumption was calculated regarding the newly installed power capacity of the lamps and also regarding the envisaged operating hours in a year, which is determined (4000): $A \cdot 4000 = C$.

Table 27: Calculation of savings for public lighting in the Municipality of Bled by Method 1

	Number of lamps	Power in kW	Consumption in the year prior to renovation in MWh	Calculation of annual consumption after renovation in MWh according to Methodology in MWh	Consumption measured in 2013 in MWh	Consumption measured in 2014 in MWh
		A	B	C	D	E
Total consumption	1,216	95.27	547.294	381.080	330.583	308.832

Calculation of savings: Normalised savings: (B-C) 166.214 MWh
 Avoidable consumption:
 2013 (B-D) 216.711 MWh
 2014 (B-E) 238.462 MWh

Example 2: Demonstration of two savings in two buildings within the project Contractual Savings Guarantee in the City Municipality of Kranj for the year 2014 using method 2

Legend for individual quantities in the table:

- A – reference energy consumption: measured energy consumption in the reference year 1999
- B – guaranteed reference contractual savings in %
- C – guaranteed reference contractual savings in kWh
Note: assured savings were determined regarding the experience of the performer (not according to method 1)
- D – guaranteed maximum energy consumption: (A-C)
- E – heated surface of the building in the reference year 1999

- F – the actual energy consumption for heating in 2014, measured by a heat meter
- G – corrected energy consumption regarding the difference in day temperature deficit (orig. DTP): $G = F \cdot (DTP_{ref} / DTP_{2014})$
- H – the actual heated surface in 2014
- I – consumption factor – calculation regarding H in both methods
- J – corrected consumption (J=G*I)
- K – the actual saving: avoidable consumption: (A-J)

Table 28: Calculation of savings in the Municipality of Kranj by Method 2

City Municipality of Kranj					Data 2014				
Building	Reference energy consumption in kWh	Guaranteed reference contractual savings in%	Guaranteed reference contractual savings in kWh	Guaranteed maximum energy consumption in kWh	Actual heated surface in m ²	Corrected energy consumption (dtp) in kWh	Consumption factor	Corrected consumption in kWh	Actual saving in kWh
	A	B	C	D	E	G	I	J	K
Primary school France Prešeren	791,604	12.2	96,813	694,791	5,519	600,942	1.1	531,807	259,797
The Municipality of Kranj	1,249,910	20.6	257,731	992,179	8,926	686,859	1.0	686,859	563,051
Reference DTP		3,566							
Actual DTP 2014		2,824							

Integrated energy management

The Petrol Group has developed a competitive model of integral energy management the so-called multi-energy and utility model, which has also been put into practice and which from a technological, economic and environmental point of view combines the performance of integrated energy services intended for our customers in industry, public sector and other sectors. Table 29 shows the indicators of Petrol's integral energy management.

Table 29: Integrated energy management

Project	Type of energy source	Location	Annual heat consumption	Annual electricity consumption	Annual heat savings*	Annual electricity savings	Environmental savings**	Activities / actions	Year of the investment completion	Investor	The project carried out by
			in MWh	in MWh	in MWh	in MWh	t CO ₂ /year				
EUO UM PZP 1, 2 and 3	DH, NG	University of Maribor	6,671.8	3,734.5	513.2	1,052.5	620,7	Implementation of district heating, envelope rehabilitation	2013	University of Maribor	Eltec Petrol d.o.o.
EUO MO Koper	LPG, HO, E	Municipal buildings	4,987.4	3,494.2	2,160.6	133.3	601.9	Boiler room renovation with the energy source replacement and facility management	2014	The Municipality of Koper	Eltec Petrol d.o.o.
EUO Jesenice	DH	Municipal buildings	2,191.9	636.1	261.3	45.4	86.4	Renovation of a boiler room and of a compact heating station	2013	The Municipality of Jesenice	Petrol d.d., Ljubljana
Total savings					2,935.1	1,231.2	1,309.0				

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

projects

Energy management of public buildings in the municipality of Brda

Upon signing the contract in September 2014 the municipality of Brda became one of the municipalities which entrusted the Petrol Group to perform energy management for almost all of its municipality buildings. It entrusted the performance of measures for efficient energy consumption and rehabilitation and management of public lighting. The Petrol Group will ensure savings in energy consumption, reduce the energy costs, provide for the supply of heat and coldness and introduce energy management in public buildings of the municipality Brda. Buildings and infrastructure owned by the municipality Brda are going to be supplied and guaranteed by the Petrol Group with 400 MWh of heat, 480 MWh of coldness, 240 MWh of electricity, 480 MWh savings from heat consumption, 240 MWh savings from electricity consumption and reduced CO₂ emissions in the amount of 271,200 kg/a at an annual level within the next 15 years.

Energy management of public buildings in the City Municipality of Koper

Eltec Petrol, d.o.o. is performing the project energy management of public buildings in the City Municipality of Koper in the period 2014-2029. It is the so-called EPC project; the project of energy performance contracting that comprises a contractual guarantee of heat and electricity savings, a contractual guarantee of cost savings from heat energy, contractual heat supply, the service of energy accounting and waste management, and a lifetime guarantee for the installed (mounted, built-in) equipment. The investment in the amount of 1,928,000 EUR (excluding VAT) comprised the renovation of 17 boiler rooms and replacement of the energy source (from ultra light fuel oil (ULFO) to heat pumps (HP) and LPG). The envisaged annual results are heat energy savings in the amount of 161,183 kWh/a, cost savings from heat in the amount of 285,723 EUR/a, and sales of heat energy in the amount of 3,390 MWh.

Heat production

Heat supply intended for heating which is performed through district heating systems and systems for heat and electricity cogeneration is a significant part of Petrol's integral energy supply. We are making efficient systems for heating and we are renovating machinery or boiler rooms. Boilers are being upgraded according to the model of contractual guarantee of energy supply and provision of energy. According to this model we guarantee energy and environmental savings to our contractual parties (Tables 30 and 31).

In 2014 we built new district biomass heating systems in Oplotnica and in the municipality Hoče –

Slivnica, and we bought the same system in Postojna. We acquired a new concession for the district heating system in Kidričevo. Since 2014 we have also provided the municipalities of Bled and Šentilj with a district heating system from fossil fuel. The Petrol Group managed 18 concessions for district heating supply. We produce heat and electricity also by using co-generation machinery which enables simultaneous energy transformation of the primary fuel into heat and electricity. Natural gas is used as primary energy source in all co-generation systems. Owing to high savings arising from natural gas consumption co-generation is one of the most important measures to reduce greenhouse gas emissions. 6 new micro-cogeneration engines started their operation in 2014. They were installed during renovation of old boiler rooms in schools and other public buildings.

Biomass district heating systems (BDH)

In 2014 we completed construction and commenced operation of innovative biomass heating system in Oplotnica financing it with our own resources as well as grants of the Operational Programme of Environmental and Transport Infrastructure for the period 2007-2013. The system was built on the basis of a concession granted for the provision of optional local public service production and distribution of heat in the area of the Municipality of Oplotnica. A completely new biomass boiler room was constructed with a woodchip heating appliance. A power rating is 500 kW, from which primary school, gym hall Milenij, health center and other users in a business building are supplied via distribution system. The newly built BDH system will replace the annual application 100,000 gallons of fuel oil with energy generated from renewable sources, and thereby save 265 kg of CO₂.

Sewage sludge drying

At the Biogas plant Ihan we built a drying plant for sludge from WWTP, which began its operation in 2014. As an energy source for drying a waste heat from the Biogas plant Ihan is used. Sludge from WWTP is dried (from 20 to 30% dry matter to over 90% dry matter) and it is processed into secondary fuel for cement factories. About 7,000 tons of wet sludge will be dried in the plant when in full operation. This investment is a good example of a beneficial use of waste heat.

Wood biomass district heating for a group of apartment buildings

In January 2014, together with our partner, Dominvest, we opened a biomass district heating system in Mojstrana. Heating costs will be reduced by about 20 percent. Biomass district heating system in Mojstrana is one of the first such contracts of heat supply from renewable energy sources for a group of apartment buildings in Slovenia. The system, which includes the boiler room and the hot-water system, to which it is currently connected 91 users, will be operated and maintained by Petrol in the following 15 years. If necessary, the system will be developed connecting new interested users. In the boiler room there is a wood biomass boiler with power rating of 500 kW. Total power is 493 kW. The annual consumption of heat from the biomass district heating system is expected to amount to around 543 MWh, thus around 780 m³ of wood chips will be required. The investment will be fully financed from savings in heating costs. Despite the fact that maintenance was carried out, reserve funds remain intact and may be used for other building rehabilitations. The project is an example of good cooperation of all stakeholders.

20%

LOWER HEATING COSTS

projects

Year	Energy savings *	Environmental savings **
	MWh/year	t CO ₂ /year
2013	812.4	554.7
2014	795.8	895.1
Total savings	1,608.2	1,449.8

Table 30: Energy and environmental savings of heat supply of the Group Petrol

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

Table 31: Implemented projects for heat supply of the Petrol Group in 2013 and 2014

Project	Type of energy source	District / Local heating	Location	Heat production	Energy savings*	Environmental savings **	Activities / actions	Year of the investment completion	The project carried out by
				MWh/year	MWh/year	t CO ₂ /year			
KNLB Golea OŠ Košana	■	LH	Elementary School Košana	155.8	52.1	40.5	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KNLB Golea POŠ Kojško	■	LH	Associated Elementary School Kojško	104.0	20.8	27.0	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KNLB Golea OŠ Cerkno	■	LH	Elementary School Cerkno	587.0	117.8	152.6	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KNLB Golea OŠ Sečovelje	■	LH	Elementary School Sečovelje	277.0	277.0	72.0	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KNLB Golea POŠ in vrtec Sv. Peter	■	LH	Associated Elementary School and nursery St. Peter	48.5	32.1	12.6	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KNLB Golea OŠ dr. Aleš Bebler	■	LH	Elementary School Dr. Aleš Bebler	190.0	267.0	49.4	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KNLB Golea OŠ Šmarje pri Kopru	■	LH	Elementary School Šmarje pri Kopru	228.0	45.6	59.3	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
DOLB Mojstrana	■	DH	Apartment buildings on Delavska street and Alojza Rabiča street	543.0	0.0	141.2	construction of a biomass boiler	2013	Petrol d.d., Ljubljana
KN TČ Špik	■	LH	Hotel Špik	1,700.0	183.8	442.0	installation of a heat pump	2014	Petrol d.d., Ljubljana
DOLB Hoče Slivnica	■	DH	Health center, nursery	415.8	0.0	108.1	construction of a biomass boiler	2014	Petrol d.d., Ljubljana
OŠ Šmartno pri Slovenj Gradcu	■	DH	Šmartno pri Slovenj Gradcu	330.0	16.5	88.0	construction of a biomass boiler	2014	Petrol Energetika d.o.o.
OŠ Sv. Jurij ob Ščavnici	■	LH	Sveti Jurij ob Ščavnici	309.0	30.9	96.0	construction of a biomass boiler	2014	Petrol Energetika d.o.o.
Kotlovnica Pobrežje	■	DH	Maribor	4,813.0	564.6	161.0	construction of natural gas fired boiler	2014	Petrol Energetika d.o.o.

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

Type of energy source
 ■ Wood biomass
 ■ Electricity and ultra light fuel oil
 ■ Natural gas

Type of heating
 DH District heating
 LH Local heating

Cogeneration of heat and electricity (CHP)

Cogeneration of heat and electricity (also CHP – Combined heat and power) is the process of simultaneous transformation of fuel into heat and electricity. This process requires a generator driven by a gas or steam turbine or gas engine. The heat released from fuel combustion is trapped and used beneficially. CHP plants can run on fossil fuels (natural gas, LPG, liquid fuels, coal) and renewable energy sources (biogas, biomass). The advantage of CHP is above all cost reduction from heating and heating sanitary water, high efficiency and small heat losses. Table 32 shows CHP projects implemented by the Petrol Group, and Charts 28 and 29 show energy and environmental savings of these implemented projects in quantities.

Table 32: Implemented projects of cogeneration of heat and electricity units by the Petrol Group in 2013 and 2014

Project	Power rating of device	Location	Heat production	Electricity production	Consumption of energy	Energy savings*	Environmental savings**	Year of the investment completion	The project carried out by
			MWh/year	MWh/year	m ³ NG/year	m ³ NG/year	t CO ₂ /year		
mSPTE Obala 1 in 2, Lucija*	2x25 kWe + 2x55 kWt	DO Lucija	385	175	48,000	14,400	41.8	2013	Petrol d.d., Ljubljana
mSPTE Šolska 1 in 2, Lucija*	2x25 kWe + 2x55 kWt	DO Lucija	385	175	48,000	14,400	41.8	2013	Petrol d.d., Ljubljana
mSPTE Cankarjeva, Radovljica	30 kWe + 62 kWt	Radovljica	217	105	35,000	10,500	20.0	2013	Petrol d.d., Ljubljana
mSPTE Vrtec Gobica, Mengeš	20 kWe + 40 kWt	Mengeš	140	70	23,500	7,050	13.4	2013	Petrol d.d., Ljubljana
mSPTE Lenivec, Sežana	48 kWe + 91 kWt	Sežana	318	168	52,500	16,300	31.0	2014	Petrol d.d., Ljubljana
mSPTE Kovorska, Tržič	30 kWe + 62 kWt	Tržič	217	105	35,000	10,500	20.0	2014	Petrol d.d., Ljubljana
mSPTE Liminjan 1 in 2, Lucija*	2x25 kWe + 2x55 kWt	DO Lucija	385	175	48,000	14,400	41.8	2014	Petrol d.d., Ljubljana
SPTE Zalog	180 kWe + 213 kWt	Zalog	745	630	161,000	53,200	101.1	2014	Petrol d.d., Ljubljana

Total savings

140,750 **310.9**

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.
 ** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

Chart 28: Quantitative energy savings of CHP projects of the Petrol Group (m³ NG/year)*

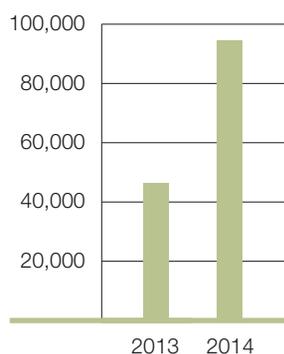
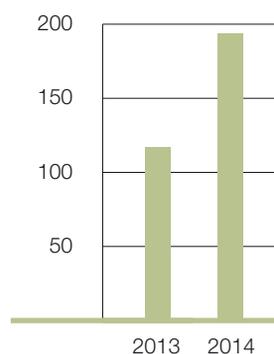


Chart 29: Environmental savings of CHP projects of the Petrol Group (t CO₂/year)**



Renovation of boiler rooms and installation of CHP

Table 33: Energy and environmental savings with renovation of boiler rooms and installation of CHP by the Petrol Group

	Energy savings*	Environmental savings**
	MWh/year	t CO ₂ /year
2013	28,429	4,747.23
2014	3,132	933.84
Total savings	31,561	5,681.07

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

In wish to provide our heat supply most optimal, we simultaneously carry out renovation of boiler rooms and CHP installation for some customers. Energy and environmental savings on account of renovation of boiler rooms and CHP installation, performed by the Petrol Group, are shown in Table 33, and the implemented projects are shown in Table 34.

25%

LESS HEAT LOSS BY
RENOVATING DISTRICT HEATING

projects

System operator of the heat distribution network

On 1 June 2014 Petrol Energetika took over the implementation of the concession as the system operator of the heat distribution system in the territories of towns Sladki vrh, Vranji vrh and Ceršak. The concession contract is made for the period for 20 years. Upon the takeover of the concession Petrol Energetika approached to a complete renovation of their district heating system and installation of heat substations on the west branch. Additionally, it approached to a comprehensive new construction of production facilities for the production of district heat and assured independence of operation of Paloma's plant. Heat intended for heating in towns Sladki vrh and Vranji vrh, and partially also for the needs of Paloma's plant, is generated in the heat power plant Paloma using cogeneration machinery with the capacity of 626 kWte/527kWe and a hot-water boiler with the capacity of 1,500 kW. Electricity produced in the cogeneration process is connected to the electricity grid Paloma (its own consumption). With transition of producing heat

from steam boiler to a highly efficient production using CHP and gas boiler we improved efficiency of district heat production and we also reduced CO₂ emissions. After the renovation of district heating system heat losses were reduced from 45% to 20%.



Table 34: Implemented projects of renovation of boiler rooms and installation of CHP by the Petrol Group in 2013 and 2014

Project	Power rating of boiler and power ratings of CHP	Location	Heat produc-	Electricity	Consumption	Energy	Environmental	Year of the investment completion	The project carried out by
			tion	production	of energy	savings*	savings**		
			MWh/year	MWh/year	m ³ NG/year	MWh/year	t CO ₂ /year		
KNZP SPTE TČ MO Kranj	1x81 kWt + 1x50 kWe + 3x86,5 kWt + 350 kWt + 314 kWt	The Municipality of Kranj	627.0	237.1	78,514.0	284.0	93.02	2013	Eltec Petrol, d.o.o.
KNZP SPTE Stane Žagar	1x39 kWt + 1x20 kWe + 405 kWt	Elementary school Stane Žagar	508.0	80.0	56,160.0	109.0	35.60	2013	Eltec Petrol, d.o.o.
KNZP SPTE France Prešeren	1x81 kWt + 1x50 kWe + 720 kWt	Elementary school France Prešeren	543.8	200.0	69,983.0	240.0	92.32	2013	Eltec Petrol, d.o.o.
DO SPTE Bled	1x1015 kWt + 1x467 kWt + 1x400kWt + 1x999 kWe + 1x389 kWe + 3000 kWt + 730 kWt	District heating Bled	10,977.0	7,108.0	1,967,545.3	7,578.0	482.99	2013	Petrol d.d., Ljubljana
DOZP Hrušica	1x81 kWt + 1x50 kWe + 1x270 kWt + 1x370 kWt	Apartment building in Hrušica	420.3	200.0	68,810.0	228.0	29.42	2013	Petrol d.d., Ljubljana
SPTE Unior II	1x502 kWt + 1x398 kWe	Unior Zreče	2,008.0	1,592.0	320,968.0	1,620.0	609.84	2014	Petrol d.d., Ljubljana
SPTE Paloma	1x1.500 kWt + 1x527 kWe + 1x626 kWt	Sladki Vrh	2,509.0	2,027.0	559,437.0	1,512.0	324.00	2014	Petrol Energetika d.o.o.
SPTE OŠ Muta	1x345kWt + 1x18 kWe + 1x36 kWt	Muta	144.0	70.0	23,759.0	87.0	20.88	2013	Petrol Energetika d.o.o.
Toplarna Ravne	2x13.300 kWt + 1x285 kWt + 1x460 kWt + 1x8.298 kWt + 1x8.169 kWe	Ravne na Koroškem	41,146.0	32,412.0	9,426,420.0	19,903.0	3,993.00	CHP rehabilitation in 2013	Petrol Energetika d.o.o.

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

Optimizing lighting

With the introduction of comprehensive solutions of efficient lighting we provide public and industrial sector with reduction of energy consumption and environmental burden. Lighting in non-residential sector represents almost 40% of electricity consumption. Within the range of our comprehensive solutions we provide our customers

with comprehensive system management, district heating system and management, and the meter reading system used for the actual consumption of electricity in the supply terminal for switch control of public lighting. Our customers are large industries and other business entities and also local communities. The review of all implemented projects is shown in Table 35. The quantitative energy and environmental savings arising from the implemented projects are shown in Charts 30 and 31.

Table 35: Implemented projects on optimizing lighting by the Petrol Group in 2013 and 2014

Project	Type of lighting	Location	Average annual electricity consumption	Energy savings*	Environmental savings**	Activities / action	Year of the investment completion	Investor	The project carried out by
			in MWh	MWh/year	t CO ₂ /year				
JR K Bled	public lighting	The Municipality of Bled	381.08	166.21	76.96	renovation of lighting	2013	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
JR K Mengeš	public lighting	The Municipality of Mengeš	171.55	174.76	80.91	renovation of lighting	2013	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
JR K Litija	public lighting	The Municipality of Litija	504.85	373.52	172.94	renovation of lighting	2013	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
UR Mercator	interior lighting	Mercator d.d.	453.00	967.70	448.05	renovation of lighting	2013	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
JR K Brda	public lighting	The Municipality of Brda	301.08	190.94	88.41	renovation of lighting	2014	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
JR K Koper	public lighting	The Municipality of Koper	3,249.28	2,691.46	1,246.15	renovation of lighting	2014	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
JR U Ivančna Gorica	public lighting	Občina Ivančna Gorica	459.70	468.25	216.80	renovation of lighting	2014	Petrol d.d., Ljubljana	Eltec Petrol d.o.o.
Total savings				5,033.00	2,330.00				

* Calculation of energy savings: the difference between the use of primary energy before the renovation of the boiler room and after in MWh/year.

** Environmental savings are expressed as the sum of the emission savings due to the reduction in the use and due to replacement of energy source.

Projects

Public lighting in the City Municipality Koper

The project of renovation and regulation of public lighting in the City Municipality in the period 2013-2023 is a concession project of energy contracting that comprises contractual guarantee of savings from electricity consumption, contractual guarantee for cost savings of public lighting maintenance, sales of electricity, services of energy accounting and management, and performance of the utility. The amount of the investment is 2,314,796 EUR. The envisaged annual savings are: electricity savings in the amount of 1,949,983 kWh and sales of electricity in the amount of 3,264,072 kWh.

Chart 30: Energy savings by projects on optimizing lighting (MWh/year)

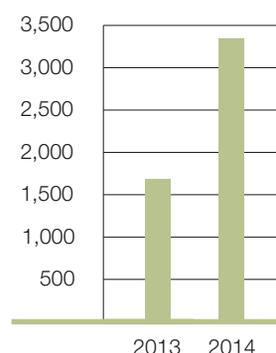
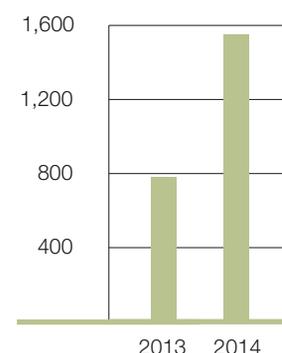


Chart 31: Environmental savings by projects on optimizing lighting (t CO₂/year)



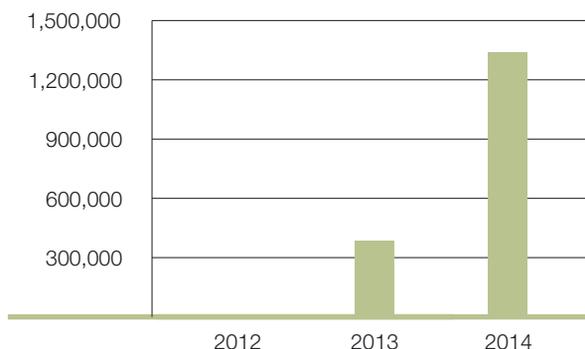
Managing water cycle

345%

HIGHER WATER SAVINGS AS IN 2013

The integral solutions of economical planning, building, renovation, maintenance and management of production resources, distribution and utilisation of water consumption are already traditional activities of the Petrol Group. The company also has rich experience in the field of waste water treatment in local communities and industry. In 2014 the Petrol Group centralised its management of the entire water cycle comprising drinking water, discharge of waste waters and waste water treatment. With the projects of optimising water distribution systems we managed to reduce water consumption by 1.340.279 m³ in 2014, which is 345% more than in 2013 (see Chart 32).

Chart 32: Volume of water savings by optimizing water supply systems



Software implementation for management and planning of management system of water distribution networks in real time

For the investor Mariborski vodovod javno podjetje d.d. (eng. Maribor water distribution system, public company) we established a modern information system built with relational database Oracle and with GIS development environment in the period 2013-2014. This system satisfies most of the needs of the company Maribor water distribution system which is the system operator for drinking

water supply. Using these tools it will be possible in the future to optimise its operation, which means reduction of electricity consumption during pumping of drinking water in the distribution system. The project comprises establishing an advanced system of control and management of the distribution network of the water distribution system together with the control system of minimum night water flows and water quality in the network. The amount of the investment is 311,850 EUR. The envisaged annual savings of electricity is 644,315 kWh, and the emission savings is 341,486 kg CO₂.

projects



Tomaž Ružič, B.A. in Mechanical Engineering

Marketing and Development of Services, Customer Service Manager, Eltec Petrol d.o.o.

On the way from the source to the consumer water is losing its quantity within the water distribution network, which for a manager represents an irreversible loss of the investment. The current discourse on energy inefficiency of water distribution systems can cause the so-called domino effect, f.e. unjustified investment increase in the energy sector. We want to emphasise the services which we implement within our projects which are related to taking the customer's need into account, establishing a higher level of quality and control of the operation of the water distribution system and management of drinking water distribution in real time, and at the same time also ensuring smooth and safe water supply at the lowest energy consumption.



Rapporteur in the field of water management

In 2014 the Petrol Group managed 4 concessions for performing utility services of waste water treatment. Waste water treatment plant (WWTP) in Murska Sobota has the capacity of 42,000 PE (population equivalents), in Sežana 6,000 PE and in Mežica 4,000 PE (see Table 36 and Chart 33). In 2013 we acquired the concession for waste water treatment in the municipality Ig, we started with the upgrade of the existing WWTP and building the corresponding pressure line. The entire investment will be completed in 2015 due to construction complexity and the process of acquiring the building permit. All WWTPs operated well in 2014. There were no major technical failures and they all achieved the envisaged effects of waste water treatment. Petrol d.d., Ljubljana also cooperates as an important partner in the company Aquasystems d.o.o. in the area of treatment of municipal waste waters in the City Municipality of Maribor with the capacity of 190,000 PE.

We also managed the industrial waste water treatment plant of company Papirnica Vevče which has the capacity of 28,000 PE. Quality parameters of treated water in 2014 were adequate.

5.941.000 m³

OF TREATED MUNICIPAL WATER
IN 2014

Chart 33: The amount of treated waste water by the Petrol Group

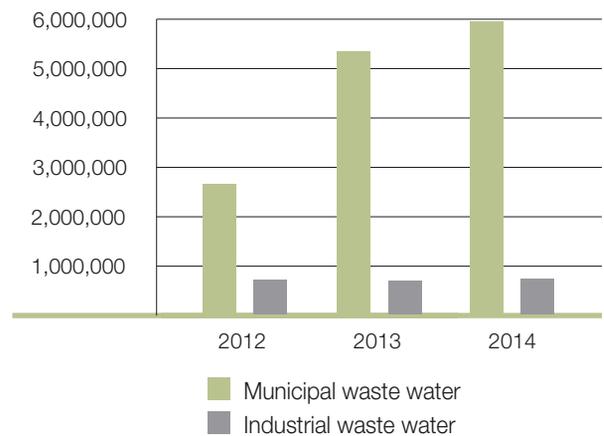


Table 36: The amount of treated municipal waste water by quality and destination releases, 2014

The facility	Capacity (PE)	The cleaning effect by COD	Quantity treated water	Discharge of treated water
WWTP Murska Sobota	42,000	94.60%	5,211,000 m ³	discharge into the river Ledava
WWTP Mežica	4,000	89.80%	474,000 m ³	discharge into the river Meža
WWTP Sežana	6,000	95.99%	256,000 m ³	conducted sinks and upgrade to tertiary treatment (removal of phosphorus and disinfection of effluent)



Petrol's sustainable energy mix

Following the world's trends the Petrol Group is seeking new options to replace fossil fuels with environmentally more acceptable energy sources. Petrol's energy mix includes cleaner and more efficient technologies and energy sources intended for transportation. In compliance with new electric vehicles in the market we provide adequate infrastructure and charging stations for the supply of electricity for cars. We are introducing hydrogen as an alternative fuel for motor vehicles and in the supply systems.

Premium quality of fuels

The basic fuel quality in Europe is determined by EN standards. These normally stipulate minimum requirements of fuels to assure safe engine operation. In accordance with its quality policy the Petrol Group is additionally improving the quality of its fuels by adding multifunctional fuel additive package. All Petrol's fuels are additionally implemented with additives, which contributes to lower fuel consumption (2,5 - 4%, see Table 37). Of course, this can be only achieved in case of a regular use of fuels and lubricants which contain additives. These additives enable stable and sound conditions in the engine and also reduce losses owing to internal friction in the lubricants. These improvements on the one hand increase the engine protection, and on the other hand they enable sustainable optimal operation of engines and thus increase of their performance. The effects of these improvements mostly affect the environmental parameters (Table 38). The optimal operation of engines affects lower fuel consumption (it reduces CO₂ emissions in the environment), and also emissions of most harmful combustion products (CO, CH, NOx) are significantly reduced. Taking the number of driven kilometres into account, and the fact that trends in traffic are increasing (growing number of motor vehicles), these savings or emission reductions significantly contribute to limiting negative impacts on the environment arising from traffic.

Table 37: Consumption savings of Max Q

Type of fuel	Consumption savings in %
diesel	up to 2.5
gasoline	up to 4

Table 38: Environmental effects of the additives in Petrol's fuels

Environmental impacts	in %
Reduction in emissions of HC	13-21
Reduction of CO	6-28
Reduction of emissions of particulate matter	5-21

Also Petrol's ultra light fuel oil is additionally enriched with additives, which contributes to a greater reliability of the use and to lower emissions.

Biofuels

All fuel distributors in the EU markets were in 2014 legally bound to introduce biofuels in the market. Due to changes in the Slovenian policy regarding the taxation of biofuels which are added to the conventional petroleum fuels, the Petrol Group was forced to limit the consumption of biofuels in this segment. On the other hand, the demand on fuels mixed with biofuels increased in more demanding markets like Austria, Hungary, Slovakia and Czech.

To successfully manage this market portfolio, a key solution was our timely introduction of control systems and recording the quantities of biofuels, in accordance with the requirements of the new European Sustainable Directive (RED). Table 39 shows the savings of eq CO₂, which were achieved by mixing biocomponents into our fuels, in years 2012-2014.

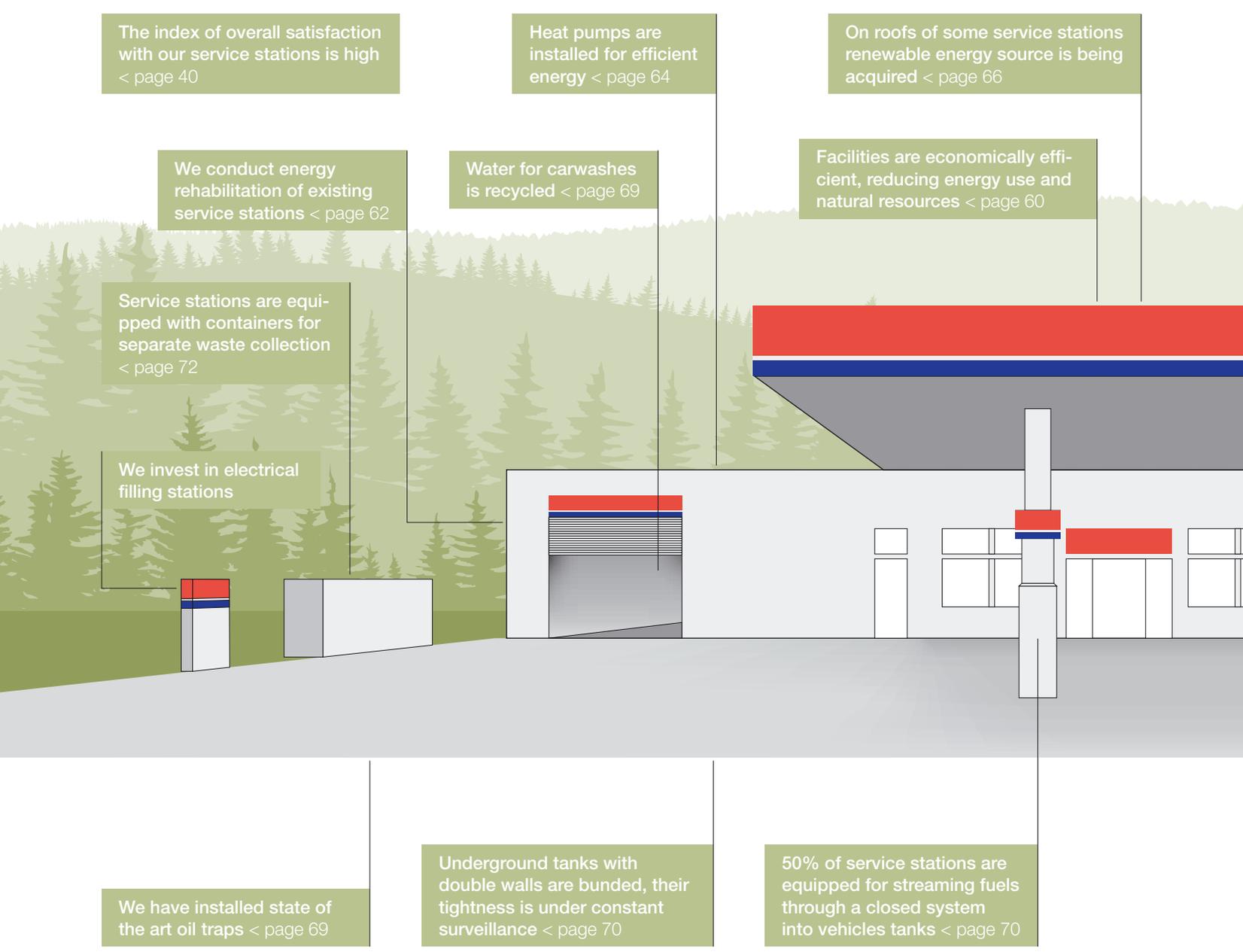
Table 39: Emissions savings achieved by mixing biocomponents into our fuels, in years 2012-2014

Year	t CO ₂ eq
2012	11,571
2013	41,583
2014	24,523

41,583 t CO₂ eq

LESS EMISSIONS DUE TO MIXING BIOCOMPONENTS INTO OUR FUELS IN 2013

State of the art green service stations

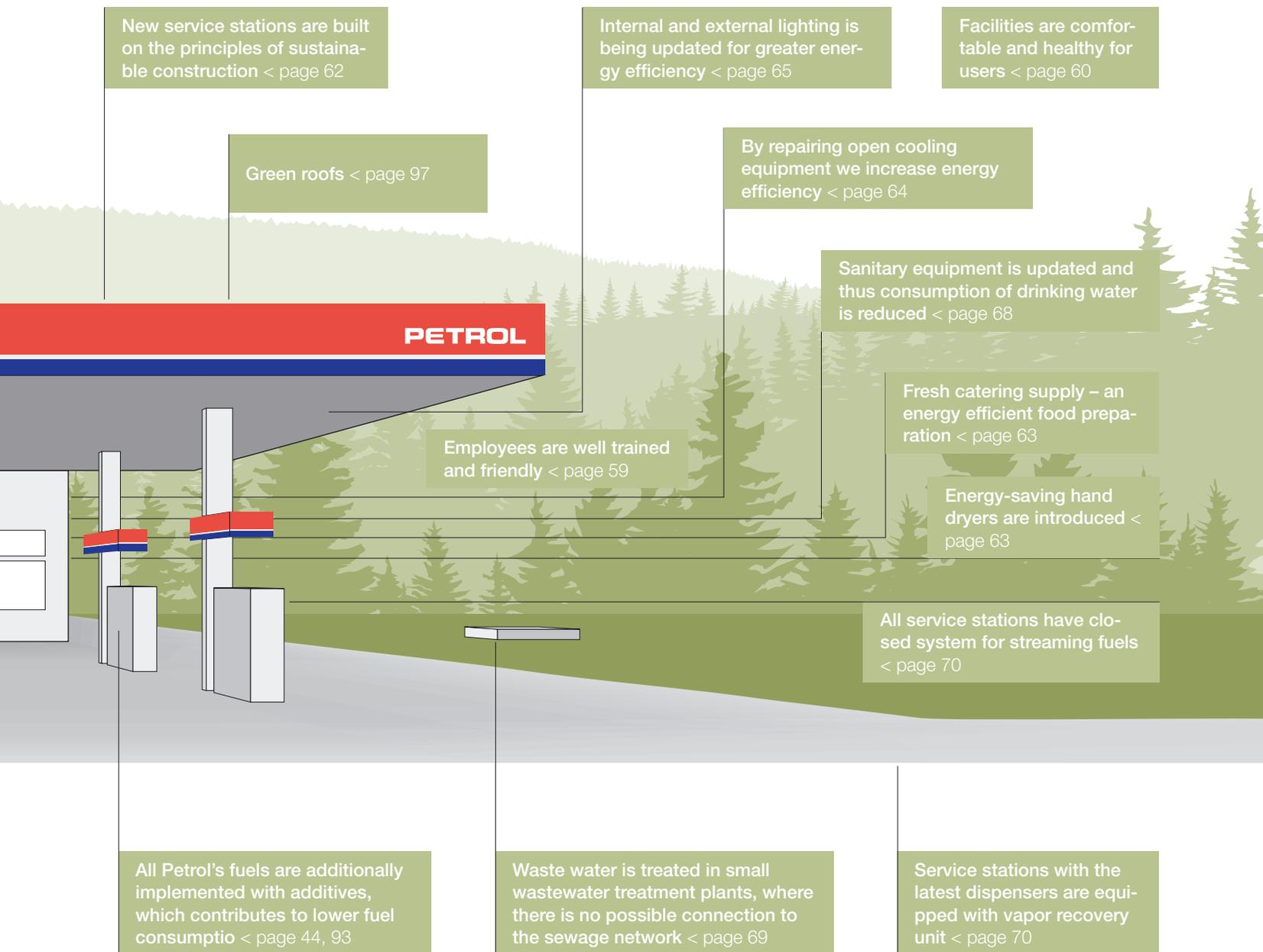


479

PETROL'S SERVICE STATIONS IN 2014

Service stations are for many customers still the main contact with the Petrol Group. In Slovenia there are 315 service stations and altogether 479 owned by the Petrol Group. Modern service stations offer an integral supply for drivers, their vehicles and homes.

Cleaner and more efficient technologies are being installed in our service stations, which helps us to reduce the carbon footprint.



Five Petrol' service stations awarded within the project of Slovenian Tourist Association

The project 'My country – beautiful and hospitable' carried out by Slovenian Tourist Association has been enjoying its tradition for several decades now and has been following the trends of the so-called green tourism in the context of sustainable development of Slovenia. Honorary sponsor of the project is Borut Pahor, the President of the Republic of Slovenia, who wishes to improve the Slovenian tourist supply and the complete image of Slovenia tourist resorts. Five Petrol's service stations were awarded the best service station within this project in 2014. The first one was the service station in Podčetrtek, the second was the service station in Bovec, and the third was the service station in Črnomelj. The fourth was the service station Ptuj Dornavska and the fifth was the service station in Kamnik. Slovenian Tourist Association bestowed the plaques for the best ones on the shop managers of these service stations.

Petrol's Best Service station Award

Since 1988 we have been encouraging good work and we have rewarded the best stations within the Petrol Group. The best service stations are our pride, and by awarding them we want to stimulate good quality work and cooperation in corporate identity of our service stations. The quality of services at Petrol's stations is assessed four times a year, twice in six months. With disguised customers (mystery shopping) and regular annual assessment we obtain the result which is composed of 25% of mystery shopping, 20% of quality and safety of operations, 25% of merchandise trade and finance management, and 30% of sales activities and advertising.



Great idea: greening of flat roofs on service stations

Our sustainable approach is evident in all the areas, from handling with employees to selling our products and furnishing our points-of-sale. One of the sustainable development criteria is greening of the roof of Petrol's service station in Ljubljana, Dunajska street. We are really happy to hear that the idea of roof greening was expressed by one of our employees within the internal competition Great Idea. Green roof in fact brings numerous benefits, such as protection of hydroinsulation giving rise to a doubled life span of hydroinsulation, savings from heating and cooling, and lower burden on the sewage system. The service station on Dunajska street in Ljubljana does not only look nicer now, but it is also greener.



Darko Trobec, B.Sc. of Construction

Construction and Maintenance of buildings,
Petrol Tehnologija d.o.o.

Darijo Nanut, B.Sc. of Economy

Petrol's Retail Support,
Petrol d.d., Ljubljana

Marko Šavli, B.Sc. of Municipal Engineering

Technical Development, Quality and Safety,
Petrol d.d., Ljubljana

Patricjo Božič, B.Sc. in Mechanical Engineering

Investments,
Petrol d.d., Ljubljana



Expert team
on green service
stations

Our service stations are the first mirror of the Petrol Group, and also our pride. Maybe it does not seem at first glance how complex systems they are. When looking for the most optimal way for a complete supply for drivers, their vehicles and homes, we constantly cooperate with our work colleagues who possess different knowledge. The investment cycle never stops. We constantly have to care for technical and technological excellence of our service stations, and recently we have been focusing

a lot on their high energy efficiency. We regularly follow the trends in the field of energy supply, so we are now intensively investing in electric charging stations. Safety is of utmost importance, so we do not leave anything to chance. All our service stations are technologically highly secured against any eventual unwanted occurrence or event. At the same time we also care for a high level of knowledge and qualification of all employees working at service stations.

Our answers to challenges of the future

In line with its commitment to sustainable development the Petrol Group is actively participating in the breakthrough of the so far cleanest energy forms of mobility. Along with our professionals and partners we are develop-

ing solutions to provide low-carbon mobility. We follow the latest achievements in this field and we help create development starting points for the advancement in research of low-carbon energy sources, consumers and infrastructure.

Development of Petrol's electric mobility plan coincides with the strategy for the competitive transport system Traffic 2050, adopted by the European Commission in 2011. The plan is intended to improve mobility and encourage growth, recruitment in the transport sector, while reducing energy dependence on imported oil and CO₂ emissions by 60% by 2050. One of the three main goals of this strategy is to ensure that there will be no cars in the cities using 'conventional fuels'.

The Petrol Group is ready for the transition to sustainable mobility

The Petrol Group actively participates in the international network of professional associations, companies and government offices in the field of devel-

oping infrastructure of clean mobility. We are ready for an approach in the market with vehicles powered by fuel cells. At our service station in Lesce we have established the first hydrogen filling station in Slovenia. We are also expanding our infrastructure for charging electric cars. The company Etrek is our partner in developing our filling network which consists of the infrastructure of the filling station and the process information system. The Petrol Group is also a member of the independent association Slovenian Association of Electric Vehicles which joins stakeholders, interest groups, researchers and producers in the field of development of electric vehicles and the corresponding infrastructure. The Petrol Group has in its Competency centre of advanced systems of efficient energy use (orig. KC-SURE) the role of a consortium partner. As a coordinator of the workgroup it helps shape new technologies based on the Concept of active electricity network with the inclusion of electric mobility and smart networks, which will be tested in the Slovenian distribution electricity network.

In the process of introducing electric vehicles to the domestic market we are cooperating with car producers and traders, among which we are most associated with Renault Nissan Slovenia, BMW and Porsche Slovenia. In the future we will also integrate with other similar companies and bigger well-established producers of systems for charging electric vehicles.

In 2015 we are planning to supply around 400 electric vehicles with our own supply infrastructure and



charging stations at the site of our final customers, their homes or at workplace. Consequently we are estimating at least 4.5 MW of daily electricity consumption on the electricity distribution network in 2015 for charging electric vehicles. This means 44 MWh of electricity consumption per working week or 2.29 GWh annually. According to the professionals, the share of electric vehicles in the global market will increase to 10% by 2020.

Production of hydrocarbons for the Slovenian market

The company Petrol Geoterm d.o.o., in accordance with the development strategy of the Petrol Group, signed agreements with the company Ascent Limited Slovenia on establishing necessary infrastructure for production of hydrocarbons for the Slovenian market and options of their further development to the national gas pipeline. A further development of services related to geothermal sources enables a business opportunity for the growth of the company Petrol Geoterm. Petrol Geoterm has signed agreements also with the English company Ascent Limited which is going to establish necessary infrastructure for natural gas processing and transport to the national gas pipeline network. Ascent Resources PLC or its Slovenian subsidiary Ascent Limited Slovenia has also signed a renewed agreement on joint venture with the company Geoenergo d.o.o., which is in 50% ownership of Petrol d.d., Ljubljana. This agreement enables a quicker pro-

gress of research activities on mineral raw materials, crude oil, natural gas and gas condensate in the depression area of Murska Sobota. All the above mentioned agreements are the basis for a quicker progress of necessary mining works in Petišovsko polje, and at the same time they enable us to utilise hydrocarbons from the holes in this location in the near future. This will be the foundations for further development and utilisation of geothermal power in the region.

Petrol is the holder of the long-term development project of sustainable energy supply

Development of Petrol's project of sustainable energy supply coincides with provisions of the new Energy Act of 22 March 2014 (orig. EZ-1). Among others, EZ-1 enacts almost no-energy buildings. In compliance with these provisions and guidelines the upgrade of these almost no-energy buildings also requires their own production energy source and the system that provides energy availability 24 hours a day and ensures that building's sustainable energy supply is completed. Such project of the integral sustainable energy supply of buildings is being prepared by the Petrol Group and its key partners (Letrika, Sitel, Plan-net and some others) who have all the necessary knowledge for achieving our final outcome – a quality and simple applicative product which will be offered to our final customers.



Sustainability reporting according to GRI guidelines-4

The structure of Petrol's sustainable report reveals our sustainable practices regarding specific fields of our business activity. The report consists of three major sections: economic, social and environmental. The latter is divided into two parts: environmental disclosures of Petrol's own business activity and production (marked with red colour) and environmental disclosure of the comprehensive energy supply for the market (marked with green colour). When capturing areas, indicators and tables of reporting we followed the principle of relevance which arises from our business activity and the positioning of the Petrol Group. In the following, there is the Table with GRI-4 indicators which are included in the report. As evident from the Table, it is a comprehensive report about all indicators specified as material in the Petrol Group. These indicators are controlled longitudinally and trends are also explained. We see added value in our determining middle-term goals next to the strategic indicators, and these goals are regularly checked and evaluated. Each indicator is furnished with the so-called reporting limits, i.e. an individual indicator is determined and measured for a specific part of the Petrol Group or for the whole Petrol Group. We do not report about indicators which show no relevance for the Petrol Group.

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