

EFFICIENT USE OF ENERGY AND CLIMATE PROTECTION AS AN INTEGRAL PART OF THE EVN GROUP CSR STRATEGY

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Introduction

EVN is a leading energy service provider that has spread its operations in over 14 SEE states.

Our business range primarily involves the supply of electricity, natural gas, heat and water, as well as the treatment of wastewater and waste. Apart from these activities, we also provide numerous related services. Our competence and infrastructure furnish us with opportunities for the expansion of our range of activities into additional, related areas of business and the supply of our services in new markets.

Customer satisfaction is our top priority. Therefore, we deliver high-quality products and prompt service in a customer-friendly manner.

The claim of EVN in German stands for "Using energy wisely", which we intend to realise in cooperation with our customers on a day-to-day basis. Consequently, we offer extensive consulting and customised solutions.

Concept of sustainability

One definition for the term sustainability that has become a very popular word in our modern lives is - sustainability is a development process, which seeks equilibrium in the three subsequent relationships:

- **That between human needs and nature's ability to replenish.**
- **That between present needs and those of future generations.**
- **That between the needs of rich and poor.**

EVN understands the term sustainable company management as meaning:

- **An enlargement of the business field of vision** to include the social, environmental and cultural dimensions.

Ново раководство во EVN Македонија АД



Г-дин дипл. инж. (FH) Вернер Хенгст

Претседател на Управниот одбор на EVN Македонија АД., април 2010

Роден на 5-ти мај 1968 во Виена, вработен во EVN AG, од 1-ви јули 1988

Образование

- 1998 - 2000 Стручна спрема за електротехника
- 2004 Дипломски испит на Факултетот во Хамбург (студии по економија)



Г-дин инж. м-р Волфганг Шефер

Заменик Претседател на Управниот одбор на EVN Македонија АД., април 2010

Роден на 10-ти април 1963 во Салцбург, вработен во EVN AG од 1-ви септември 1995

Образование

- 1977 - 1982 Техничка образовна институција Салцбург (машинство)
- 1985 - 1992 Економски Универзитет Виена, (деловно управување—бизнис администрација)



Г-дин м-р Игор Гиевски, дипл.ел.инж

Член на Управен одбор на EVN Македонија АД

Роден на 27-ми март 1976 во Скопје; Студии Електро технички Факултет

Вработен во EVN Македонија од 2001 година

Од септември 2010 Член на Управен Одбор на EVN Македонија АД

- The promotion of creativity and hence innovative new products and services within the framework of a customer-oriented and responsible product policy.
- A protective approach to resources through the furtherance of energy efficiency both in- and outside the company.
- The encouragement of a "culture of sustainability" within the company.
- The sustainable securing of economic success and a related increase in corporate value.
- The provision of a valuable contribution to the quality of life of people in all the regions served.

Environmental responsibility

The core of EVN's environmental responsibility is formed by climate protection concerns. Therefore, a comprehensive package of measures and investments for reducing Co2 emissions is being implemented.

As part of the strategy for the acquisition of the Co2 certificates essential to operations, EVN is supporting various reduction measures in other countries through Joint implementation and Clean Development Mechanism (CDM) projects. **The realisation of such climate protection projects in other states allows EVN to purchase emission certificates for its own plant capacity.** Co2 emission reduction potential can also be anticipated in future from the company's power and heat generation

plants at the subsidiaries in Bulgaria and Macedonia, a further contribution to climate protection in the coming years should emanate from CDM projects in Albania, where renewable energy projects are currently being examined.

EVN is also making a sizeable contribution to the achievement of the climate protection targets of the province of lower Austria where the company originates from, as well as the Austrian Republic and the EU by means of increases in efficiency, the use of renewable energy sources, the environmentally compatible incineration of waste and information campaigns aimed at highlighting the potential available for energy saving.

Social responsibility

EVN fulfils its responsibilities towards its stakeholders in a number of ways. With regard to its workforce it acts as a fair employer, which through active human resources management, sets great store by training and further training measures and promotes a corporate culture based on values such as candour, loyalty and mutual respect. **As a very important stakeholder, customers are also an integral part of the sustainability process.**

EVN numbers more than three million households, industrial companies, commercial customers, local authorities and other energy supply companies in 14 countries among its clientele. Their satisfaction is the company's ultimate aim and also the basis for its business suc-

cess. EVN is well aware of the significance of the problem-free supply of its customers with energy and environmental services and therefore makes every effort to prevent failures of any type.

EVN securing full coverage supply of its energy and environmental services range is its most important priority and obligation. In Lower Austria, connection wishes are fulfilled in agreement with the customers with the result that with the exception of individual, extremely isolated buildings, the entire population can be supplied with electricity. **In addition to electrification projects in urban areas, special construction work is undertaken for the connection to the power supply of remote and mountainous areas.** During such projects efforts are made to ensure that water, wastewater, telephone and power lines are installed simultaneously, in order to reduce the related costs to a minimum.

Accordingly, the task is not only to fulfil customer demands with regard to the quality and direction of products and services, but also in relation to communications, information and service quality. **A diversity of service products and processes has been developed for precisely this purpose and a special role is allotted to consulting concerning the intelligent use of energy and possibilities for economies.**

The development and maintenance of long-term relationships with existing and potential customers are important EVN objectives. A special EVN concern is the intelligent employment of resources, which not only corresponds with environmentally - conscious energy management, but also provides customer advantages, as the careful use of energy cuts the bills of the customers.

EVN therefore offers a diversity of energy saving services, and customer expectations and needs also receive top priority in other areas. This is because with it energy and infrastructure services, EVN provides people with a high quality of life.

Indeed, first class performance at competitive prices is the company goal. In order to achieve this aim, customer satisfaction analyses and employee training courses are undertaken on a regular basis.



Energy efficiency campaign

The issue concerning a secure and at the same time environment protective energy supply occupies more and more people. The EVN takes this responsibility

seriously and involves already since many years with the utilisation of alternative energy sources, as well as with the conscious energy insertion. **During a campaign, which has been ongoing in the summer 2008, EVN customers are called to use energy conscientiously without any loss of comfort.** The customers are asked to send tips for saving energy and they are then proclaimed to be „heroes of everyday life“ within a

lottery. The motivation for a conscious handling of energy occurs through motivation and not by means of warning. The campaign has proven great success throughout its implementation.

Targeted energy saving measures

In the final analysis, energy solutions are only successful if they are both technically and economically optimised and are meaningful from a sustainability and ecological perspective.

A reduction in consumption not only safeguards the environment, but also eases the energy bill. In order to enable customers to achieve energy use that provides the greatest possible resource conservation, EVN offers comprehensive, consulting services in the energy saving field and individual problem solutions. Together with its customers EVN thus realises its objective of “using energy wisely”.

Energy (saving) advice from EVN

EVN regards the conservation of limited resources as an important responsibility to both the environment and its customers. Together with the latter, energy consultations help to find methods at differing levels of using energy in a conscious and cost-saving manner. The multifaceted energy consulting range from EVN has evoked an extremely positive response and apart from several thousand free consultations in the EVN customer centres and at trade fairs, around 1,600 energy certificates are provided annually for both new and renovated properties.

In this respect, EVN communications offer complete transparency with regard to the origins of electricity. Within the framework of the Energieallianz Austria GmbH, EVN Energievertrieb GmbH & Co KG is responsible for the sale of electricity and gas to consumers. **This means that since October 2001, EVN has fulfilled its existing legal obligation to provide consumers with information on their electricity bills about the origins of the power they receive.** The auditor, KPMG Austria GmbH, examines this electricity classification. In South-Eastern Europe as well as, in the long-term, EVN is looking to offer a flexible energy mix analogous to that employed in Lower Austria.

Consulting and service competence

Out of a sense of awareness of just how sensitive and life-determining its products are for its customers. EVN attaches the greatest importance to reliability, service and consulting. “EVN - always at your service” is not only a company advertising slogan, but is also reflected by services such as the 24-hour all Safe! emergency repair service, which is organised via lower Austria's 26 regional Customer Centres. For customers the services portfolio extends from general energy consulting, gas safety controls, leak tightness measurements, or thermo graphic analyses for the increased energy efficiency of buildings, to favourable financing packages for energy-related purchases.

More specifically, EVN's energy advisory services comprise of the following:

1. **Energy advisory service (information about: isolations; high efficient electric tools; heating; comparison of the costs of different heating possibilities-gas, electricity, oil, biomass; etc.)**

This service is either for free, or the extended service requires costs.

2. **Thermography, (measure of heat emissions of objects; conclusion of heat losses of different building; components; evaluation of the thermal quality of buildings; contact-free measure method; documentation)**

3. **Air-tightness test, (finds the leaks of a building which may lead to: energy losses; drafts; structural damages; improper isolation)**

4. **Energy measuring unit – EMU (measuring device for the amount of electricity household appliances spend in average)**

5. **Energy performance certification (a document that is a balance sheet of energy wins and losses)**

6. **Energy saving test (online test to help customers find out whether they need further advisory for their homes and efficient use of energy)**

The offer range to corporate customers is also tailor-made and includes a lighting and transformer service, reactive current compensation, connection technology and cathodic corrosion protection. In addition to energy and drinking water supplies, the selection of products and services available for local authorities also encompasses waste incineration, a lighting service for roads, sporting and other facilities, as well as the preparation of comprehensive energy reports and flood danger maps. Selected highly specialised business areas are presented in the subsequent sections.

Background EU- Legislation:

End-use efficiency and Energy Services Directive

EU estimates are that there is a very large economic potential of unrealized energy savings. A part of this energy savings can effectively be realized through energy services and other end-use efficiency measures. The Commission has proposed late 2003 a new proposal for a Directive on the promotion of end-use efficiency and energy services to enhance the cost-effective and efficient end-use of energy in Member States. Upon adoption, it provides the necessary targets, mechanisms, incentives and institutional, financial and legal frameworks to remove existing market barriers and imperfections for the efficient end use of energy.

Finally, in 2006, the EU approved a directive, which requires member states to realise energy savings of 9% within nine years. Initial action plans were presented to the authorities in Brussels in the summer of 2007. The Austrian Federal Ministry of Economics and labour is cooperating with the Austrian association of Electricity Companies and the Gas and Heat Confederation on the realisation of the planned measures.

According to the Directive the Member States shall adopt and aim to achieve an overall national indicative energy savings target of 9 % for the ninth year of application of the Directive (2016), to be reached by way of energy services and other energy efficiency improvement measures. Member States shall take cost-effective, practicable and reasonable measures designed to contribute towards achieving

this target.

As a derived responsibility from this new legislation, customers should increase energy efficiency by 9% between 2008 and 2016, EVN AG is undertaking a series of actions to support these objectives.



CO2 emission trading

The European Commission is seeking a reduction in Co2 emissions of at least 20 % by 2020. As opposed to the national allocation plan Nap, a cut of 10% in the certificate volume has been established for the Nap (2008–2012). The Austrian Nap is based on a Co2 emission forecast of 38.33 million tons p.a. and yearly savings of 5.53 million tons. The resulting free allocation volume of 32.8 million tons has further been reduced by the EU Commission to 30.33 million tons. For industry and the energy sector this means additional challenges with regard to emission reduction and a financial burden derived from the necessity of purchasing the missing certificates.

For the period from 2008–2012, the Austrian electricity industry has received free Co2 emission certificates amounting to 7.7 million t/y. of this total, EVN has been allocated some 1.58 million tons. The remaining 500,000–800,000 t/y must either be saved or purchased.

Conclusion

In line with its obligation to sustainable development, EVN defines outstanding events in differing dimensions, which serve to clearly characterise the progress of the sustainability process within the company.

This commitment to long-term development has been proven by the company's recent activities towards: expansion of the CSR organisation at EVN, creation of a CSR network and the holding of workshops; formulation of a CSR programme (incl. objectives, measures, responsibilities); determination of CSR criteria for various, important sourcing procedures; further expansion of heat generation using biomass; investments of over EUR 200m in increased efficiency and renewable energy; etc.

From the standpoint of the customers and our responsibility toward them, we can conclude that there is a strong need to reduce energy consumption due to:

- **The increasingly restrictive** industry that is constantly burdened with new laws and directives for reduction of energy use;
- **Energy services are a required** pillar of energy supply companies, which morally has become an obligation toward the customer as the main value adding activity to the core service;
- **Information in all communication** channels is necessary to change the energy consumption behaviour;
- „**To use energy carefully**“ is not only a claim but a full-time and long-term program.