

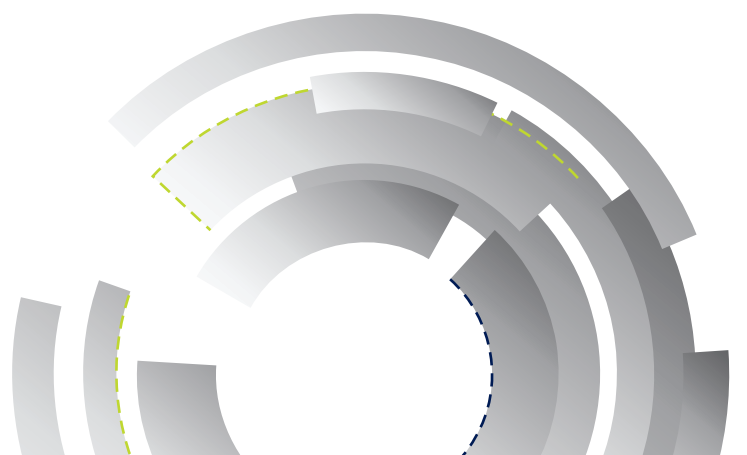
sustainability
report
of the
company
borzen

20  **2023** 



Borzen

Power Market Operator



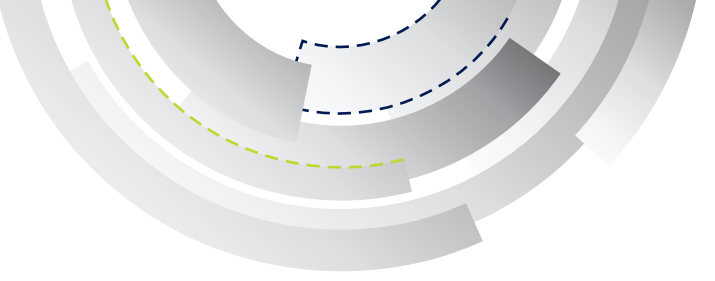
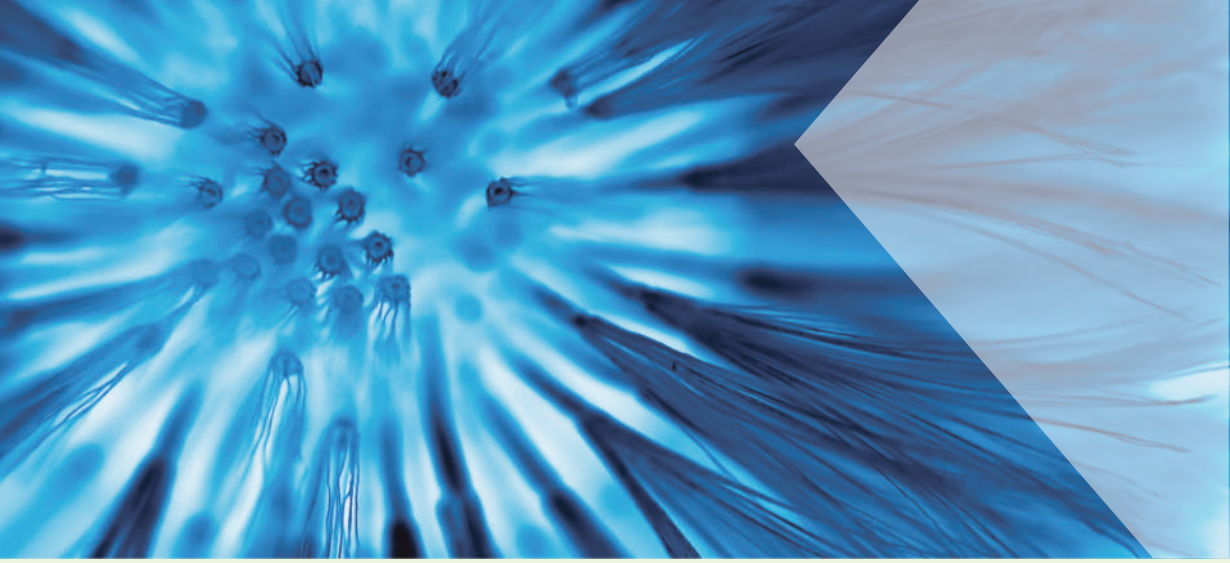




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1. a word from the general manager

If, today, all of us were sincerely aware that the world is a kind of global village where we are all connected to each other and, therefore, we indisputably influence each other with our thoughts and actions and, consequently, also influence the environment, then it would be reasonable and proper to act responsibly. I believe that we can turn this butterfly effect to our advantage to operate in a positive direction.

THE GUIDELINES FOR OUR ENERGY POLICY ARE GREEN-ORIENTED

The situation in the global economy is calling for changes that will only bring proper positive results with sustainability-oriented aims. If we, years ago, in the context of energy policy, understood the sustainable development primarily in the sense of reliable supply of electricity, in the recent years doubtlessly the topics on renewable energy and energy efficiency are coming to the fore. This was on the world level also brought out by the Kyoto agreement. The European commitments arising from the Directives on renewable energy sources and energy efficiency are also evident. At the level of our country this is reflected in the Action Plan for Renewable Energy and Efficient Energy Use. In the field of renewable energy, Slovenia has committed to achieve a 25-percent share in gross final energy consumption by 2020, which is a relatively ambitious plan.

BORZEN'S BASIC ACTIVITY HAS THE SEAL OF SUSTAINABILITY

With its mission and activity, Borzen helps us to realise some of these obligations. The nature of Borzen's basic activities is sustainability-oriented, since, on one hand, with a support scheme for electricity production from renewable sources and highly efficient heat and electricity cogeneration, we encourage the greater utilisation of green energy sources and more efficient use of energy. On the other hand, as an electricity market operator, we contribute to a stable, transparent and well-functioning electricity market, which is important in terms of the economy as well as households, public administration and non-governmental institutions. We are an important link in the chain of electricity provision, which is in itself socially responsible.

MEETING POINT FOR KNOWLEDGE AND IDEAS

Borzen is a development-oriented company. All development activities are indisputably linked with knowledge, which is one of the priority points in the values of our company. We act in a dynamic environment to which we successfully adapt, due to our flexibility and strategic planning. At the core of our strategy are our stakeholders, and the objectives we set for ourselves are oriented to optimise and develop our services, with a desire for greater added value for all our stakeholders.

We are aware that, in the social and natural environment, we leave behind lasting footprints. Therefore, we want this impact to be positive and responsible. We bind ourselves, so that our impact will be well-intentioned. We invite you to join our way of thinking.

Karol Peter Peršolja, M. Sc.
General Manager





2. company presentation

ABOUT THE COMPANY

The Borzen Company was founded on 28 March 2001. The establishment of a market operator was one of the obligations arising from the Energy Act and at the same time one of the fundamental conditions for the opening of an internal power market in Slovenia.

The Company's principal activity is the implementation of the public service obligation relating to the organisation of the electricity market that includes the organisation of the electricity market in a narrow sense and the activities of the Centre for Support - implementation of the Support Scheme for the production of electricity from renewable energy sources and high-efficiency cogeneration of heat and power.

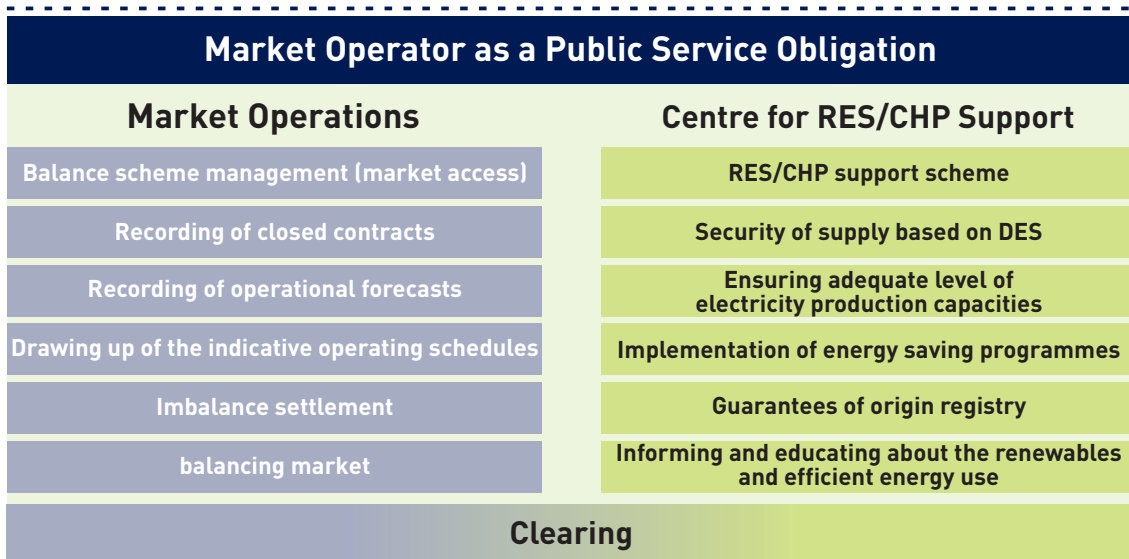


Figure 1: Tasks of a public utility service relating to the organisation of the power market

The public utility service related to the organisation of the electricity market, which is performed by Borzen on the basis of a concession in accordance with the Decree on the method for the implementation of a public service obligation relating to the organisation of the electricity market (Official Journal of the RS, No. 8/2009) includes the following tasks:

- Balance Scheme management;
- Recording contracts of Balance Scheme Membership, and open and closed contracts;
- Imbalance Settlement;
- Implementation of the balancing power market;
- Implementation of activities of the Centre for RES/CHP support;
- Data collection and publishing for providing transparency of operations in the operation of the organised electricity market and
- Providing clearing and financial settlement.

In addition to the implementation of tasks of a public service of the organised electricity market, Borzen also performs imbalance and financial settlement of transactions and information services for BSP Regional Energy Exchange.

IDENTITY CARD

FULL NAME

**Borzen,
organizator trga z električno energijo, d.o.o.**

SHORT NAME

Borzen, d.o.o.

ADDRESS

Dunajska cesta 156, 1000 Ljubljana, Slovenia

PHONE NUMBER

00 386 1 620 76 00

FAX

00 386 1 620 76 01

E-MAIL

info@borzen.si

WEBSITE

www.borzen.si

CORE BUSINESS

66.110 Administration of financial markets

REGISTRATION NUMBER

1613383000

TAX NUMBER

27799468

NUMBER OF ENTRY IN COURT REGISTER **1/34438/00**

DATE OF ENTRY IN COURT REGISTER **28 March 2001**

PLACE OF ENTRY IN COURT REGISTER **Ljubljana District Court**

SHARE CAPITAL **EUR 1,963,279**

GENERAL MANAGER **Mr. Karol Peter Peršolja, M. Sc.**

CHAIRMAN OF THE SUPERVISORY BOARD **Mr. Vekoslav Korošec, M. Sc.**

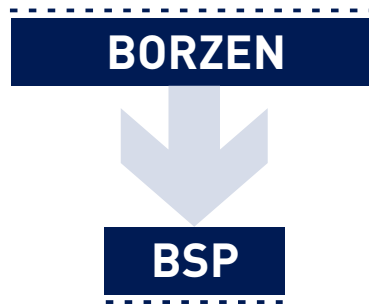


OWNERSHIP

Borzen is a limited liability company, 100 percent owned by the Government of Slovenia.

ASSOCIATED COMPANIES

BSP Regional Energy Exchange is managed by Borzen and Eles d.o.o. each having a 50-percent stake.



SYSTEM OF CORPORATE GOVERNANCE OF THE COMPANY

Borzen, d.o.o., has a two-tier system of governance.

The managing bodies of the Company are: the Management, Supervisory Board and the Shareholder.

The management of the Company is a one-member body, the General Manager, appointed by the Supervisory Board for a five-year period.

In line with the Act of incorporation of Borzen, the Supervisory Board consists of three members appointed by the Shareholder for a period of five years.

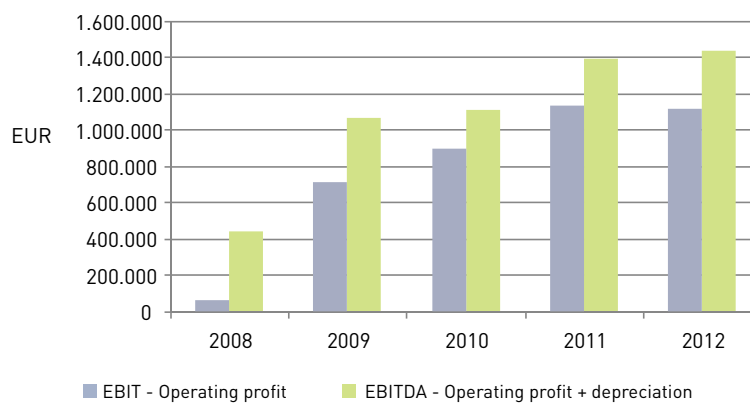
The Republic of Slovenia is the only Shareholder of Borzen. After the entry into force of the Slovenian Sovereign Holding Act (Official Journal of RS, No. 105/2012) of 28 December 2012, the Capital Assets Management Agency of the Republic of Slovenia was abolished. The rights of the Shareholder were exercised by the Slovene Compensation Fund until it was transformed into the Slovenian Sovereign Holding.



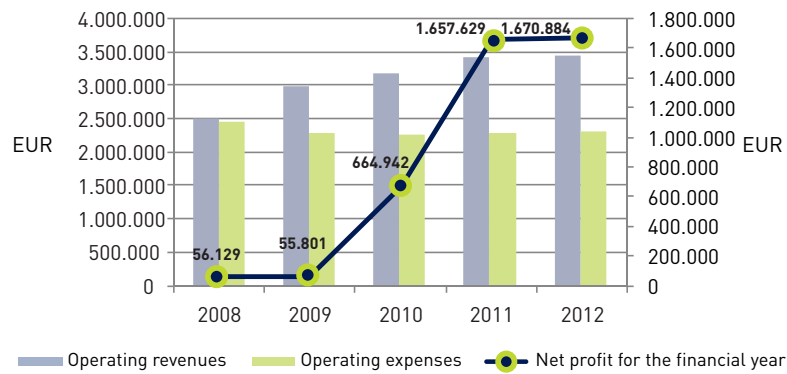
3. relevant data on the company's operations

QUANTITY OF ELECTRICITY FROM RECORDED CONTRACTS AND OPERATING FORECASTS	2012	81.505.102 MWh
	2011	73.114.379 MWh
.....		
NUMBER OF RECORDED CONTRACTS AND OPERATING FORECASTS	2012	100.291
	2011	93.958
.....		
NUMBER OF BALANCE SCHEME MEMBERS	2012	66
	2011	62
.....		
NUMBER OF PRODUCTION UNITS INCLUDED IN THE SUPPORT SCHEME	2012	2.543
	2011	1.522
.....		
QUANTITY OF ELECTRICITY GENERATED BY PRODUCTION UNITS INCLUDED IN THE SUPPORT SCHEME	2012	653.969 MWh
	2011	943.254 MWh

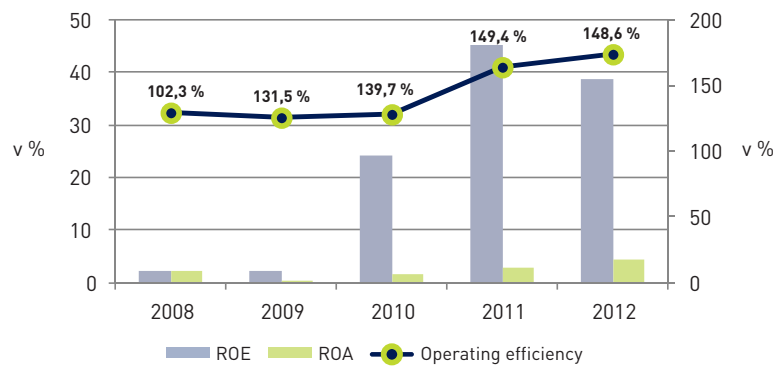
Movement of EBIT and EBITDA



Revenues and expenses from operation and movement of net profit



Return on assets (ROA), return on equity (ROE) and operating efficiency





4. borzen and sustainable development

For a company, an orientation towards sustainability is the developmental attitude of the company that is aware of the need for responsible, and, consequently, sustainable functioning at all levels of company operations. At Borzen, we understand sustainable development as the responsible treatment of all our stakeholders and society at large, not just today, but we are aware of our sustainability footprints in the future. We believe that through awareness and the spreading of awareness about our co-responsibility for the development and existence of society as a whole, we contribute to a sustainable way of thinking.

Borzen is a sustainability-oriented company and we want to raise the awareness of this fact among all the stakeholders – our employees, market participants, partners, owners and the general public. We want to say loud and clear in what way we contribute to the preservation of balance in the social and natural environment. Integral reporting shows a strategic relationship between the sustainable and economic value of the company. It represents a connection and clearly communicates information about economic, environmental, social and managerial relationships and their long-term impact on company operations. We sincerely and transparently want to share this information, which is important from the perspective of the society as a whole.

Sustainable development is a part of our mission, vision and strategy, and at the same time, it coincides with the interests, expectations, requirements and needs of society.



4.1 The parameters of the company's sustainability report

At Borzen, we want to hand over relevant information to all our stakeholders, and in this way, contribute to the transparency of sustainable business, while at the same time, also helping to raise awareness in this field.

The present sustainability report presents an overview of business during calendar year 2012, and this is the first time it has been prepared in such a form, but in the future, we will expect to monitor development in the individual segment for sustainable footprints on an annual level. The sustainability report has been prepared in accordance with global guidelines GRI (Global Reporting Initiative)¹, which define the global standards for sustainability reporting. The report covers reporting on level C and includes all relevant indicators or indicators and parameters as dictated by the GRI standard.

The prepared report comprises the sustainable footprint of the Borzen Company, whereby specific restrictions on the extent of the report were not detectable. All the data included and presented in the report are derived from and owned by Borzen², and are processed and presented in accordance with the facts and are undistorted.

The scope and basis of the report, and consequently the selection of indicators, are predefined by the nature of Borzen: the company, 100-percent owned by the state, which basically performs the duties of public utility service for the organisation of the electricity market, and its service activities are carried out in Slovenia. The Borzen Company owns the business premises in an apartment building, where we have, as a small co-owner, an extremely limited impact on issues that concern the common topics of the building (the choice of the energy-generating product, insulation...), likewise, we have no influence on the choice of energy-generating products in the alternative location or colocation, where there are some of the IT servers. The nature of the company's business requires a highly available and security well supported IT environment (greater number of more powerful servers, duplicated infrastructure – alternative location), which has an important impact on our sustainability footprint. Nevertheless, with the help of the consolidation of the IT infrastructure and use of virtual environments that allow more rational and optimal use of available resources, we are trying to influence lower power consumption in the company.

The contact point for questions regarding this message or its contents is:

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eva.cinkole@borzen.si

telephone number: 00386 1 620 76 05

¹ More information on sustainability reporting and GRI can be found on the following website: www.globalreporting.org

² Except in cases where this is explicitly indicated.



4.2 Summary of key facts

ADOPTION AND PUBLICATION OF CHANGES AND AMENDMENTS TO THE RULES FOR THE OPERATION OF THE ORGANISED ELECTRICITY MARKET

The Rules on Changes and amendments to the Rules for the operation of the organised electricity market, which define the function of the organised electricity market, are periodically updated. Borzen, as the market operator, namely wishes to make optimal market operating activities feasible for all participants. Therefore, all involved actors are requested to offer their suggestions within the context of a public hearing in each case where there are changes and amendments to the Rules. The aforementioned Rules were, in compliance with the Energy Act, published in the Official Gazette of the Republic of Slovenia, No. 97/2011, and entered into force on the 1 January, 2012.

PUBLICATION OF A HANDBOOK »USEFUL TIPS FOR SMALL POWER PLANT CONSTRUCTION«

In cooperation with SODO³ Borzen published the third updated version of the handbook "Useful tips for Small Power Plants for the Production of Electricity from Renewable Energy Sources and the Cogeneration of Heat and Electricity" that should provide relevant information to potential investors. One of significant novelties in the reproduced handbook is a scheme that simply and transparently presents the basic steps in constructing a small power plant from the acquisition of the location information to the start of operation of the new production unit in the support scheme. The handbook was published in Slovene and English.

ESTABLISHMENT OF THE BALANCING MARKET

The establishment of the balancing market is a step towards a more transparent and economically efficient electricity market, which brings as a consequence positive effects for all stakeholders. On the balancing market, the bids of market participants are collected either to sell or purchase electricity at a time prior to electricity exchange, for the purposes of imbalance settlement in the electricity system.

INFORMATION PROVISION AND AWARENESS RAISING OF RENEWABLE SOURCES AND EFFICIENT ENERGY USE

In accordance with the new tasks acquired through the Energy Act (EZ-E), which mainly covers information provision, awareness raising, training and the publication of information on efficient energy use and renewable energy sources, we endeavour to spread information on efficient energy use and renewable energy sources. Extensive information on this topic was carefully chosen and is available on our Company's website.

STAKEHOLDER SATISFACTION ANALYSIS

In cooperation with an independent external provider, Borzen carried out a satisfaction analysis of the stakeholders, namely the users of the services of the Centre for Support and the members of balance groups and sub-groups who are the users of the services of the organised market. The results of both surveys are extremely positive and encouraging and at the same time we obtained some very precious information that can be used in our future work.

FIVE-YEAR STRATEGY OF THE COMPANY

We have designed a new strategy for the company, which will mark the next five-year period of our operations, by which we will tread even more firmly on the path of sustainable development. We have adopted some strategic objectives, which will pave the way for Borzen in the field of efficient use of green energy, as well as in the field of optimal services for participants in the organised electricity market.

³ SODO - Electricity distribution system operator



EUROPEAN E-BADGE PROJECT

Together with 13 companies from 5 European countries Borzen plays an important role in a European project called 'e-BADGE'. The project is aimed at preparing a proposal for a Pan-European intelligent mechanism for the integration of renewable sources and virtual power plants into the cross-border balancing market. The role of Borzen is mainly to provide professional support by assessing individual architectural alternatives of setting such a mechanism. The project is a positive contribution to more efficient management of electricity in the field of transmission as well as distribution, in particular with regard to further optimisation, control and safety on the electricity market.

GREEN OFFICE

Borzen wishes to improve the working environment as well as the broader social and natural environment and introduce good green practices that will result in a better climate for the employees at Borzen, raise the Company's profile, set an example in a broader context and reflect in reduced costs of the Company in the field of energy and material consumption. The project represents the active cooperation of the Company in accordance with the Global Sustainable Development guidelines.





5. key indicators of sustainable development

The present sustainability report is intended for all our key stakeholders. The chosen indicators reflect all those elements that, within the operation of our company, leave behind the strongest sustainable impact. As a service company that performs the function of a public utility service in Slovenia, we hardly find any correlation with the large number of environmental indicators. In particular, we are aware that, here at Borzen, we are people who work for people. Thus, several selected indicators are related to the social and economic fields.



5.1 Business efficiency

The table presents information about enterprise operations, by which we want to transparently show the operations of our company.

INDICATOR GRI
EC1

Investments in our company are strategically focused primarily on technological development, which is a prerequisite for further development and continuous implementation of the organisation of the electricity market through a highly available system and high-tech services. Such services are those that add value to the operations of all our stakeholders. At the same time, they contribute to the stability of the Slovenian power system and the creation of a transparent and competitive electricity market in Slovenia.

INDICATORS	In 2011	In 2012
FROM BALANCE SHEET as of 31 December		
Assets in EUR	58,059,206	19,680,184
Equity in EUR	4,250,223	4,346,359
Liabilities to state and other institutions	345,503 ⁴	49,777 ⁵
FROM THE INCOME STATEMENT		
Operating revenues in EUR	3,442,490	3,446,257
Operating expenses in EUR	2,303,883	2,319,155
Material costs in EUR	80,751	61,280
Service costs in EUR	749,096	710,482
Labour costs in EUR	1,195,210	1,205,987
Total revenues in EUR	4,369,641	4,352,606
Total expenses in EUR	2,303,931	2,319,194
Net profit for the financial year in EUR	1,657,629	1,670,884
EBIT - Earnings before interest and taxes - operating profit in EUR	1,138,607	1,127,102
EBITDA - operating profit + depreciation in EUR	1,400,307	1,443,180
Investments in EUR	723,562	636,946
PERFORMANCE INDICATORS		
Return on equity - ROE	45,1%	38,9%
Return on assets - ROA	2,8%	4,3%
Operating efficiency	149,4%	148,6%
Added value per employee in EUR	89,445	92,094
NUMBER OF EMPLOYEES on 31 December	29	30

Table 1

⁴ Data on 31. December 2011
⁵ Data on 31. December 2012

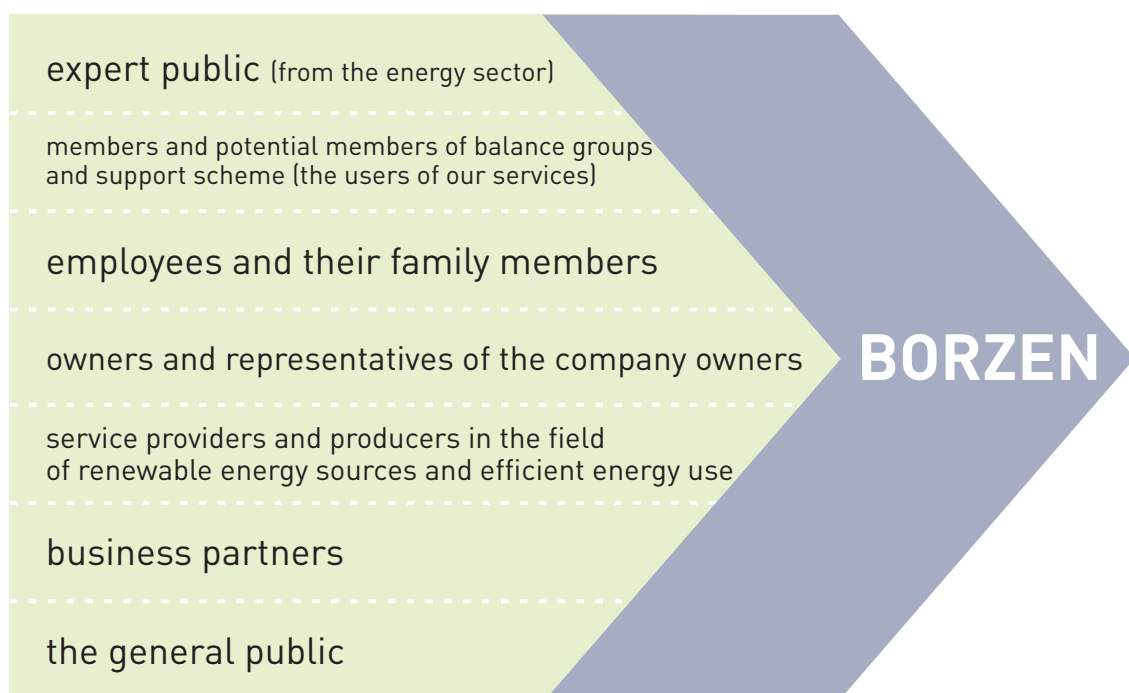
→ → → 5.2 Our stakeholders

We operate responsibly – because we feel that this is the only right way. With all our publics, we try to maintain professional and positive relationships, with the goal of mutual satisfaction. Our vision is: Borzen – Slovenian meeting point for knowledge, ideas and the implementation of services in the field of energy markets. And our mission is:

INDICATOR GRI
PR5

- Borzen ensures with its service high quality, professional competence and impartiality a system-defined, transparent, effective, and competitive Slovenian electricity market and its further integration into the European internal market.
- Borzen encourages the production and utilisation of electricity through renewable energy sources and efficient energy use.
- Borzen participates in the co-creation of Slovenian and European energy policy.
- Borzen is a socially responsible and sustainable development-oriented company.
- Borzen provides an environment for motivated, professional and responsible staff members and enables them to operate and develop in a dynamic company.

All of the above-mentioned is strongly intertwined and reflected in all our relationships. Borzen is a meeting point for the electricity market and our stakeholders are all influenced by our operation, as well as those who have, through their operations, influence on us. Our key stakeholders are thus closely related to the basic activity of the company – i.e. the organisation of the electricity market:



The opinion of all our stakeholders is important to us; we create an atmosphere of open dialogue and build relations both openly and proactively. Thus, last year, Borzen undertook a project to carry out an analysis of our stakeholders' satisfaction, namely, those who have used the Centre for Support, as well as the members of balance groups and sub-groups who are the users of organised market services. In the future, we intend to carry out this survey periodically, every two years. We appreciate the opinion of our stakeholders and wish to obtain their insight and suggestions, which are the foundation of our mutual relationship. Thus, we obtained precious information that can be used in our future work, since we want our services to be both user-friendly and targeted. Our internet survey, whereby we collected information on users' satisfaction with the services of the Centre for Support, reached more than 20 percent responsiveness, which is very good in relation to comparable internet surveys, and shows that stakeholders wanted to share their opinions with us. The results of the survey are encouraging, since 92 percent of respondents said that they are satisfied with service implementation, and only 1 percent of them are not satisfied. The survey focusing on satisfaction with the services of the organised market between Slovene balance groups and subgroups triggered an exceptional response, since the response rate exceeded 50 percent, whereas the response of foreigners, which reached a little less than 20 percent, was slightly lower. Such a response rate from foreigners is still average compared to such surveys abroad. Joint results of domestic and foreign respondents show that satisfaction with the services of the Market Operator is at a high level, since 63 percent of respondents are satisfied and 28 percent are even very satisfied; only 2 percent of them are dissatisfied. As much as 43 percent of foreigners are completely satisfied, whereas there are only 20 percent of such Slovene respondents.

5.3 Employees and staff development

We are aware that satisfied employees doubtlessly guarantee the company's successfulness. Therefore, we take care of their personal and professional growth. We strive to create a working environment where the working requirements and business objectives of the company are combined with satisfaction, motivation, commitment and good relationships. Borzen employs competent, highly qualified collaborators with social responsibility, ethical business conduct and an orientation towards development and progress as the guiding principles at work.

EMPLOYEES

At the end of 2012, the Company had 30 employees, which is one more than what it had during the previous year. Among the employees, there are 16 women representing 53 percent of all employees, and 14 men representing 47 percent of all employees in the company.

INDICATOR GRI
LA1

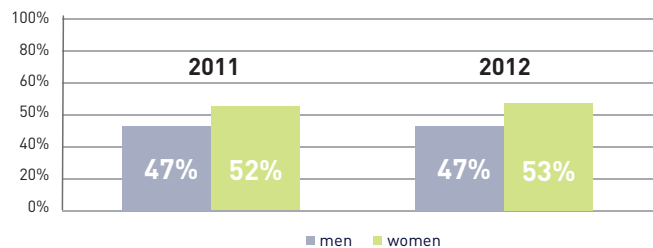


Figure 2: Breakdown of employees by gender for 2011 and 2012

All the employees have a concluded employment contract for full-time employment. The share of engaged employees for the fixed period amounted, at the end of 2012, to slightly more than 3 percent of all the employees and, compared to the previous year, decreased by 4 percentage points, which is the consequence of a changed employment relationship from engagement for a fixed period to an employment relationship of indefinite duration.

The table below shows the diversity of the residences of employees by region. Most employees, in 2012, i.e. 64 percent of all employees are coming from the Central region, which is also where the company's head office is. The said share increased by two percentage points in 2012 compared to 2011, due to the employment of a new employee from the Central region (municipality of Ivančna Gorica).

Region	2011	Share in %	2012	Share in %
South-east Slovenia	1	3	1	3
Central Slovenia	18	62	19	64
Upper Carniola	3	11	3	10
Zasavska region	1	3	1	3
Goriška region	3	11	3	10
Savinjska region	2	7	2	7
Pomurska region	1	3	1	3
Total employees	29	100	30	100

Table 2: Breakdown of employees with regard to place of residence by region for 2011 and 2012

Central Slovenian region	2011	Share in %	2012	Share in %
Municipality of Brezovica	1	5,5	1	5
Municipality of Domžale	1	5,5	1	5
Municipality of Grosuplje	1	5,5	1	5
Municipality of Ivančna Gorica	1	5,5	2	11
Urban municipality of Ljubljana	12	67	12	64
Municipality of Vodice	1	5,5	1	5
Municipality of Vrhnika	1	5,5	1	5

Table 3: Breakdown of employees with regard to residence in Central Slovenia municipalities for 2011 and 2012

When searching for and selecting personnel for our company, we thoroughly examine the knowledge, skills, qualifications and experience of the individual, and this is the only norm taken into consideration for employment. We guarantee equal treatment of all candidates for employment, regardless of their gender, age, race or any other personal circumstance, and we respect all the rules of law.

STAFF TURNOVER

The company records a low turnover rate. In 2011, it was 3.45 percent, and in 2012, nobody left the company. The company is aware of the importance of retaining quality staff; therefore, we constantly take care to ensure that employees are satisfied and that they improve themselves both on a professional and personal level. The table below shows an overview of the number of new arrivals and employees who have left the company in 2011 and 2012 by sex, age and region.

INDICATOR GRI
LA2

	EMPLOYEES LEAVING		NEW ARRIVALS	
	2011	2012	2011	2012
Number	1	0	1	1
Gender	Male		Male	Female
Age	37 years		31 years	25 years
Region	Central Slovenia		Goriška region	Central Slovenia
Total	18	100	19	100

Table 4: Breakdown by gender, age and region for employees who left the company and new employees for 2011 and 2012

COMPOSITION OF MANAGEMENT BODIES

The company has seven organisational units, each with its own leader, under the guidance of the general manager. The gender ratio of employees who occupy managerial positions is 5:3 in favour of males.

INDICATOR GRI
LA13

The age and gender structure of employees occupying managerial posts, as can be seen in the chart below, shows that most of the managers are in the age group between 30 and 35 years, with a preponderance of females at 67 percent, in the age group between 35 and 40 years, and the preponderance of males with 40 percent. In 2011, it was the same age and gender structure.

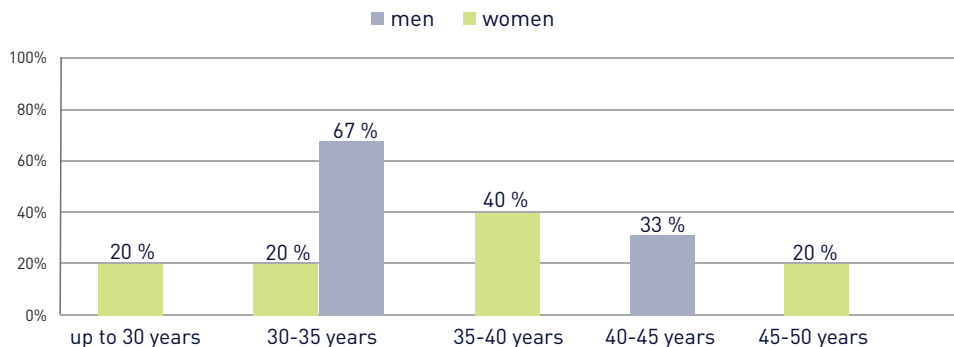


Figure: Age structure of employees occupying managerial positions in Borzen, by gender, in 2012

The breakdown of company employees by age and gender shows diversity, which indicates the equality of and openness regarding all demographic groups. We wish to maintain this trend of equal opportunities in the future as well.

DEVELOPMENT AND EDUCATION OF THE STAFF

INDICATOR GRI
LA10

It is of key importance to Borzen to employ people who are professionally educated and qualified to perform the required tasks. On the other hand, we believe that personal career development, which is also important in light of the personal improvement of the individual, is undoubtedly precisely connected with knowledge. Investing in knowledge is certainly a good long term investment.

In 2012, 93 percent of employees were included in the educational and training processes. In all, 1140 hours of training were carried out. On average, each employee attended 38 hours of education. The data for 2011 are not properly defined, and therefore, we will not include them in the report.

Year	2011	2012
Number of participants in the educational programmes	Not available	28*
Share of employees	Not available	93%
Number of hours of education	Not available	1140
Average number of hours of education per employee	Not available	38

*In December 2012, we employed a new co-worker who was unable to attend the training, and one co-worker was on parental leave.

Table 5: Key data on the education of Borzen employees

The personal and professional improvement of employees is carried out through professional, formal and legally required training, various training programmes, seminars and professional meetings. For the Family-Friendly Company certificate, education for leaders in the field of reconciling professional and private life was organised, as well as education dealing with the topic of emotional intelligence in management and training in the field of managerial communication. For employees, we carried out a team coaching session comprising the functioning of teams, mutual communication and mutual relationships. We are always happy when we see how the acquired knowledge is implemented and used in practice.

Our employees also transferred knowledge as lecturers and participants at professional meetings and conferences. In addition to external knowledge transfer, an internal transfer of knowledge and experience is also carried out in the company. In the future, we want to encourage employees even more in this segment and establish a formal framework for the implementation of internal training and workshops.

In education, there were no differences in participation with regard to gender and position in the company, since education and training is adjusted to the needs and competencies of the job role, set objectives, and the professional and personal improvement of the individual.

Employees can also acquire a knowledge and education upgrade and improve with part-time education. Our employees are very interested in further schooling or study to acquire a higher level of formal education. Borzen supports this kind of personal growth through training leave. In 2012, 5 employees were integrated into study programmes to obtain a higher level of education.

EDUCATION IN REGARD TO THE ASPECTS OF HUMAN RIGHTS

In April 2012, the Code of Ethics of the Borzen Company was updated. The Company encourages respectful behaviour toward the traditions, cultures and religions of individual participants in all business relationships. Discrimination on the basis of race, colour, gender, sexual orientation, marital status, pregnancy, parenthood, religion, political opinion, nationality, ethnic affiliation, disability, social origin or status, trade union membership or other personal conditions is under no circumstances permitted.

INDICATOR GRI
HR3

At the end of 2012, we began to prepare Rules on the protection of worker dignity, which regulates, in detail, the method for identification, prevention and elimination of the consequences of sexual and other harassment and bullying in the workplace. Protection against sexual and other harassment and bullying in the workplace shall be established and implemented in accordance with the provisions of the law governing labour relations, the provisions of the law governing the implementation of the principle of equal treatment, the provisions of the law governing equal opportunities for men and women, and the provisions of the law governing health and safety at work.

In the next year, we will choose from among employees an authorised representative to accept any reports of alleged sexual and other harassment and bullying. This authorised representative will be educated and trained in the field of protecting human dignity and will provide employees with the relevant information.

SOCIAL SECURITY FOR YOUNG FAMILIES

We believe that children are our greatest wealth; therefore, each new child that is born of one of our employees is a great joy for all of us. We wish to all parents the full experience of the wonderful fascination of parenthood; therefore, we encourage the use of all forms of parental leave. At the same time, we wish young families the safest future. After returning from parental leave, employees can continue their careers in our company, and we try to facilitate their transition and reintegration into the service environment as much as possible.

INDICATOR GRI
LA 15

Parental leave can be taken by both parents. In 2012, 3 co-workers went on maternity leave and leave to care for a child; during the previous year, there were 5. In 2011, two co-workers took a paternity leave of 15 days (until the child is six months old). All fathers who were legally entitled took advantage of paternity leave. In 2012, there were no fathers who could take advantage of paternity leave.

Year	2011	2012
Maternity leave and child care leave (female gender)	5	3
Paternity leave (male gender)	2	0

Table 6: Taking advantage of maternity leave, child care leave and paternity leave in 2011 and 2012

All employees who have taken advantage of parental leave have returned to their jobs and were still employed twelve months after returning to work, in what applies for both relative years.

Within the context of our working requirements and conditions, we coordinate the needs and desires of employees and take care of the balance between private and professional life. In compliance with our internal rules and the Law on Parenthood and Family Benefits, we ensure employees part-time work, flexible working hours and taking advantage of unpaid leave.

SOCIAL SECURITY IN MIDDLE AGE

At Borzen, we are aware that social security is high on an employee's priority list, therefore, we try to act positively in this field. Each age period is marked by specific challenges, and social security at retirement is certainly one of them. Therefore, in our company, since its creation in 2001, we have enabled all the employees who are employed for an indefinite time an incentive to engage in voluntary supplementary pension insurance, either with the possibility of participation in the payment of the premium or such possibility without participation. In this way, we want, above all, to increase employees' social security during their retirement.

INDICATOR GRI
EC3

Employees, for several years, have already positively accepted the offered opportunity and taken advantage, as shown by the figures in the table below. The total amount of the premium represents 5.84 percent of the monthly salary of the employee. When determining the percentage of participation, we stimulatingly take into account the age of the employee and employee participation in the payment of premiums.

Year	2011	2012
Number of employees in the Company	29	30
Number of the participants in VPI*	27	28
Number of the participants* (in %)	93%	93%
The amount of the Company's premium (in EUR)	36,518.69	38,6388.31

*VPI – voluntary pension insurance

Table 7: Information on supplementary pension insurance at Borzen

In 2011, 27 employees were included in voluntary pension insurance; in 2012, 28. The amount of written premium paid by Borzen in 2011 amounted to 36,518.69 EUR, and in 2012, 38,688.31 EUR.





5.4 Environment

GREEN OFFICE

In 2012, Borzen measured its carbon footprint for 2011 in order to examine and concretise its own CO₂ emissions. With this, we also want to start a loud discussion on these issues, and in this way raise the awareness of all employees, as well as that of our other stakeholders.

INDICATOR GRI
EN7

Borzen's carbon footprint = 175,269.82 kg CO₂e

Carbon footprint per employee = 5,007.71 kg CO₂e

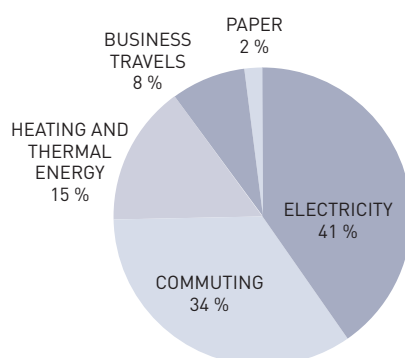


Figure 4: Borzen's carbon footprint regarding the individual source

With these results, Borzen is ranked average among comparable Slovene office companies and slightly above average among comparable international office companies. The interpretations and explanations of individual sources are described below.

1. Emissions on account of consumed electricity are 2,026.56 kg CO₂e/employee, which is above the average for office enterprises. But given the fact that the Borzen has, due to the nature of its business, powerful servers at both its home location and colocation, which is crucial for energy consumption, and thus for the caused GHG emissions, we can estimate the arisen GHG emissions as average.

2. Emissions on account of commuting are 1,718.41 kg CO₂e/employee, which is slightly (about 10 percent) higher than the emissions of comparable organisations. The most important reasons are:

- relatively high average distance from the residence of employees to the enterprise's headquarters (22 km/employee)
- inefficient public transport system
- nearly a 98-percent share of transportation by passenger cars

3. Emissions on account of heating or consumption of thermal energy are 751.97 kg CO₂e/employee, or 15 percent. Comparison is relatively difficult (different energy-generating product, location, size and occupancy of business premises, etc.). However Borzen is about 10 percent more efficient than comparable organisations with the same heating system.

⁶ In calculating what the carbon footprint is, in addition to the footprint of the Borzen Company, taking into account 50 percent of the carbon footprint of the company BSP Company, 50 percent is owned by Borzen.

4. Business travels and transportation by company car represent 375.51 kg CO₂e/employee, or 8 percent of the carbon footprint. Borzen is, in this field, much more efficient than comparable organisations.

At Borzen, we have decided that we will monitor the carbon footprint of our business travels by car. We have adopted several measures that aim to lower emissions in this category as well, which are described in detail below.

In 2011, 24,165 km were travelled for the purpose of business trips, while the number of kilometres travelled in 2012 slightly decreased. This has also reduced the amount of emissions by 7 percent points.

	2011	2012
Total of kilometres travelled (km)	24.165	22.496
Emissions of GHG (kg CO ₂ e)	5.640,89	5.251,29

Table 8: Our carbon footprint and the number of kilometres travelled by car for the needs of business trips in 2011 and 2012

5. Paper consumption represents a 2-percent share of the carbon footprint. For comparison, we focused on the consumption of printing paper and found:

- that the average consumption of office paper per employee is 45 kg per year, or 35 sheets per day and
- that this is more efficient than in comparable organisations, but significantly less efficient than in the most efficient organisations in this field.

6. The consumption of bottled water was eliminated in the middle of 2011. Since we are already in the first half of the year, with 43 l/employee almost reached, and the Slovenian annual average being 53 l/capita, it can be argued that this measure has significantly reduced negative environmental impacts in this field.

7. The consumption of tap water, which has reached 13.8 m³, is high. Both forms of water consumption are insignificant in terms of calculating the carbon footprint, but it is much more from other environmental perspectives.

The planting of 175 trees would neutralise Borzen's emissions of CO₂e in 2011. Emissions would be neutralised over the lifetime of the trees, under the assumption that they would live a 'normal' lifetime.

Based on this information, we have also adopted specific objectives and measures to reduce our carbon footprint. These measures are designed and selected in order to achieve synergy effects, which include:

- taking the initiative and the role of opinion leader at the branch location,
- cost reduction,
- raising the reputation of the company in the public's eye and
- greater employee loyalty and satisfaction.

We are aware that it is best if the approach to the planning and implementation of measures is as comprehensive as possible. This increases the probability of the above mentioned synergy effects. The basis of this is the adoption of a sustainable development strategy, which includes:

- the vision and objectives of the Borzen Company in the field of sustainable development,
- activities and
- a communication plan.



We encourage a positivist approach to reducing our carbon footprint. We want to include as many interested employees as possible in the design and implementation of strategies and activities, in order to raise the efficiency of the project. In the future, we will establish a system for presenting proposals and ideas in this field.

We are aware that raising awareness and informing employees through various channels of communication are the basis on which the ultimate success and achievement of goals depend. So, we have taken certain measures at the action level, but in particular, we believe that this, for our company, is the most reasonable way to monitor the reduction of emissions on account of business trips, since our influence on other indicators (for instance, on commuting) is minor and less direct, or in some cases more difficult to monitor their changes (for instance, electrical and thermal energy and water).

For example, we estimate that the reduction of our share of air travel, which has a very large objective potential in the field of reducing emissions and costs, has, in our case, only minor potential, since the real option to reduce our share of flights is very limited.

MEASURE	reducing our carbon footprint	reducing costs	raising the awareness of employees
Reduction of our share of air travel (distance to 400 km)	+	+	++
Reduction in the need for business trips due to the organisation of meetings at the headquarters of Borzen	++	++	+
Promoting teleconferencing	++	+++	++
Combining and general optimisation of trips	+	+	++
Mandatory use of a company car for business trips	++	+++	

*Potential was evaluated by a + (low potential), ++ (middle potential), or +++ (high potential)

Table 9: Measures in the field of reducing our carbon footprint on account of business trips

DEVELOPMENT OF ENERGY-EFFICIENT SERVICES

Borzen's basic activities – the organisation of the electricity market and implementation of the support scheme for the production of electricity from renewable sources (RES) and high-efficiency cogeneration of heat and power (CHP) are, at the core, precisely interwoven with sustainable development, particularly with the development of energy efficient services, which is also in accordance with European Union guidelines.

INDICATOR GRI EN6

Our Centre for Support, with the implementation of the support scheme, information activities, and raising awareness in the field of renewable energy sources and efficient energy use, encourages the growth of RES+CHP power plants, which in turn contributes to ensuring more efficient use of natural resources and lower CO2 emissions. The steady growth of the number of units included in the support scheme certainly shows the trend of increased use of renewable energy sources, since the number of units included in the support scheme from 2011 to 2012 increased by almost 70 percent.

The following indicators display the nominal and actual true power of RES power plants and electricity production from renewable energy sources, and include a comparison of renewable energy sources in Slovenia⁷ and the power plants that are included in the new⁸ support scheme.

⁷ Source of data for nominal power of RES power plants in Slovenia: Ministry of Infrastructure and Spatial Planning – Energy Directorate, Statistical Office of the Republic of Slovenia

⁸ Data cover the production units included in the new support scheme, i.e. units that entered in the system of support acquisition after 2009.

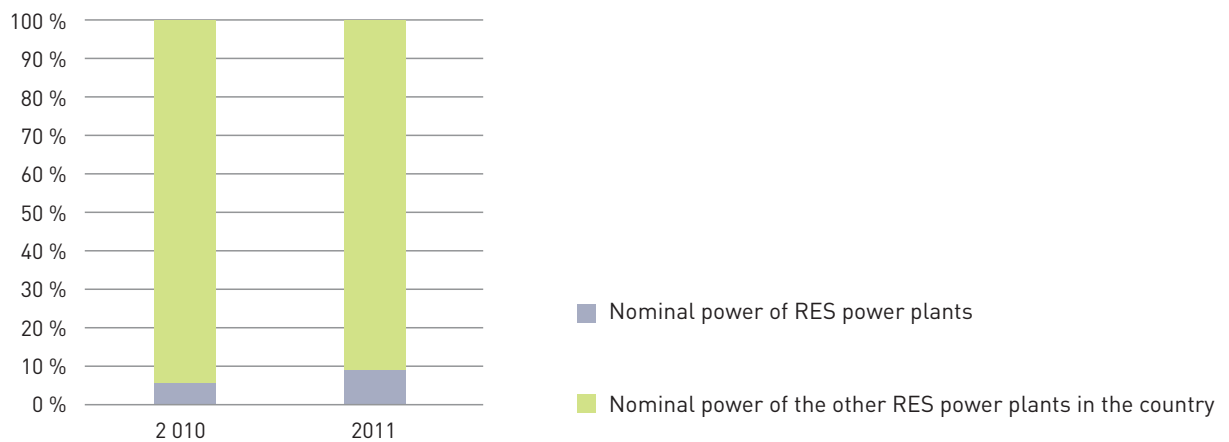


Figure 5: Comparison of the production of RES power plants in Slovenia and RES power plants that are included in the new support scheme

	2010	2011	2012
Nominal power of RES power plants included in the new support scheme	58.45 MW	123.80 MW	324.18 MW
Nominal power of the other RES power plants in the country	1206.55 MW	1186.2 MW	n.a.
Total	1265 MW	1310 MW	n.a.

*na - not available

Tabela 10: Nominal power of RES power plants in MW

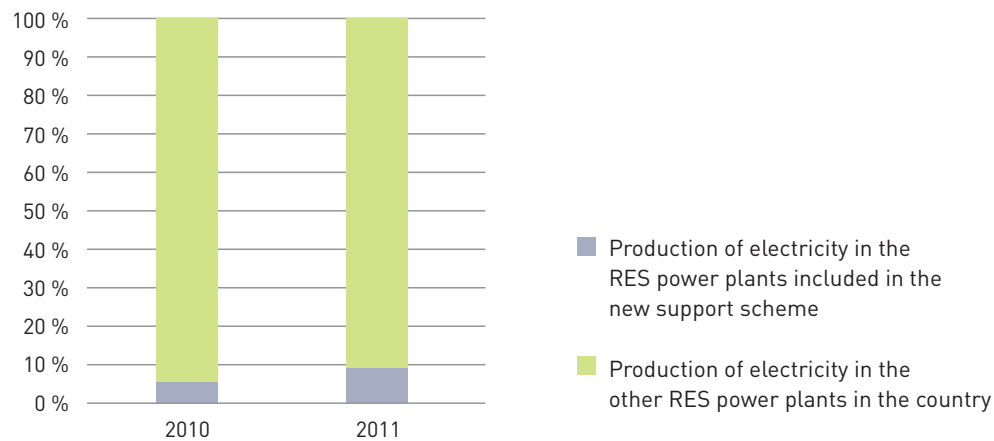


Figure 6: Comparison of the production of RES power plants in Slovenia and RES power plants that are included in the new support scheme





	2010	2011	2012
Production of electricity in the RES power plants included in the new support scheme	240.17 GW	331.07 GW	454.16 GW
Production of electricity in the other RES power plants in the country	4,401.83 GW	3,379.93 GW	n.a.
Total	4,642 GW	3,711 GW	n.a.

*na - not available

Table 11: Production of RES power plants in Slovenia

Borzen as the Power Market Operator performs the tasks associated with the assurance of reliable operation of the market. Borzen takes care of the entrance of the participants on the market in the context of the balance scheme. Any legal or natural person that wishes to operate on the electricity market actively becomes a member of the Balance Scheme. The market operator shall daily record all transactions in the market, these records of forecasts of consumption and production of electricity is the basis for a reliable supply of electricity, since the transmission system operator uses them in the control of the network operation. With the operation of the balancing market it also takes care of the availability of the platform, where is, under the competitive conditions, offered the energy for balancing the imbalances in the system, and thereby it contributes to decreasing of the cost of compensation and greater transparency in the procurement of balancing energy. At the end of each month Borzen carries out the imbalance settlement which distributes the Imbalance costs for imbalances from announced schedules for electricity supply and consumption in a way which promotes accuracy of the announcements which leads to reduced costs and thus lower electricity prices for the end customers. Borzen also prepares and adopts rules for the operation of the market. Borzen takes care for the timely and regular updates of the rules, taking into account as far as is possible the suggestions of the market participants. All of these tasks take care of the efficient operation of a transparent and fully open electricity market.





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