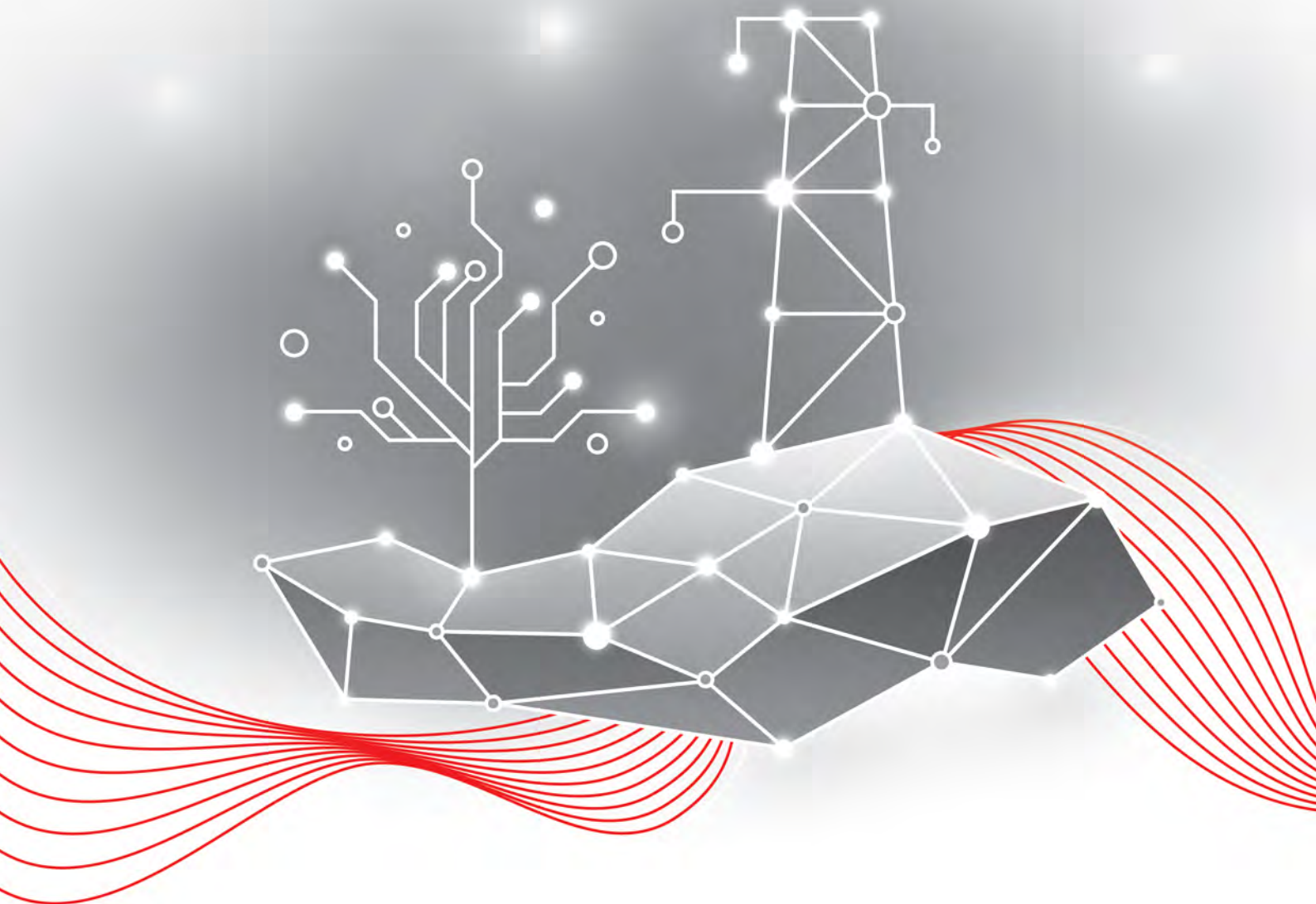


Digitalisation: effective and modern solutions





Digitalisation: effective and modern solutions

In 2022 at EVN Bulgaria, we implemented a number of ideas that we talk about with pride. They are part of our everyday work – daily small steps, the outcome of which is clearly visible in the high quality of our energy services. And in our drive to improve them, we are committed to following the most advanced solutions in the energy sector and applying them to our business processes.

In this edition, we focus on the technologies, process automation and innovative solutions accompanying us along the natural path of digitalisation. Digital solutions cover a wide range of activities – from the management of human resources through work processes to financial analysis and implementation of new investments.

In the following pages, we will tell you about the challenges we faced to achieve the successes that contribute to the modern and sustainable development not only of our company, but also of the energy industry in Bulgaria.

We passed the threshold of a total **BGN 2,000,000,000** direct investments in energy infrastructure and customers service in South-East Bulgaria since 2005.



EP Yug introduced the standardized **data interchange protocol** EDIFACT in electronic communication with the market participants on the free electricity market.



2022: Our achievements in facts and figures

BGN 124.8m

for the annual investment and repair program in the electricity business and BGN 15.6m for the heat energy business.



In Elektrorazpredelenie Yug we established **Centre of Digitalisation**, which coordinates the parallel implementation of all projects concerning electronic data interchange.

Онлайн услуги



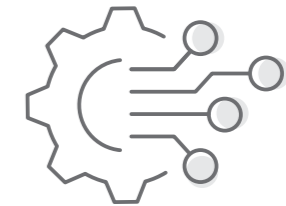
We launched **an online portal for customers** of Elektrorazpredelenie Yug on www.elyug.bg.



We deployed the new ADMS (Advanced Distribution Management System) software for **analyses and calculations** in the distribution grid.

We are implementing SAP S/4HANA – one of the world's leading manufacturers of software solutions

for business process management.

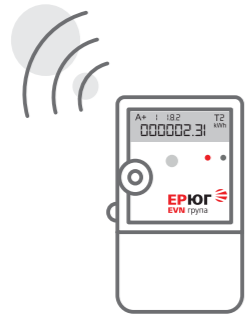


We started an update of the outage management system **OMS.**

We laid the foundations to **upgrade the dispatch system** and switch to SCADA Spectrum.

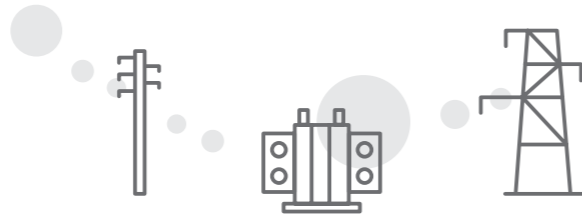


We digitize the activities of electricians and organization of investment projects in the electricity distribution grid.



We reached **1,190,000 installed** electricity meters with remote reading – 66 % of all customer electricity meters.

We remotely control **700 facilities** of our electrical infrastructure.



Two new production capacities in EVN Toplofikatsia with a total of **5 boilers**

Functionality for **online request and conclusion of a contract** with EVN Elektrosnabdiavane as a supplier of last resort became operational.



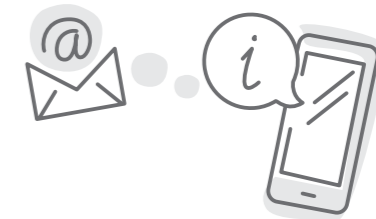
We received **420 online requests** for conclusion of a contract electronically with EVN Elektrosnabdiavane – free market trader, since the functionality was launched in November 2021.



Customer flow management system was launched in EVN Offices.

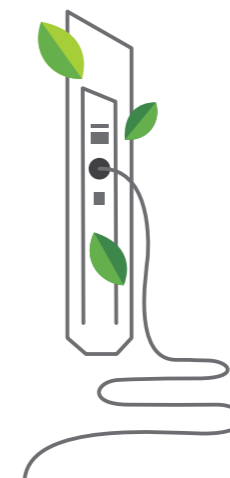
The first company that launched **robotic trading on IBEX** – EVN Trading presented the innovation to IBEX.

287,000 customers use SMS or email **notification service.**



The website **lifesafegridforburgas.bg** was launched under the project "Safe grid for Burgas lakes" under the EU LIFE Programme.

We switched to **a digital platform** for managing job applications in EVN Bulgaria – eRecruiter.



EVN Bulgaria's first **fast charging station** for electric vehicles, which can be used via EVN2GO mobile application, was launched in Pamporovo. It is the sixth EVN Bulgaria electric vehicle charging column in total.

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About EVN Bulgaria

The EVN Bulgaria Group is part of the EVN concern. The leading company in it is EVN AG, which is listed on the Vienna Stock Exchange and holds stable positions on the European energy markets. EVN AG has its headquarters in the largest Austrian Federal State, Lower Austria.

In 2022, EVN AG celebrated 100 years since its founding, also sharing its century-long professional experience and know-how with its subsidiary companies in Bulgaria.

EVN Bulgaria was established after the privatization of the energy companies in the cities of Plovdiv and Stara Zagora in the beginning of 2005. Initially, the EVN Bulgaria group focused on the distribution and sale of electricity in South-eastern Bulgaria.

In 2007 EVN Bulgaria expanded its activities to cover the districts of heat supply in the city of Plovdiv and trade in energy and carbon emissions in Bulgaria and South-eastern Europe.

Since 2009, EVN Bulgaria has started to implement projects in the field of renewable energy sources.

The company is an active participant in the free electricity market in the country, following the stages of liberalization over the years.

As part of an international concern with established traditions in the utilities sector, we at EVN Bulgaria focus our knowledge and energy on responsible attitude to nature and saving resources. Together with our employees, customers and partners, we promote values for the sustainable development of a modern and responsible society.

We accept our corporate social responsibility as an integral part of the business. EVN Bulgaria has been a member of the UN Global Compact and co-founder of the Bulgarian Global Compact Grid since August 2010. Our company fully shares and supports the 10 principles of the Global Compact in terms of human rights, labour standards, environment and anti-corruption.

Dear Ladies and Gentlemen,

In many cultures the number 2 is a symbol of duality which often is accepted as two aspects of something. Given the three 2s in 2022, we could safely say that 2022 has been a year of many contrasts, challenges, and opportunities.

We started the year hoping to have overcome the Covid-19 pandemic while at the same time coping with the consequences of the quick economic recovery in Europe which led to high prices of energy and other commodities and materials.

And then we witnessed something no one in Europe had imagined happened. A war broke out that further affected supply chains, energy deliveries and pushed inflation levels up. All of this made strategy decisions subject to constant review and adaptation.

In EVN Bulgaria's case the challenge we had was to keep our focus on the big picture despite all unknown factors. This meant to continue and successfully complete our investment projects like the two heating plants we built in our district heating company in Plovdiv. By doing so we became the first district company in Bulgaria with fully renovated production facilities after we already built the most modern cogeneration plant in 2011.

This and other projects helped us reach the threshold of 2 billion leva investments of EVN in Bulgarian since 2005. Another symbolic sign in the year when our parent company EVN AG celebrated its 100th anniversary.

The volatility of the wholesale electricity prices demanded of us to put a lot of efforts in our contact with our free market clients. We launched several campaigns in explaining the dynamics of the market and trying to find the best solution for them which helped us retain our image as an honest and transparent partner and supplier.

True to our claim of putting the customer in our focus we stepped up the digitalisation of our services. Today with just several clicks from their office or home clients can start and complete their request for a new connection to the distribution grid in South-East Bulgaria.

The experience we gathered in this process gives us the confidence to continue with further the digitalisation, not only concerning our distribution grid services but also for our clients on the liberalized market, district heating and trading. To back this claim yet in 2021 our electricity trading company became the first trader in Bulgaria to use robotized trading on the Bulgarian energy exchange.

The end of 2022 brought recognition of our efforts in being a responsible partner to the society. It came under the form of Bulgarian Donors Forum's award of the best corporate volunteering program "EVN For Bulgaria". It was a well-deserved recognition of our colleagues who are the heart and soul of our corporate volunteering.

With this said I would like to wish you a pleasant reading of our 2022 report.

Alexander Sipek
Chairman of the Board of Directors of EVN Bulgaria

In focus: Digitalisation



The energy sector is experiencing a tremendous and sustainable transformation. The topics of energy efficiency, climate and diversification are key in national and international policies. The drive for comfort and security along with the modern technology are blurring the line between the group of electricity consumers and of producers, and more and more often we hear experts talking about "prosumers" (from the two words producer and consumer).

The most effective tool that can cover the changes in their entirety and direct them in a constructive direction is digitalisation. The automation of processes, their precise and logical integration into a larger, complex scheme and the development of a stable online security system is the prerequisite for the sustainable development of the sector.

Digitalisation is of a critical need in two main areas:

1. electricity infrastructure, the backbone of the system
2. services related to energy industry – customer service, communication with producers, traders and all other electricity market participants.

We at EVN Bulgaria have a clear vision of the changes taking place, we participate in them and guide them. We are proud to share our achievements in this area.

Centre of Digitalisation: unified approach, coordination and compatibility of projects

When we talk about digitalisation in the energy sector, the foundation on which we stand is the grid and electricity infrastructure. Therefore, in 2022, the focus of digitalisation within EVN Bulgaria was directed to the electricity distribution company in the group – Elektrorazpređenje Yug (EP Yug).

Since the beginning of April, in EP Yug we have established a Centre for Digitalisation. It aims to assist and support the process of digitalisation in the company. In this direction, it supports the different departments and management regarding the digital transformation.

The role of the new centre is key, as with the progress of technologies, changes in the regulation and raising the green economy targets in EP Yug, digital projects are developing in many directions: management of resources, work processes, financial analysis and making new investments. It is of utmost importance that the various web-based solutions are coordinated and compatible in order to get the maximum efficiency from human-machine interaction, the absolute synergy of digitization.

What are the operational areas:



Smart Pro – Software for planning and construction of investment projects and those for new connection to the electricity distribution grid.



Online Services from EP Yug – a web portal for customers of the electricity distribution company, which from the summer of 2022 started its operation for grid connection procedures of consumers, and its expansion in the direction of grid connecting producers is upcoming.



Geographic Information System – an online application for documenting and planning electricity infrastructure.



Field Service Management (FSM) – An application for digitalising the daily field work of our technicians, from the work distribution to the documentation. In this way, our colleagues reduce their administrative tasks and are able to focus on the substance of their work.



Electronic safety documents – a software that will facilitate the operation of the Centre for Occupational Safety and Fire Safety in the company, as well as for the employees when abiding by the safety standards.



Digitalisation in general, and therefore also the digital way of communicating with our customers, is becoming increasingly important nowadays. The reason for this development is very simple, because it is the same reason why we buy things on the Internet, drive our car with the navigation system of our smart phone or communicate with our friends using Viber. This makes our lives easier, saves us time and gives us new opportunities. And for the same reason, one of the projects we started in EP Yug is the development of an online self-service portal for our customers. It makes life easier for both our customers and us.

Therefore, we involved many different EVN Bulgaria departments and teams in the process of creating the concept for this portal. The considerable work and additional coordination with EVN companies in Austria and North Macedonia, together with the support by the management, gave us the opportunity to create a digital communication channel with our customers. Thanks to the approach of taking advantage of digitalisation not only for the entire process, but also for our in-house activities after the customer's application, we guarantee that we will also benefit our colleagues in the technical units. We have started with the process of new grid connection, which has only set the starting point for further development and improvement of the portal along with new services that we will launch in the next steps.

Lukas Kloibhofer, Head of Centre for Digitalisation in EP Yug

New web portal "Online Services" for grid customers

If we could depict the digitalisation process in EP Yug and what remains visible to customers, we would liken it to a big iceberg. Hidden beneath the surface remains the enormous work on internal corporate processes. And the visible peak is the web portal for grid customers "Online Services", which became operational in August 2022. The portal is easily accessible on the website of EP Yug – www.elyug.bg.

The new web portal aims to facilitate household and users in the process of new connection to the electricity distribution grid that meets the regulatory requirements. In this context, the Online Services portal is an important step toward a modern, efficient and secure digital service.

The online request is made by filling in a form on the portal after a one-off registration.

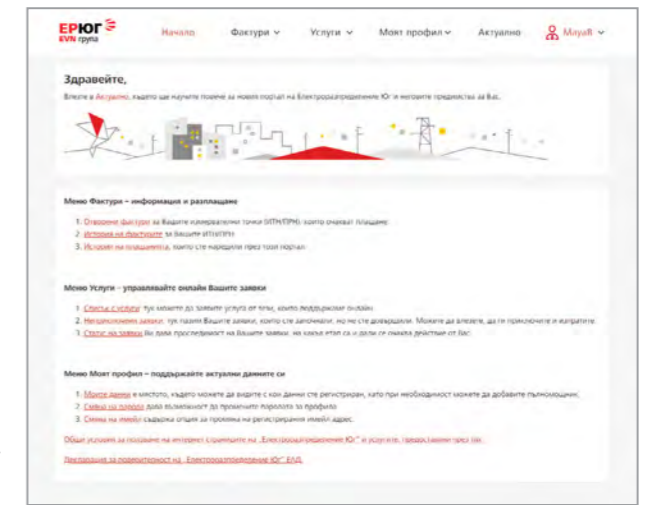
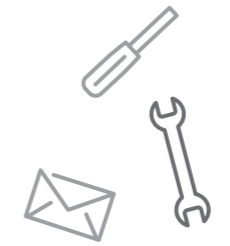
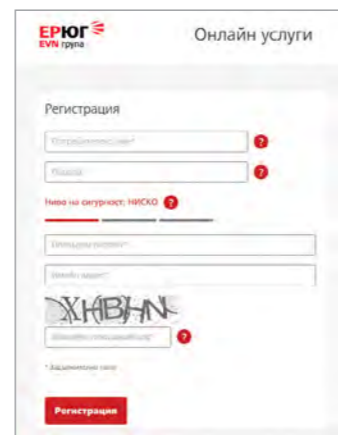
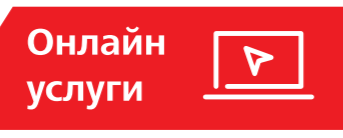
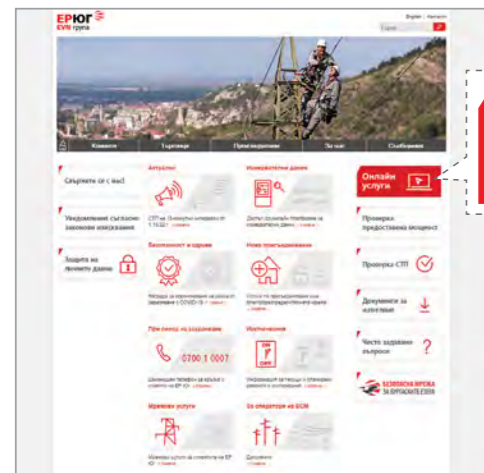
At the end of 2022, users can request online services related to spatial planning (data for the elaboration of a Detailed Development Plan, approval of an assignment for Detailed Development Plan or approval of a Detailed Development Plan) as well as various services of the new grid connection procedure:

1. Feasibility study of the conditions for grid connection and preparation of a preliminary contract or opinion.
2. Connection of temporary movable facility.
3. Request for a grid connection contract.
4. Request an Annex to a grid connection contract.
5. Electrometer installation.

In "Online Services" portal of EP Yug customers can:

- follow the status of execution of their requests (incl. receive e-mail notifications when status is updated);
- sign an online contract with a simple electronic signature (using click-to-sign technology);
- have access to the history of invoices and the possibility to pay outstanding obligations to Elektrorazpredelenie Yug;
- history of payments ordered on the portal;
- have access to up-to-date customer information.

The portfolio of services that can be requested online is to be supplemented. EP Yug will also continue to develop the functionalities of "Online Services" so that the portal becomes a virtual office for the customers of the grid company.



Online data exchange on the free electricity market

In 2022, EP Yug established itself as a pioneer in online communication between market participants on the liberalized electricity market. The electricity distribution company has the key role in the dynamic processes on the free market. EP Yug is required to send and receive various information:

1. data when changing supplier;
2. loading profiles of properties;
3. metering data;
4. billing data;
5. basic customer data;
6. change of user (point of consumption);
7. disconnection at the request of a supplier;
8. confirmations and objections.

EP Yug took a decisive step and triggered the introduction of a standardized data exchange protocol. This is EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport), an internationally recognised standard where data is sent and received automatically (M2M – machine to machine) in .xml file format. In this way, the manual processing of Excel files is eliminated, and the analysis capability is improved.

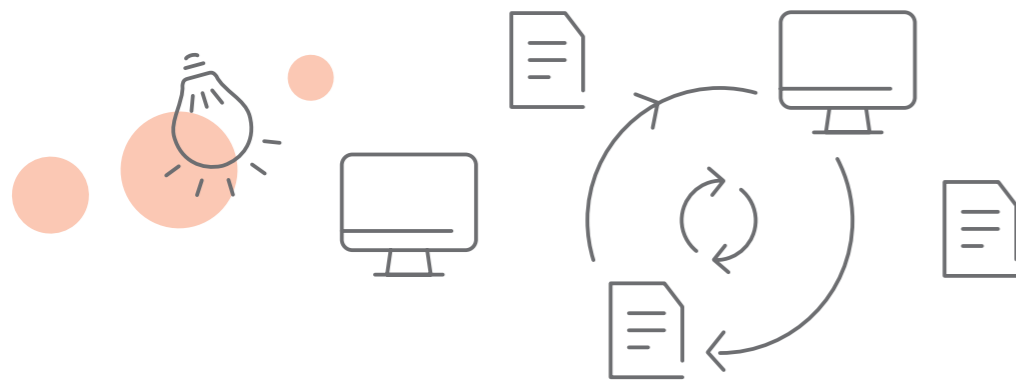
Work according to EDIFACT standard is made possible by means of web-based platforms of the grid operators, aiming to cover all types of data exchange between market participants in a phased manner.

In this regard, the company has developed and maintains a dedicated web application for online data exchange. In order to unify the approach with the other private grid operators and the state-owned Electric System Operator (ESO), and ultimately to automate and facilitate the work of the employees with the huge number of documents,

A great achievement for EP Yug is that from June 2022 the interchange of load profile data is happening with the new, more modern electronic method of operation. Our company introduced in Bulgaria one of the latest trends in the development of European legislation and a practice to ensure flexibility and reliability of the energy system.

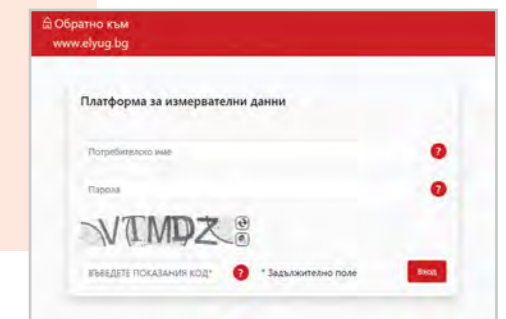
EDIFACT has also facilitated our preparation for a four-fold increase in the volume of information on load profiles, which occurred in October 2022. From that point on, the settlement period (final data transfer) was significantly reduced from one hour to 15 minutes.

The company also undertook the necessary important updates to its platform for notification of schedules (PPS) in compliance with ESO instructions for notification and validation of trading and production schedules in the intraday and day-ahead market segments.



Remote access to metering data for customers with installed capacity of more than 50 kW

All customers with facilities with a total installed capacity of more than 50 kW have the option to request remote access to metering data. For this purpose, EP Yug also maintains an online application where verification is done quickly and securely by digital means.



Geographic Information System

Geographic Information Systems (GIS) combine in themselves tools for cartography, analysis and spatial modelling of processes and occurrences. Often these systems integrate powerful software, hardware and database. GIS was implemented in EVN Bulgaria even before the privatization, in 2004, to the then structure of Stara Zagora branch, Yambol branch and Chirpan branch with a centralized geodatabase for the electricity distribution grid of Stara Zagora.

With the arrival of EVN as a modern investor, the development of GIS was separated into a dedicated team at Electricity Grid Engineering department.

In 2009, we launched a project for digital documentation of the medium voltage electricity distribution grid. Colleagues worked on the project for 4 years, including filming in the field. At the end of 2022, EP Yug's GIS was organized in a multi-layer architecture with different specifications, and we also use a web-based service from the Geodesy, Cartography and Cadastre Agency.

The digitized medium voltage grid (MVG or 20 kV) includes:

- 17,500 km of MVG overhead lines;
- 6,440 km of MVG underground lines;
- 20,950 transformer stations;
- 387 switching stations;
- 140 substations (5 of which are owned by EP Yug).

After successfully integrating 100% of the medium voltage grid, we launched a new project for implementation of specialized software for electrical grid calculations DMS (Distribution Management System). In 2022, it was upgraded to its latest version – ADMS (Advanced Distribution Management System).

The project for ADMS rollout included migration of a massive amount of information: single-line diagrams of electrical substations, of switching stations, of transformer stations, catalogues, parameters of all elements and facilities of the grid, value of the load by transformer stations and load profiles, geographical coordinates and location of energy facilities, etc.

The advantages of the new ADMS support:

- Data analysis and identification of measures to increase the security and reliability of the power supply.
- Preparation of forecasts for the loads of the electricity distribution grid (EDG) in different situations and proposals for grid optimization.
- Simulation and control of the quality indicators of medium voltage power supply.
- Proposals for measures to optimize the operation mode of EDG.
- Preparation of reports for medium voltage grid by substations and feeders.
- Planning, calculations and analyses of electrical distribution grids in order to ensure the necessary grid capacity.

Since 2019, we have also been working on a project for digital documentation of the low voltage electricity distribution grid. We have an ambitious goal here, as we will integrate into GIS the entire low voltage grid operated by EP Yug, which is extensively branched to each customer.

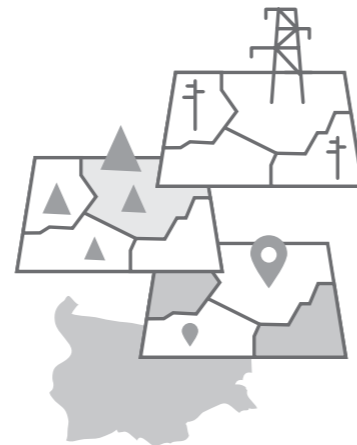
A major advantage of GIS in EP Yug is that a web portal has been established to access it, allowing multi-user operation and editing in real time.

GIS in EP Yug is an exceptional digital tool that helps us in many areas:

- electricity distribution grid at medium and low voltage on the licensed territory of EP Yug;
- heating grid of EVN Toplofikatsia in Plovdiv;
- application for the available data on an agreement for operational management of third-party facilities;
- dedicated module for concept development;
- test application for crisis management.

Update of orthophotomap

In 2021, we updated the orthophotomap, the geometrically corrected orthophoto of the terrain on the licensed territory of Elektrorazpredelenie Yug in the south-eastern part of the country. The new orthophotomap replaced the old images, which were more than 10 years old. It contains more comprehensive information about the relief.



Remote control of Elektrorazpredelenie Yug's grid

The entire pulse of the power system depends on the sharp eye and quick response of the dispatchers. The Dispatching Center of EP Yug has the status of a strategic site of importance for the national security. It continuously monitors the electricity distribution grid 24 hours a day. For this purpose, an implemented system for data management, collection and processing, SCADA Spectrum, is used. It enables remote control of key facilities such as: substations, switching stations, transformer stations, reclosers.

A project for update of workstations and software is also running in EP Yug, which will lead to higher cyber security and speed in operational work. At the end of 2022, more than 700 facilities have the capability to be remotely controlled from the dispatching center, the number of which is constantly increasing with the investments made by EP Yug in grid development and electricity generation from renewable sources. Remotely controlled facilities contribute to faster localization of breakdowns on electric lines and faster supply of electricity to customers.

The new substations of the company, Tsaratsovo and Evmolpia, are also equipped with the most modern technologies for telemetry and remote control.

EP Yug works in close cooperation with ESO's points, from which the system operator's substations are remotely controlled.

Remote reading

In line with the digitization of processes in EVN Bulgaria, since privatization, we have been following a consistent policy of setting standards for remote reading. It minimizes human error while improving the processes on statistical data storage and analysis.

At the end of 2022, EP Yug installed 1,119,000 electricity meters with remote reading, which is 66% of all metering points. EP Yug is the first electricity distribution company in the country to have installed more than 1 million electricity meters with remote reading for household and non-household customers, this threshold was reached in early 2019.

Remote reading of consumed electricity provides a number of advantages:

- eliminates the cases where the meter operator does not have access to the electricity meter (when the device is inside the property or in locked premises of condominium buildings, etc.)
- ensure that electricity meters are readout within the statutory deadline
- meter reading is carried out regardless of the weekends and holidays
- minimizes the possibility of human error during meter reading.

In Plovdiv, EVN Toplofikatsia annually reminds about the advantages of remote reading, which eliminates the access of external persons to the property. As a result, EVN Toplofikatsia is among the companies with the largest share of customers with remote reading – 28% of all 31,000 customers, and this share is constantly increasing.

In addition, all more than 1,200 heating substations in EVN Toplofikatsia are remotely read. The metering devices in the heating substations – common heat meter and water meters, owned by the company, are included in the remote reading system. This enables fast, accurate and reliable meter reading of consumption data by buildings.



Online contracts for the free electricity market

In the context of a continuous epidemiological situation and a fast pace of everyday life, EVN Bulgaria maintains customer proximity by bringing more and more customer processes online. Remote service is becoming increasingly important, and we are keeping up with the modern times.

From November 2021, our corporate website www.evn.bg offers the new functionality, thanks to which customers have the opportunity to conclude an online contract with our electricity supply company EVN Elektrosnabdavane as a free market trader. These are all customers who use electricity for business needs at low voltage, for which the energy regulator stopped setting tariffs.

In 2022, we supplemented the functionality with the option to conclude a contract online with EVN Elektrosnabdavane in its other capacity of a Supplier of Last Resort (SLR). Having such a contract is a mandatory requirement for all participants on the liberalized electricity market. Therefore, it was important for us to be able to offer a digital solution that is fast, simple and secure.

Contracts are concluded online after a one-off registration in our EVN Online Plus portal, which is secured with an encrypted connection. A digital form is filled in and a click-to-sign function or a click on a confirmation link received by email with a uniquely generated code is used for signature.

At the end of 2022, we reported more than 420 online contract requests.

EVN Online Plus is the most visited and used section of our corporate website. The portal was launched in 2013 and since then it has been constantly upgraded. Using it, outstanding payments to EVN Bulgaria can be paid online, without additional costs and the payment is immediately reflected in the system.

In addition, users of the portal have the option to:

- track outstanding payments to EVN Bulgaria;
- review the history of invoices for the past year;
- access payment history ordered via EVN Online Plus;
- analyse graphs for the volume of consumed energy and the invoice value for consumed electric and heat energy;
- register up to 5 customer numbers and at any time may be removed or add new ones.



SMS/Email notifications

A popular customer communication channel is the particularly practical service for free SMS or email notifications with information about:

1. Monthly value of electricity consumed meter reading period and payment deadline. The notification is received every month.
2. Upcoming disconnection of power supply due to unpaid bill. The notification is received at least 3 days before the disconnection, which considerably reduces the risk of missing the payment deadlines and the related cut-off.

Signing up for notifications can also be done quickly and easily online at www.evn.bg.

At the end of 2022, we report a total of 287,000 sign-ups for SMS and email notifications.



Electronic invoice – digital accounting done to perfection

The electronic invoice (eFaktura) is a document signed with a valid electronic signature that is fully equivalent to paper invoices, but is quicker to receive, easier to store and more environmentally friendly. In EVN Bulgaria, we offer eFaktura since 2010, constantly promoting the indisputable advantages of this digital accounting tool to customers. In addition, in 2022, the company as a supplier of last resort on the free electricity market, EVN Elektrosnabdiavane, completely stopped sending paper invoices to its customers, switching exclusively to eFaktura. As a result, at the end of 2022, we can be glad that 94,000 customers use this option.

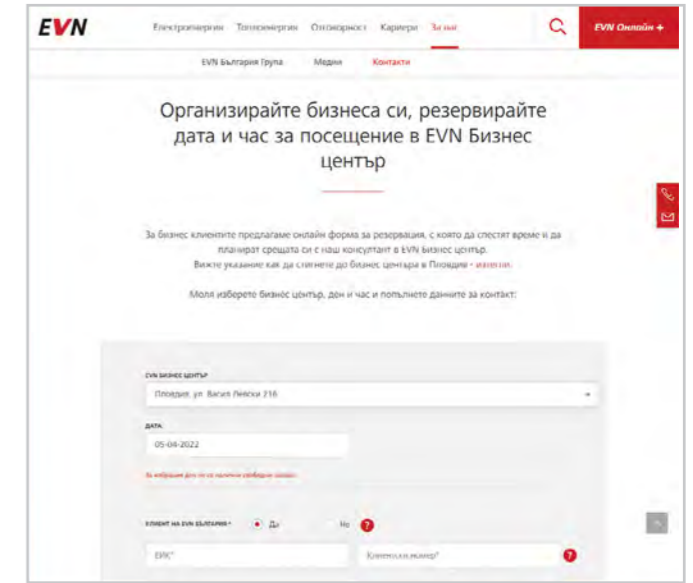
Digital customer flow management

No one likes waiting in a queue. The accumulation of customers in an office is unpleasant both for the customers themselves and for the specialists whose task is to serve them according to the high standards of the company.

Therefore, we apply digital solutions in this area as well.

In EVN Offices we install machines with queue management system for our household customers.

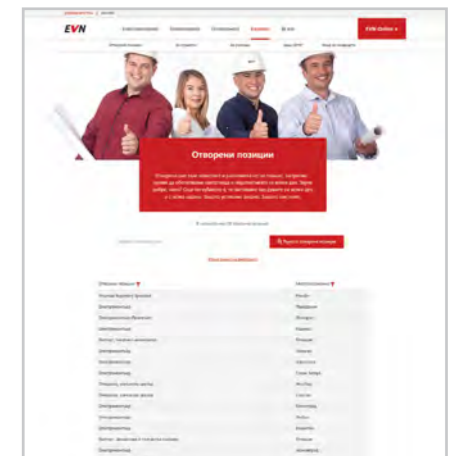
And for our business centers where we serve legal entities, we have introduced an online appointment booking system. In this way, we stimulate the business customers to plan their time more efficiently according to the specific service they need.



eRecruiter: New software for personnel recruitment

In EVN Bulgaria we welcomed 2022 with a new reliable, cloud-based software for the purposes of the personnel recruitment process – eRecruiter. It digitally manages all recruitment steps – from placing a recruitment request, its approval, creating and publishing in-house and external announcements, job application, processing, storage and deletion of the received applications.

The implementation of the system follows the best practices in the field of recruitment, being a natural continuation of the digitalisation of processes in the company and is an essential tool that will ensure compliance with the rules established by the European Data Protection Directive for the processing, storage and deletion of personal data.



Electromobility: digitalisation at speed

The topic of electromobility is an integral part of our activity as a socially responsible company, which supports projects in favour of environment and clean air. We believe in the development of the electric vehicle sector, so we continue to support its expansion.

In 2022, we are continuing the trend of expanding the network of electric vehicle charging stations for both corporate and public use. We commissioned four new charging stations for company cars and one fast-charging for public use in Pamporovo. The new electric vehicle charging column in the popular mountain resort is EVN Bulgaria's sixth charging station for public use after those in Plovdiv, Smolyan and Varna.

The energy from EVN Bulgaria's charging stations is entirely generated from renewable sources. All energy delivered to the columns is environmentally friendly, with green energy certificates issued. With this, the company gives an incentive for travelling in more environmentally sound manner and cleaner air.

In parallel with the construction of charging infrastructure, EVN Bulgaria increased by another 4 electric vehicles for shared use by the employees in performing work tasks.



Our new charging station in Pamporovo is the first of EVN Bulgaria, which offers fast charging.



EVN2GO

Charging electric vehicles at EVN Bulgaria stations is done via the free mobile application EVN2GO. It is compatible with all versions of Android and iOS.



First in robotic trading on the energy exchange in Bulgaria

The company of EVN Bulgaria Group, which serves customers with high consumption on the free electricity market is EVN Trading. In 2021, it became the first electricity trader in Bulgaria to launch robotic trading on the Independent Bulgarian Energy Exchange (IBEX). For this purpose, the company first deployed the API (Application Programming Interface) technological application for connectivity of the leading European power trading platform operator Nord Pool, which is offered in our country by IBEX. The application allows for automated trading on Intraday market segment.

The API technological application enables connectivity so that registered commercial players can integrate their platforms effectively with the existing electronic trading systems, with the aim of greater convenience, shorter response times, accurate reporting and security.

The advantages of introducing API are:

- effective and seamless integration with internal trading systems, "back office" systems and operating tools;
- robotic trading to maximize market opportunities;
- personalized and automated reporting and consolidated web-based IT solutions.

Only market players registered on the power exchange market, having acquired the status 'active' on the Intraday market segment are allowed to use API for trading.

In February 2022, representatives of IBEX visited EVN Trading to see live the operation of the new digital solution in the company.

Our company continues to lead by example in this high-tech area. Later in the year, IBEX filmed a video on the topic of robotic trading in the different segments of the exchange. One of the main roles in the video was again played by EVN Trading – representatives of the company tell their success story of using the API connectivity application.



IBEX visit in EVN Trading (from left to right): Martin Slavov – Executive Member of the Board of Directors of EVN Trading, Milena Mihaylova – Director of International Relations and Public Relations of IBEX, Konstantin Konstantinov – Executive Director of IBEX, Stoyan Mihov – Procurator of EVN Trading, Anton Kolev – Trading Expert from EVN Trading.

Investments



Security and quality of electricity supply

At the heart of our integrated policy for investment in infrastructure is the quest for a lasting and consistent improvement in the quality of electricity and heat supply. In 2022, EVN Bulgaria passed the BGN 2 billion mark of direct investments in energy infrastructure and customer service in the country. Specifically in the field of electricity supply, the company continues to focus its activities on maintaining the achieved quality and security of the power supply in South-East Bulgaria. The sustainability of the investments over the past years, good prevention, preparedness and experience are of key importance in dealing with crisis situations in the winter.

Thus, the investment and repair program of the company for 2022 in respect of the electricity distribution activity has reached BGN 124.8 million. The funds are invested mainly in the reduction of technological costs, grid development



On the occasion of its 17th anniversary and reaching BGN 2,000,000,000 direct investments in the country, EVN Bulgaria received a congratulation plaque from the Ministry of Energy. At a special event in Sofia on May 19, 2022, the then Minister of Energy Alexander Nikolov (in the middle) gave the plaque to Alexander Sipek – Chairman of the Board of Directors of EVN Bulgaria and Kalina Trifonova – Deputy Chairperson of the Board of Directors of the company. The plaque acknowledges EVN Bulgaria as one of the most stable and sustainable investors in the Bulgarian energy sector.

and increasing the security of power supply, grid connection of new customers, grid connection of producers of electricity from renewable energy sources.

As each year before, in 2022 also the precise planning of the investment activity of the company was predetermined by the pricing decisions of the Energy and Water Regulatory Commission.

Investments and repairs in figures

The new electricity distribution infrastructure, built by EVN Bulgaria in implementation of the Investment and Repair Programme 2022, includes:

- 8.2 km overhead lines medium voltage;
- over 100 km underground cable lines medium voltage;
- 90 transformer stations;
- 1 new switching stations;
- 145.4 km overhead lines low voltage;
- 127.4 km underground cable lines low voltage.

Replaced power lines:

- 97.3 km overhead lines medium voltage;
- 195.9 km overhead lines low voltage;
- Over 900 m underground cable lines medium voltage.

Technological costs – a benchmark of success

One of the biggest measures for energy efficiency is the shrinking of the technological costs. When EVN came to Bulgaria in 2005 the technological costs of the then existing energy distribution companies in Plovdiv and Stara Zagora reached 19.5%. At the end of 2022, it was reduced to below 7% as a result of the targeted and consistent investment policy of the company.

The actual effect is a saving of more than 1,200 GWh of electricity, which is equivalent to the consumption for Stara Zagora district for a year. At the same time were realized savings of more than 611,000 tons of CO₂.

What is a technological cost?

Technological costs of electricity distribution grid show the difference between the volume of electric energy supplied to the grid and the volume of electric energy delivered to the customers. It is formed as a result of the physical law for the technical losses in the transmission and distribution of electricity and by the unlawful practices for using unmetered volumes of electric energy by unfair customers.

Seasonal maintenance of the grid

The climate in Bulgaria predetermines seasonality in the activities of Elektrorazpredelenie Yug EAD (EP Yug) related to maintenance and development of the electricity distribution grid.

The summer is characterized with increased loads on the southern Black Sea coast; therefore, EP Yug gives special attention to the regular check-ups of the

facilities in this region before the beginning of the active tourist season. During the cold months, the grid in mountain areas is exposed to severe weather conditions in winter: low temperatures, snowfall, icing.

Guaranteed tourist season 2022 on the southern Black Sea coast

In view of the expectations of a peak tourist season after the pandemic,

EP Yug made preparations to ensure continuity and security of electricity supply. As it does every year, the company inspected all facilities of the grid and certain points of key importance were inspected with infrared camera. Also, before the summer season, some significant investments were completed in the areas of the highest load, with the reconstruction of Longoza and Palma switching stations.



The preparation also included:

- Daily monitoring and load allocation by medium voltage feeders.
- Redislocation of resources (generators, mobile transformer stations).
- Supply of emergency reserve materials.
- Inspection of the internal radio network and telecommunication and remote reading systems.

And in 2022, an increase in the loads was reported in the smaller resorts south of Burgas, while the loads north of Burgas decreased slightly due to the outflow of Russian and Ukrainian tourists. The new ESO's substation "Kableskovo" and the distribution grid constructed thereto are of great importance for the uniform load allocation.

Rapid response in winter

EP Yug has provided 54 new units of specialised machinery for the 2022/23 winter season. The entire new machinery is in favour of the activities performed by the company's teams:

- 8 passenger vehicles;
- 18 cargo vehicles;
- 20 cargo vehicles 4X4;
- 6 all-terrain elevating work platforms;
- 2 lift trucks.

The availability of new mechanisation is an important prerequisite to quickly restore the power supply if needed in a complicated winter environment. As part of the preparation for the winter season 2022/23, EP Yug teams performed on-site inspections of all medium and low voltage facilities serviced by the company. A total of 250 hectares of sanitary logging along medium and low voltage overhead lines easements were done.

To cope with severe winter situations, the company has 18 mobile units with a total capacity of over 2.5 MVA (megavolt amperes), 4 mobile transformer stations with overall power over 2.4 MVA, a total of 9 snowmobiles, etc. In addition, trainings are held for work in severe winter conditions, and more than 70 teams of the company are on a permanent standby condition to respond as necessary.

EP Yug also has a Crisis Headquarters with trained leaders and specialists, as well as coordination centers per the company's local technical units.



The storm in Burgas region

A serious test for working in crisis conditions were the accidents caused by a strong storm in the Burgas region on September 17, 2022. As a result, ESO's Horizon substation got out of service and 13 poles of the 110 kV network were broken. Several settlements in the region were without power supply. Over 30 EP Yug teams repaired faults on the company's grid. The specialist in the Dispatching Centre were able to supply power to affected customers from other substations under temporary schemes. Measures were taken to redistribute loads in view of a possible over-consumption to prevent another total power failure. EP Yug fully cooperated with the ESO to restore the 110 kV network, which was completed by the end of October 2022 and normal power supply patterns were restored.



Digitalisation for a faster response

Due to the remote control of critical infrastructure parts, our teams manage to respond quickly in a crisis situation. For example, in case of an emergency situation detected, the software immediately notifies the employees on duty, and they remotely switch to a backup power supply scheme to minimize any inconvenience to customers.

One more modernized technical center in Plovdiv

In the second largest city in Bulgaria, Plovdiv, we have two technical units for maintenance and development of the grid – Customer Energy Center (KEZ) Plovdiv South and KEZ Plovdiv North. In October 2022, KEZ Plovdiv South moved to a new, more functional and comfortable building in the city's Southern Industrial Zone. It is a completely modernized building that was previously used as a warehouse. Being completely renovated, the building fully meets the needs of the technical and service staff.

A particularly valuable advantage of the new address for KEZ Plovdiv South is that it has a large indoor and outdoor warehouse with a total area of 400 m² for materials and emergency reserve. During the reconstruction, we set up modern solutions in terms of energy efficiency, heat storage and energy savings, thus the building meets all regulatory and environmental requirements.

The investment amounts to BGN 2.2 m and is part of EVN Bulgaria's total investment package for the energy development of Plovdiv. Just a year earlier, in the autumn of 2021, KEZ Plovdiv North moved to a completely new modern building.



First in modernization of the heat supply in Bulgaria

In 2022 as well, our company continues to strengthen its position as a modern investor in the field of district heating. In Plovdiv, EVN Toplofikatsia implemented a major project for construction of a total of 5 new hot water boilers: 2 on the territory of Heating Plant South (HP South) and 3 in TPP North. The total capacity of the new boilers, manufactured using Bosch technology, reaches 100 MW and the investment amounts to BGN 23 million.

EVN Toplofikatsia is the first district heating company in the country with completely newly constructed and modern production facilities.

This proves EVN Bulgaria's commitment to clean energy production and improved quality of the air in Plovdiv.

The key role of the facilities is to cover peak loads and to work flexibly with short start-up and shut-down procedures. The main fuel for the boilers is natural gas and the back-up fuel is industrial gas oil, unlike the old facilities which operated with fuel oil as back-up. This is another factor for security of supply and a better environment.

Data on the new hot water boilers:

- The capacity of each of them is 20 MW, or a total of 100 MW.
- Boilers generate heat energy.
- Advantages of the new facilities: better efficiency of the production capacities (in summer the boilers will cover the reduced load only for domestic hot water).
- Each boiler is controlled independently and together they are combined in an automatic control system. The control of the heating plants is automatic through a connection with the control system of TPP North, from where, depending on the grid load and as needed, all the facilities are switched on and controlled.
- The boilers are equipped with a new generation of low-emission burners, which are installed for the first time in Bulgaria.
- Modern technologies for cleaner air: The technology provides extremely low levels of harmful emissions, protecting the environment – NOx below 80 mg/m³.



In 2022, EVN Toplofikatsia built over 2.6 km of new heat transmission network and 15 new abo stations.



EVN Toplofikatsia participated in an open photo exhibition "For a cleaner city". Emphasis was on the contribution of district heating to reducing CO₂ emissions and fine particulate matter in Plovdiv.

Customers: at the heart of our business



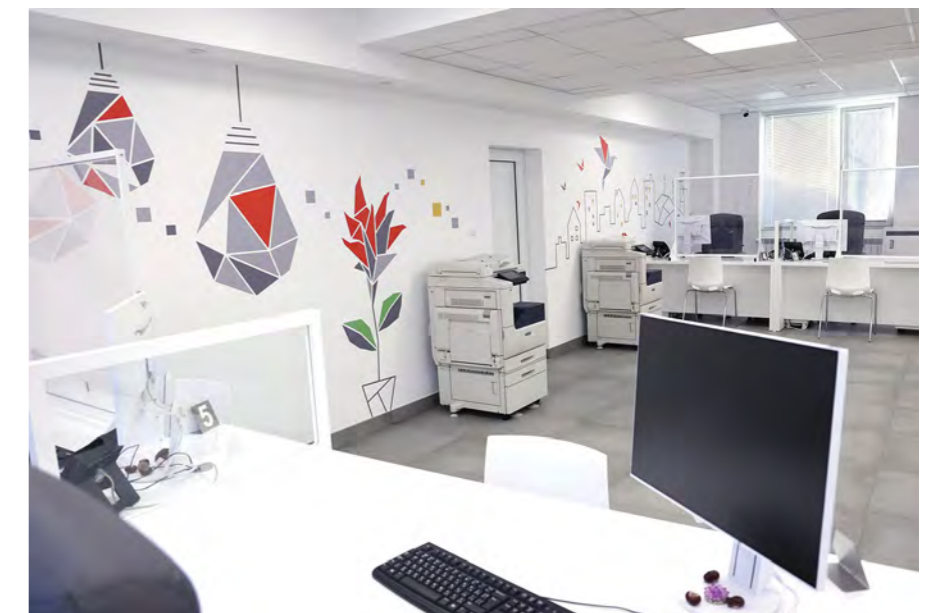
Leader in servicing

We at EVN Bulgaria serve 1.5 million electricity customers in South-East Bulgaria, and 31,000 households in Plovdiv use clean heat from EVN Toplofikatsia.

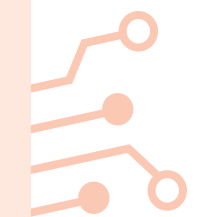
In the company functions a modern 24/7 Customer Relation Center, which offers professional service in a comprehensive range of channels: by phone, email, mail, fax or with personal contact in 30 offices on the license territory of the company in Southeast Bulgaria. Ever since its establishment in 2007, the Customer Care center proved to be a reliable source of information for the customers on all issues related to electrical and thermal energy. The call center is equipped with modern equipment and modern software which allows to provide fast and accurate information to each customer. In 2022, we helped 450,000 customers per telephone or email.

In November 2022, EVN Bulgaria opened a completely renovated customer service office in Pazardzhik. It is located at the same address as before – 4 Gurko buld. The modern office offers a full range of services and consultations related to grid maintenance and supply of electricity. It is located in a new, large and spacious premise with an area of 164 m², which is twice the area of the previous one. The number of service points is also higher – they are now eight, compared to six before. The total investment is BGN 190,000.

The opening of another new EVN Office continues the company's policy of continuous development and improvement of customer service.



In April 2022, EVN Bulgaria's first electronic customer flow management system was installed. The digital solution helps both the increasing number of visitors and our employees.



Free electricity market

In Bulgaria, the regulated and the free energy market were still operating in parallel in 2022. While households have the option to purchase electricity on both the regulated and the free market, the businesses were obliged to purchase energy on the free market.

The past year was extremely challenging and marked by an unprecedented increase in the prices of all energy carriers both nationally and globally.

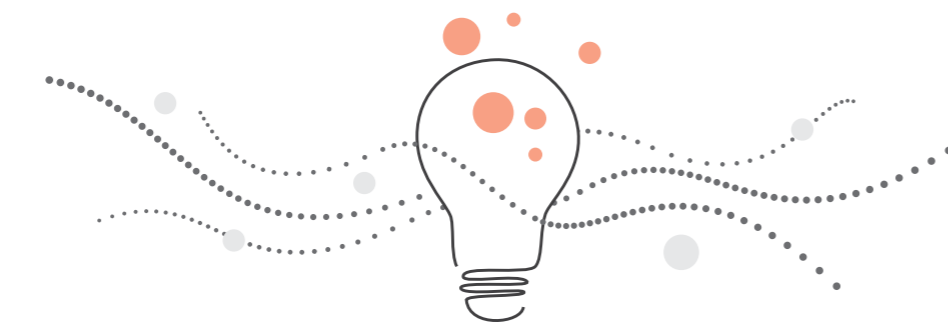
In addition, electricity traders faced the emergency response that the state took to address high prices. An important factor in overcoming the challenges was the communication to our customers. We have managed to remain true to our values and maintain an active, open and objective communication with them through our developed network of expert consultants.

EVN Bulgaria on free market

On the free market in Bulgaria, EVN Group is represented by two companies: EVN Elektrosnabdavane (EVN EC) is a company with a focus on small business customers and the company that acts as a supplier of last resort (SLR), while EVN Trading serves customers with high consumption.

EVN EC

In response to the growing dynamics of the free market, in 2022 EVN EC established the online functionality for concluding an individual electricity supply contract via www.evn.bg. In addition, in the past year, the company has also launched a digitized request for conclusion of a contract with SLR in cases where such is required. Both services are in full compliance with contemporary data protection requirements.



We continue to invest in know-how so that we are prepared to meet all the challenges that the dynamic free electricity market is about to bring. At the same time, EVN EC continues to fulfil all its other licensed activities and obligations to serve over 1.5 million households in the regulated market in South-East Bulgaria.

EVN Trading

EVN Trading holds licenses and actively trades electricity not only in Bulgaria, but also in Greece, North Macedonia, Romania, Serbia and Hungary.

In 2022, EVN Trading hosted representatives from the Independent Bulgarian Energy Exchange who visited the company to get a first-hand look at our success story with robotic trading on the exchange (you can find more on page 26).

The galloping prices of the international market, which marked 2022, sporadically provided the opportunity to realize successful short-term transactions on the wholesale market. Meantime, they forced us to focus on the improvement of internal corporate processes. In the core we put risk management to remain the reliable partner to our customers and suppliers.

The difficult decisions that we had to make helped us to successfully pass through the challenges of the external environment. Thanks to the experience gained and the trust built with our customers, we have managed to maintain our position as a leading energy supplier in the country.

EVN Trading pays special attention to green energy, therefore it has a well-developed portfolio of renewable energy producers.

The high prices led to turbulences in this market segment either. Here again trust, the strategic orientation and the open dialogue were the key to maintain our good partnership with RES producers. This makes us happy because we definitely believe in the "green" future of the sector.

Serving the business

In order to keep pace with the growth of our business customers and to meet their expectations in April 2022 we opened a second center to service legal entities. It is located in Burgas and was built based on the experience of the first EVN Business Center, which opened in Plovdiv a year earlier.

The aim is for legal entities to plan their visit at a time that is convenient for them given the specific business services they use. This allows our company to facilitate the servicing of household customers in the other EVN Offices.



For more efficient planning, services at EVN Business Center are provided only after prior request by customers of a date and time for an appointment, for convenience they can use an online form on our website www.evn.bg.

Every day is an energy efficiency day

On the occasion of World Consumer Rights Day, March 15, 2022, EVN Bulgaria implemented a campaign with the slogan "Always with care and love", as the company prepared a small gesture of attention to its customers. Everyone who visited an EVN Office on March 15 was greeted with a special gift – a card with basil seeds that anyone can plant at home or in their garden and enjoy aromatic tea or a delicious spice for a wonderful day.

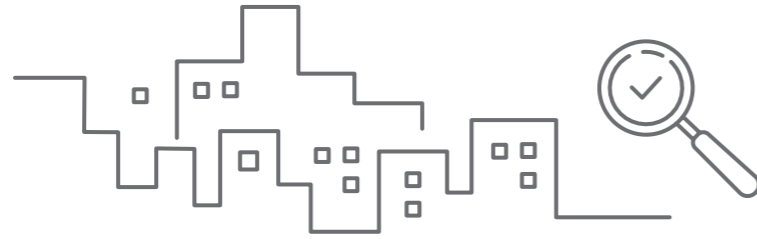
In addition to the spring gift, customers also received a short advice on energy efficiency. Thus, in a non-standard and memorable way, EVN Bulgaria reminded that small steps to save energy by using natural resources can have a real effect when applied regularly.



Energy performance audit for buildings. Detailed audit for effective planning

As a part of its product portfolio for improving the energy efficiency, EVN Bulgaria also offers the service Energy Performance Audit and Certification of Buildings. The company offers this service in response to the current needs of its customers and to establish a new type of thinking for reasonable use of energy resources.

The poor technical condition of the existing housing stock in Bulgaria is one of the main preconditions for ineffective usage. The quality of the service offered



by EVN Bulgaria is based on the specially trained experts and the state-of-the-art measuring equipment which the company has. EVN Bulgaria is listed in the public register of the Sustainable Energy Development Agency as certification body and owns a license for energy efficiency audit and certification of buildings. The company experts have the necessary qualification for energy performance audit and certification of buildings gained under the provisions and requirements of the Energy Efficiency Act.

Detailed information about the service is available in "Business" section on www.evn.bg.

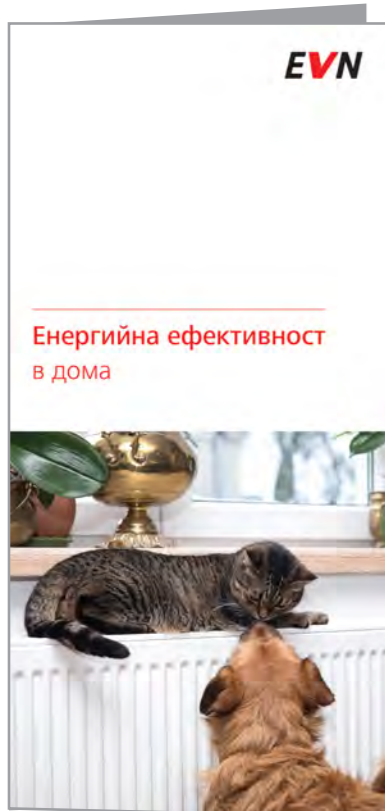
Loyal partnership

In 2022, we again earned the trust of AIKO. The international furniture retailer needed to audit and certify its two stores in Burgas and Stara Zagora and chose EVN Bulgaria to provide the service. Our experts visited the sites, carried out a precise inspection and issued energy efficiency certificates. Three years earlier, in 2019, the company audited and certified AIKO's two stores in Sofia.

Based on the audit and certification activities, specific energy efficiency measures may be taken, such as:

- reducing energy costs and more efficient budget management;
- increasing the comfort in the buildings;
- reducing the amount of harmful CO₂ emissions.

In 2022, we prepared a brochure especially for the customers of EVN Toplofikatsia with up-to-date advice on energy efficiency in the home and the specific benefits of the company's services in this direction.



Thermographic inspections of buildings. Loyal ally for energy efficiency



Thermographic inspections of buildings" is the service, through which EVN Bulgaria performs in a precise and comprehensive way the energy auditing of a dwelling, entire building, one or several building entrances. Thermographic capture is only possible at night and during the winter months from November to March. The service is carried out by EVN Bulgaria experts, who use special equipment – a thermographic camera, and is witnessed by the customer. By means of an infrared camera, the heat flows invisible to the human eye are captured and converted

into infrared pictures – the so-called thermograms. In this way the thermography makes it possible to be seen the losses of thermal energy, to be found exactly the places and the reasons for them.

The service efficiency is measured with the direct benefits that it brings to the customers. Because if it they can obtain reliable information about:

- the energy state of the building envelope;
- the quality of the existing insulation;

- the locations of the thermal bridges with high energy loss;
- defective structural connections to the ceiling, walls or joinery;
- unsealed areas with high infiltration;
- locations with increased risk of mould and humidity.

Thermographic diagnosis of technical facilities

For the business, EVN Bulgaria offers infrared thermographic inspection for studying the technical condition of the facilities and equipment of the technological infrastructure in the various spheres of industry and services. Thermographic diagnosis provides reliable information about the operational condition of the equipment and technological processes, deviations from the normal operational modes are promptly found, damages are localized on the installations and technological lines.

In support of the business EVN Bulgaria offers thermographic diagnosing to the following groups of installations:

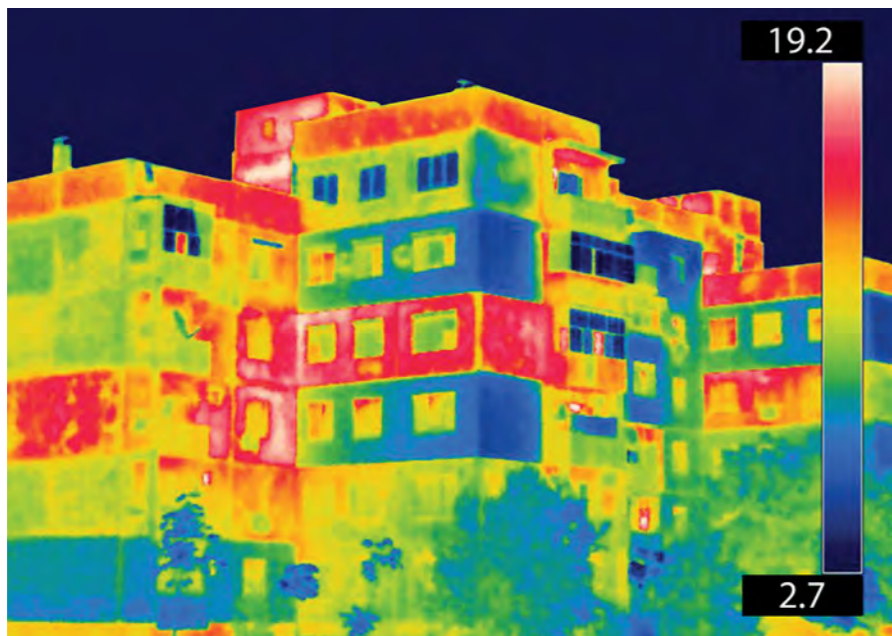
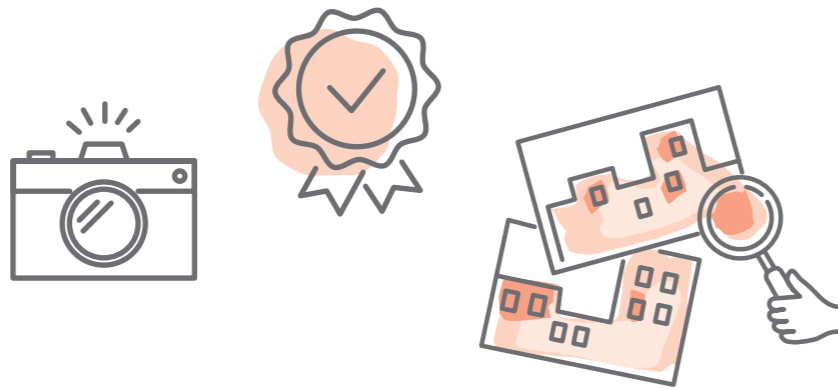
- underground heating systems;
- silos or tanks;
- outdoor swimming pools;
- industrial refrigerators.

Why thermographic inspection from EVN?

1. The experts of the company are with proven experience and have European certificate in thermographic inspections.
2. EVN Bulgaria has available modern infrared camera, Flir brand – a market leader in the infra-red cameras.
3. The company offers optimal inspection and consultation that is in line with the needs of the customer.

Thermography certificates

For the purpose of high-quality provision of thermography service, employees from EVN Bulgaria have international certificates for thermography and thermographic camera operation. The certificates were granted after a training was held by experts from the internationally recognized certification centre ITC in Sweden.



Heating and hot water systems reconstruction: positive results

In our quest to offer our customers modern solutions with proven effect as early as 2018, EVN Toplofikatsia included a new practical service in the portfolio for its customers in Plovdiv – reconstruction of an old vertical building system into a new one of horizontal type.

New heating system – from vertical to horizontal type

With vertical IHS (internal heating system), each heating unit (radiator) in the building is supplied by vertical riser pipes that pass through all floors and rooms located one below the other.

With horizontal IHSs the vertical riser pipes pass through a common part on all floors of the building. The branches to each apartment are connected to them. In the apartment, the pipes enter a collector, which feeds the individual radiators in the property.

In 2015, EVN Toplofikatsia implemented first project in a building in Plovdiv, where such a reconstruction was carried out. Until 2022 we already have 4 buildings that have applied this measure and reported positive results.

In these buildings, an average of 85% of the energy consumption from building system is registered. An exceptional advantage is that customers can now control and read their consumption at any time – some can reduce it and others can increase it depending on their needs. Users already feel confident they are paying for exactly what they have consumed.

Benefits of reconstruction

- individual consumption reading with one device (individual heat flow meter), which is installed next to the entrance of the dwelling;
- remote reading of the instrumentation;
- no longer used the individual heat cost allocation devices (HCAD) from each radiator;
- eliminated the possibility for thefts of heat;
- no closure accounts;
- no more entering your property for meter reading;
- the cost of building system is reduced to the minimum even for apartments that do not want to use the service;
- new and reliable heating system in the building with longer life.

New domestic hot water (DHW) system

With these activities, the outdated and worn-out water supply system for domestic hot water (DHW) in the building is replaced. Until 2022 there are 4 buildings in Plovdiv that carried out such a reconstruction of the DHW system. Thus, customers receive a long-term and complete solution of:

- possible leaks from cracked pipes and/or valves;
- clogging and choking up the system;
- problems related to the quality of hot and cold water in the building;
- better quality of supplied hot and drinking water;
- no need for long draining of hot water;
- long life of the new system;
- up to 30% price reduction of 1 m³ hot water;
- elimination of leakages from cracked pipes and valves, choking up and clogging of the system.



Taking care for the internal heating systems

Repair services after the property boundary occupy a major place in the portfolio of EVN Toplofikatsia in Plovdiv. The execution of repair services of high quality on the internal heating systems of the buildings and the systems for domestic hot water in a building is an important prerequisite for extending the life of the facilities as well as for the full use of the advantages of central heating: 24-hour comfort and cosiness.

"One stop shop service" – supply of heat energy and technical maintenance, proves to be a successful practice, perceived extremely positively by the customers.

The possibility for prevention activities along the systems results in reducing the number of the executed emergency services:

- emergency repairs of heating system;
- maintenance services for building heating systems;
- maintenance services for heating units and valves.

EVN Toplofikatsia also offers the customers administrative services related to the legalization of heat meters and water meters or to their metrological inspection.

The full list of services offered by EVN Toplofikatsia to the customers of heat energy is available on the internet website at www.evn.bg.

The reasonable repair – in summer

The most reasonable period for repairs of the internal heating system is summer since most interventions require the shutting down and draining of the entire system in a residential building. When this is done outside the heating season, efficient and accident-free heating in the winter is ensued to customers.

EVN Toplofikatsia annually reminds its customers the advantages of repairs in the summer, and in 2022 undertook an additional incentive – 10% discount when a repair service is requested in July and August.



In line with the overall strategy for digitalisation of services, EVN Toplofikatsia offered its customers the possibility to request repair services via an online platform. In addition to the traditional communication channels to customers such as letters and posters at the entrances of the heated homes, the company added a QR code leading to information on the corporate website, as well as social networks Facebook and Instagram.

Intelligent cooling

Thanks to EVN Toplofikatsia, Plovdiv is the first Bulgarian town in which started operating an innovative method of cooling in the summer through the central heating system.

Intelligent cooling is carried out by a specially designed for the relevant site individual system, a key role in which have the two elements: absorption machine and water-cooling tower. By means of these facilities the heat transferred over the heating system of EVN Toplofikatsia is converted into cooling energy, which is mostly used in the summer.

The first project for intelligent cooling was implemented in the summer of 2013 in one of the most modern administrative buildings in Plovdiv – region municipality Trakia. Their example followed the Ramada Plovdiv Trimontium Hotel, the

new city sports hall Kolodruma, hotel complex Holiday Inn. The two newly built buildings of the dispatching center of EVN and KEZ Plovdiv North also benefit from the advantages of central cooling.

Efficiency

Intelligent cooling is in harmony with the world trends to increase the quality and the development of the district heating / cooling. This is a step toward the effective utilization of primary energy carriers.

Facts and figures

→ The project for cooling by using central heating is applicable in buildings with installed internal air conditioning systems. The most appropriate are administrative and business buildings, shopping centers, shopping malls, hotels, hospitals, etc.

- In different cases it is possible the internal building system, which is used in the winter for central heating, to be used in the summer for central cooling.
- An important positive effect is also the reduction of the harmful emissions. Despite the anti-epidemic measures imposed on the tourism sector and the restrictions in its activity, the five sites using the innovative method of cooling of EVN Toplofikatsia in Plovdiv in 2022 saved 656 tons of harmful carbon dioxide emissions in the city air.

In dialogue with the customer

In 2022, EVN Toplofikatsia continued its active information campaign to its more than 31,000 customers. The company sends regular information letters in the envelopes with invoices and by e-mail, and in 10 of the 12 months during the year the customers received useful up-to-date information and advice.

- benefits for customers when converting a vertical heating system – into a new one, of horizontal type;
- timely planning of repairs on the heating system in the summer;
- preparation for the heating season, DHW services and other practical proposals.

The company did not miss the chance to communicate with its customers a number of important topics, focusing on the benefits when choosing a remote reading of heat appliances:

- selection of heat metering devices with remote reading: legal requirements and advantages for customers without the need for self-report or visit by a meter operator;
- information on the performance of a heat meter reading and the cases where self-report is needed, as well as contacts of heat cost allocators;

In April 2022, for the first time, the company announced the start of its another initiative in favour of the customers – Customer Advisory Council to

EVN Toplofikatsia. For 2022 two meetings of the Customer Advisory Council were held at which the participants had the opportunity to discuss with representatives of the company current and important for them topics related to the central heating in Plovdiv. The customers presented their views on the attitudes about reconstruction and how the residents of the condominium buildings can be informed in a more effective way about the benefits of the reconstruction of the internal heating system.



The participants in the Customer Advisory Council also presented their ideas on timely information and contact with customers with passive consumption, on attitudes for payment in equal monthly instalments, etc. Its members have the opportunity to give suggestions and recommendations related to the services provided by the company.

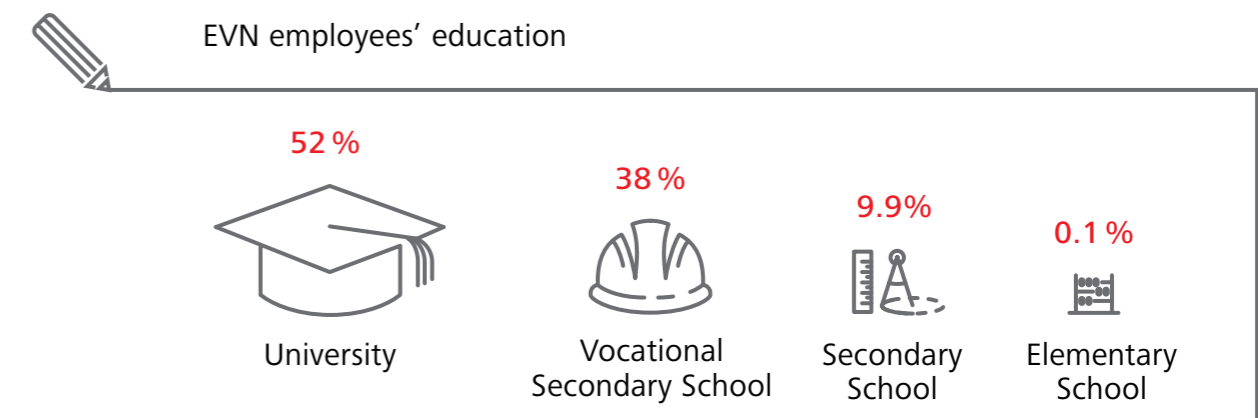
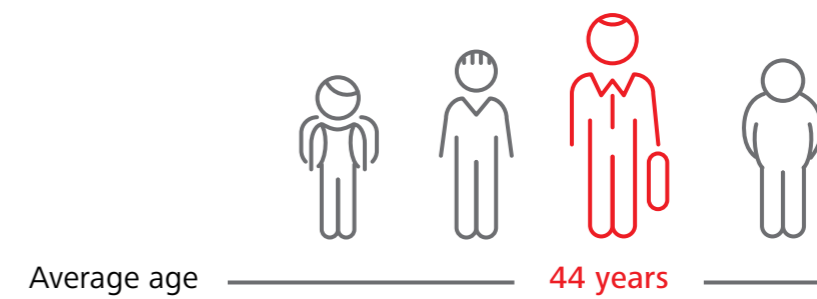


Prior to the beginning of the heating season, EVN Toplofikatsia has traditionally held informative meetings with authorized persons from buildings with district heating to discuss current trends and specific cases.



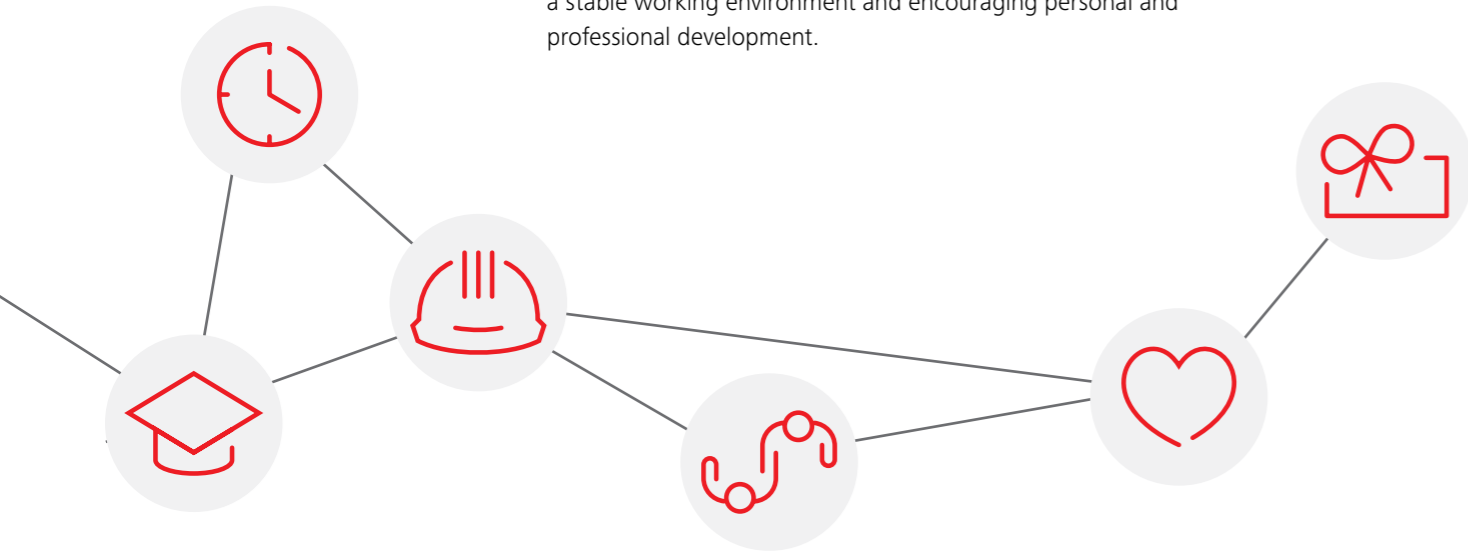
The Customer Advisory Council format has a long tradition. After a brake due to the Covid-19 pandemic, EVN Elektrosnabdiavane's Customer Advisory Council held two meetings in 2022. The participants discussed current topics such as energy consulting in relation to the national energy efficiency program and the role in this regard of the company as an end supplier.

People – the most valuable investment



EVN Bulgaria as an employer

In EVN Bulgaria it is important for us that every employee feels motivated, valued, inspired and live. We strive to create conditions for a better life for our colleagues by providing them with a stable working environment and encouraging personal and professional development.



Company culture

In our work we are guided by six basic principles of behaviour, which the employees formulated themselves.



Reloaded and awarded

The six main principles of behaviour at EVN Bulgaria were taken out by the employees themselves within a large-scale internal corporate project for our company culture, which we named EVN Reloaded. The project started in early 2019 and suffered a slight delay due to the unexpected challenges of the coronavirus pandemic situation. Nevertheless, we ended successfully at the end of 2021. In a series of workshops with all 2,300 employees of the company we established and consolidated together our six underlying principles of work that unite us and distinguish us

in the world of business: commitment, cooperation, professionalism, honesty, responsibility and respect.

For a better awareness and application of the principles, the project team organized a challenge game for the employees, in which they had the opportunity to win 1 chip for each of the principles. More than 80% of the employees participated in the game and the collected 3,500 chips were donated to support the Burnings Clinic at the University Hospital "St. George" in Plovdiv. EVN Bulgaria management valued the

chips and the collected amount exceeded BGN 7,000 and with it was purchased necessary specialized equipment for the medical staff. The donation was made in March 2022.

Later that year, our project EVN Reloaded was highly evaluated in the prestigious competition Employer Branding Awards 2022, which is organized by b2b Media. It ranked third in the HR Strategy of the Year category for successful human resources projects in the context of a pandemic.



The medical equipment, obtained thanks to the EVN Reloaded project, we donated to the Clinic of Plastic, Reconstructive and Aesthetic Surgery at the University Hospital "St. George" Plovdiv in March 2022.



Award

The b2b Media annual awards recognize the best employers and teams for achievements in the field of building and promoting the image and popularity of the employer’s brand. Our application with EVN Reloaded project met a very competitive environment – this year’s award issue reported over 100 applications.



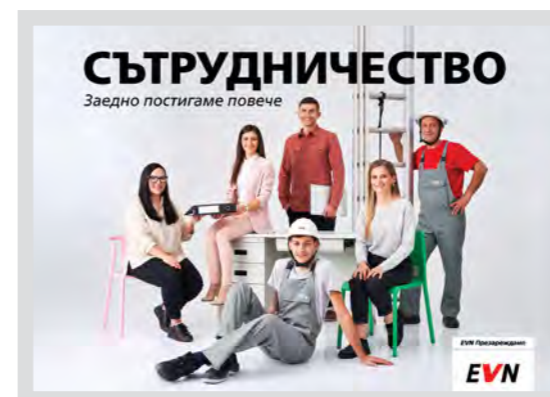
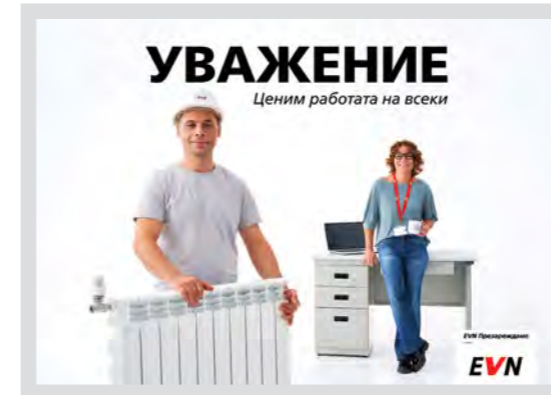
EVN Reloaded online

The pandemic in 2020 temporarily froze the workshops, but not the project itself. Thanks to the flexible capabilities of our internal intranet environment, we were able to replace personal meetings with interactive online activities – pages with exchange of experience and expression of thanks, games and surveys. Again, through an online survey, the employees themselves chose the cause for which to donate the chips from the game EVN Reloaded.

Internal campaign

EVN Reloaded project is officially over, but its results and the six principles of behaviour continue to live in our company. They lead us to overcome challenges more easily and to enjoy our successes together. The principles are also present in our office space – in the form of

pictures with our employees from their specific working daily working routines, such as electrician, thermal engineer, customer service expert, computer specialist, ecologist, etc.



Уважение Collaboration
EVN Reloaded
 EVN Презареждане Professionalism
 Отговорност Engagement
 Професионализъм Сътрудничество
 Коректност
 Responsibility
Respect
 Ангажираност
 Correctness

EVN Academy – the more you know, the greater the energy for knowledge

The specialized unit of EVN Bulgaria, which coordinates all internal and external qualification events of the company, is called EVN Academy. Priority in the work of EVN Academy is the purposeful and long-term development of the employees, aiming to increase their skills and knowledge.

Our company is proud of a team of colleagues who have taken the role of internal trainers on their own initiative, and digitalisation has enabled them to develop new coaching and technical skills. Of course, the trainings for people management, creating positive atmosphere, time management, customer care, economics for non-economists, engineering for non-engineers, liberalized market, etc. retain their positions and are a highlight in the curriculum of EVN Academy.

The main purpose of the workshops is to develop managerial and specialized competencies.



The Academy offers the employees also internal corporate library with professional literature. On the basis of a developed register of book titles, the employees of EVN Bulgaria may request and use the editions, which are of interest to them and support their professional expertise and development.

In August 2022, we held the traditional for EVN Academy forum of internal coaches in EVN Bulgaria. During the two-day activities the coaches exchanged ideas and experience to build on their knowledge and skills in their role as coaches. The key highlights during the activities this year were the building of the personal brand based on the individual strengths of each, their role and the contribution in the development of the employees, the coaches as influencers of knowledge, setting the tone on the specific topics in the organization.



The EVN Bulgaria coach forum in 2022 included a team event on marketing topic.



We invest in our employees

For its employees EVN Bulgaria provides an opportunity to participate in the Energy Business Master's program at the University of National and World Economy. The company pays all tuition fees, provides information and support to the participants in preparation of the master's thesis on topics related to EVN Bulgaria's activity and provides paid leave for training to the participants during the training period.

In the summer of 2022 graduated the first class, which was attended by 12 employees and lasted 3 semesters, and in the autumn new 15 colleagues started classes.



Dual education – practice matters

The lack of specialized technical staff makes dual education increasingly popular in the country. EVN Bulgaria is a pioneer in this regard. Starting from the distant 2016, today we have the largest dual education program in the country, partnering with 11 professional high schools focusing on electrical engineering in 11 cities in South-East Bulgaria. A total of more than 360 "EVN Students" from 8th to 12th grade have undergone dual education, with 50% of those who have completed the full course of study are permanently employed in the company. Only in 2022 EVN Bulgaria welcomed 113 interns from 11th and 12th grade, and we expect the first major class of 63 students to graduate in 2023.

Our long-term and consistent investments in dual education are a vivid example of successful public-benefit activity. They bring benefit to all parties: children gain practical knowledge and skills, career orientation and increased career opportunities; schools come alive; our company welcomes new employees with excellent qualifications, understanding and attitude towards the profession and a horizon for development.

In a wider sense we encourage local societies, build perspectives in the places of birth, reduce youth unemployment, train professionals in an important profession that is in severe deficit on the labour market record and thus we support the national economy.



On September 20, 2022, we presented our dual education program at a specialized event organized by ADVANTAGE AUSTRIA – the external-trade organization of the Austrian Federal Economic chamber. The event was hosted by Philippe Kupfer, Commercial counsellor at the Austrian Embassy. Special guest was the caretaker Minister of Economy Nikola Stoyanov.



In 2022, EVN Bulgaria opened another training wall "On the way of electricity" and another EVN Classroom in the Vocational school of Electronics and Technologies "G. S. Rakovski" – Stara Zagora. The classroom equipment is a donation from the company and includes everything necessary for the process of education – furniture, equipment, training panels on the walls, etc.

Thus, the number of EVN Classrooms becomes a total of five – in the vocational high schools in Plovdiv, Burgas, Yambol, Kardzhali and now in Stara Zagora.



EVN Bulgaria received a golden award at the annual Career Show Awards 2022 in the "Talent Acquisition Strategy" category with "Dual education with EVN".

Partnership with universities

In 2022, EVN Bulgaria continued its consistent policy of cooperation with universities with the aim of upgrading the practical knowledge of the students and exchange of experience. Traditionally good relationship the company maintains with four Bulgarian universities:

- Burgas Free University;
- Technical University – Sofia;
- Technical University – Sofia, Branch Plovdiv;
- The University of Food Technologies – Plovdiv.

Following our good practices since 2022 we gave a new course to the mentoring on thesis writing at EVN Bulgaria. For the company, this is a successful practice through which we attract and retain students in electrical fields.

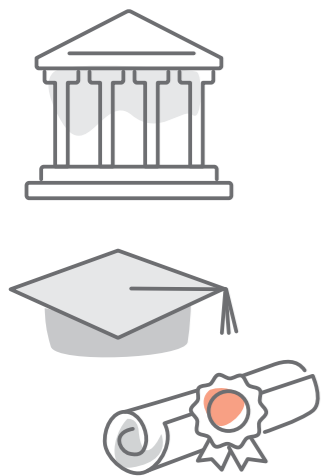
The mentoring on thesis writing is an expert and methodological support from the business in defining and preparing theses by the students. Instead of the general definition of topics for students at technical universities, the company offers us topics for thesis to our colleagues or trainees who study at Technical University of Sofia, branch Plovdiv.

We are pleased to share that in just the last few years more than 10 of our employees, the main part of whom started their career path as interns, defended their thesis related to EVN Bulgaria with honours.

Again close to the students

After more than 2 years of virtual contact, we are again close to the students, as in 2022 we were an official guest at the graduation ceremony of the future engineers from the Faculty of Electronics and Automation at the Technical University of Sofia, branch Plovdiv.

As a partner and sponsor of the event this year we awarded a total of 10 distinguished students in the field of Electrical engineering and Computer systems and technologies. The engineers who graduated with honours had the opportunity to choose from a special prize package, through which to build their knowledge and skills in the desired field.



A good internship is an advantage

In the summer of 2022, for the 17th consecutive year, was held the internship programme Youth with Future of EVN Bulgaria. It enables young people from technical and economical disciplines from various universities to work in the company during the summer months and to gain experience, which would be beneficial for their future professional realisation. Each year, the programme enjoys strong interest on the part of the students. After the selection procedure of more than 700 students, a total of 51 students were approved and had the opportunity to have their internship in the company.

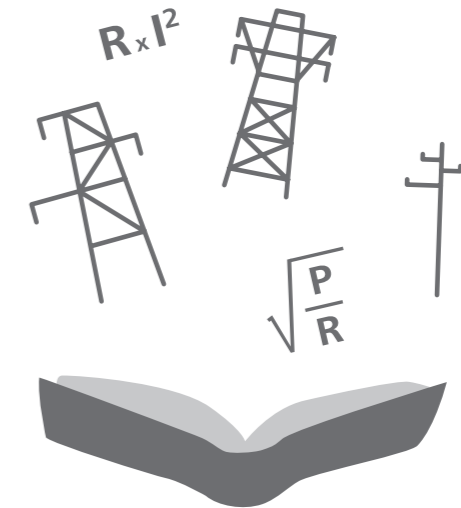
For the three months of the program in July, August and September, the interns had the opportunity to be closely demonstrated the activities of EVN Bulgaria as a leading energy and infrastructure undertaking in the Bulgarian economy. The interns participated actively in the work of the organizational units of the company. Each of them had their internship under the personal guidance and advice from mentors – experts in the relevant professional field.

Youth with Future programme offers:

- getting informed with the activities of EVN Bulgaria and acquiring valuable experience in the field of energy, technology and economy;
- direct contact with some of the best professionals in the industry;
- participation in innovative projects;
- ability to apply theoretical knowledge in a real work environment.

Absolute synergy

In 2022, the company continued to develop its mentoring program for interns at EVN Bulgaria. Helping young colleagues to learn the intricacies and essence of work is a process that enriches both the new generation of EVN employees and those who have gained invaluable experience and knowledge about the company over the years. The first steps of the new employees are the most essential element in building their relationship with the company, so we aim to show them that here they will always find a shoulder to lean on.



In 2022, EVN Bulgaria added the communication channels of its internship program with the social platforms LinkedIn, Facebook, Instagram, YouTube, which are preferably visited by young people.



We are looking for more people who bring light and heat



This is how we have been working in our new employer's campaign. We want to convey the spirit of professionalism and cooperation, but above all to show that people who bring light and warmth work here. To show that here we are gathered specialists from different fields, but united by common values and principles of collegiality and cooperation. The video and visions were present on social networks and on billboard facilities in May and June 2022.

This campaign is just one of the measures we are taking. Through different types of communication and initiatives, we have been able to increase the popularity in our dual training and internship program, and our presence in

social networks has become stronger by revealing our funny side. Success gives us confidence that we are on the right track and therefore we will continue to work hard to tell about our positive aspects as an employer – the company's values, opportunities for professional realization and development, social benefits, safety.



Our company is just like a fine knit in which every link is in its place, and its core is focused on people – real, positive, brave. In EVN Bulgaria we are always ready to go forward, with all the doubts and hesitation that accompany the unknown. For us, work is a mission, and that's what distinguishes us from everyone else.

Nowadays, however, it is not so easy to find followers. Therefore, in the labour market, marketing and advertising techniques have taken a stable place in the attraction of candidates. Being one of the largest employers, at EVN Bulgaria we also follow these trends in our communication and strive to show persons from the company.

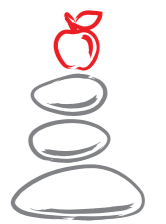
Health and Balance @ EVN Bulgaria

An integral part of EVN Bulgaria's policy for corporate and social responsibility are the measures that the company is undertaking for its employees – for their health, working conditions, working atmosphere and integration.

As a logical continuation of the successive steps in this direction, since 2015 functions a corporate program for healthy and balanced lifestyle – Health and Balance @ EVN Bulgaria. The program simultaneously summarises

the existing measures and provides a platform for new initiatives to create a more favourable working environment, to form healthy habits and to increase the employee's satisfaction.

The COVID-19 outbreak has completely changed the way we communicate, so in order to preserve the health of our employees also in the past 2022 the initiatives under the program were conducted entirely online.



The organized workshops from the corporate Health and Balance program were dedicated to the idea to support the employees in acquiring more knowledge, skills and confidence related to health, inviting external lecturers, specialists in their field. The topics covered healthy eating, training and building healthy habits.

Safety first and foremost

The company pays special attention to safety at work when repairing breakdowns. In stages on the training ground in Stara Zagora are carried out specialised trainings for electricians.

The company operates a Centre for Labour Safety and Fire Safety, which coordinates and controls the activities related to the training of the employees, as well as regular and emergency briefings.

Despite the lifting of the restrictive measures imposed due to COVID-19, a Coordination Committee continues to operate within the company to manage the actions and measures in the group companies and to draw up an action plan to restrict the risks associated with the pandemic at any time of need.

Human life is a priority for us. We provide safe working conditions and comply with all measures so that our colleagues and their families can feel security, peace and support. Since 2013 a counter is introduced in each customer center, which counts and shows every day, in which the caution and professionalism in the workplace have given their result – work without accidents.

EVN Bulgaria won a silver award from the prestigious Career Show Awards 2022 in the category "Crisis Management Strategy" with its special plan for the operation of the Dispatching Center in a high epidemiological situation – "Dispatching Center: work in temporary isolation mode".

As part of the strategy of EVN Bulgaria to work in an epidemiological situation, already in 2020, we created a special isolated environment for work of the electricity dispatchers from the Dispatching Center of EP Yug. The space is a dedicated dispatching room in Stara Zagora for grid management with the necessary living conditions without access to external persons. Six employees worked in the autumn of 2021 for 10 days in complete isolation; they assumed responsibility not only for working in a specific environment, but also for being temporarily separated from their friends and relatives, with whom they only maintained virtual contact.



For access to external persons on the territory of EVN Toplofikatsia in Plovdiv is required briefing, which the company has digitized and provided online, in different languages. Thus, with just a few clicks, visitors are prepared for a complete and safe tour around the structures on the site.

Compliance. It's good energy

In EVN Bulgaria functions a Compliance management system. Key part of this system is the Code of Conduct of EVN, which describes the common corporate culture in the Group. The Code of Conduct covers and further develops the Charter of EVN, in which are formulated the vision, mission and fundamental values of the company. In addition, the code specifies the underlying principles of conduct in EVN Bulgaria in different areas, such as anti-corruption, work safety and relations with business partners and customers.

Since its introduction in 2014 it has set ethical standards that have been at the core of our company's impeccable reputation for seven years. In this regard

in EVN Bulgaria were launched a series of trainings for all employees, where current case studies and preventive measures are discussed.



Personal Data Protection

One of the key areas of the EVN Code of Conduct is the topic of personal data protection. EVN Bulgaria strictly complies with the European General Data Protection Regulation (GDPR) in place and already in 2018 it has taken a number of measures to implement it, such as publishing Privacy Statements of the group companies, updating contracts and forms, etc.

EVN Bulgaria companies are registered as personal data controllers as defined in the Personal Data Protection Act. In this respect in the group function personal data protection officers. They coordinate the company-intern processes so that they can fulfil the requirements of the law. Updated information on the topic is maintained in the internal intranet page of the company and the employees of EVN Bulgaria pass regular trainings. It is regularly compiled and distributed a newscast on the topic "Personal data protection".



Personal data protection officer of EVN Bulgaria: Angelina Delcheva, lichni.danni@evn.bg



Personal data protection officer of Elektrorazpredelenie Yug (Part of EVN Bulgaria): Ivan Manahilov, lichni.danni@elyug.bg

PEP every day

PEP – Personal excellence program is an internationally known program that in EVN Bulgaria was introduced in an innovative way thus provoking the interest and winning the support of all the employees in the company.

The introduction of the program and the annual activities to recall and consolidate the PEP standards led to ensuring a positive atmosphere at work, increased engagement, good organization and balance in the workplace.

PEP is focused to an overall model of behaviour: from personal presence in front of the colleagues and the customers to a way of working and cooperation in a team; use of IT solutions and skills for stress management.



The PEP logo is a red hot chili pepper – just like it PEP is that chilli spice in our work routine which initially feels hot but then brings a dose of organisation which makes work easier.

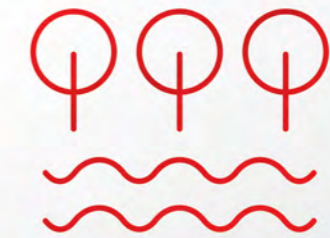
Successful re-certification of management systems according to international standards

In compliance with their licensing obligations, EVN Bulgaria Group companies maintain certification under the international standards ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management).

In November 2022 in Elektrorazpredelenie Yug, EVN Toplofikatsia, EVN Elektrosnabdiavane and EVN Trading a successful re-certification of management systems was carried out. An internationally accredited certification body has confirmed, after extensive checks, the efficient functioning of the systems in the companies and their compliance with the requirements of international standards.

The new certificates are the result of our efforts to maintain and constantly develop the integrated management system in international standards. The aim is to create and promote a sustainable culture for improving quality, occupational health and safety conditions, as well as more effective management of environmental impacts.

Sustainable development



Statement for support of the Global Compact by EVN Bulgaria

EVN Bulgaria EAD has been a member of the UN Global Compact since August 2010 and a co-founder of the Bulgarian Global Compact Network since August 2010. The company is a part of the large EVN AG family – a leading Austrian company headquartered in Lower Austria, the country's largest federal province.

EVN Bulgaria is a company with a socially responsible behaviour to the society. Our long-term existence requires our excellence, competence and reliability to ensure the satisfaction of our customers and partners. This ensures our sustainable success and motivates us to be the leading company by giving our contribution to acknowledge the values and positive corporate culture.

The company fully shares and supports the 10 principles of the Global compact in respect of human rights, labour standards, environment and anti-corruption. We have undertaken the commitment to make the Global compact and its principles part of our strategy, culture and daily corporate obligations. EVN Bulgaria is making the necessary efforts to make committed to and to attract to the initiative all its employees, partners and vendors.

Corporate social responsibility of EVN Bulgaria is focused on achieving social, economic and environmental practices that exceed the regulatory requirements and which are implemented in a dialogue with all stakeholders. The Company realises policy aimed at care for the employees and commitment to the problems related to the ecology and the community, in which the company develops its business activities.

We share the concept of sustainable management and strive to comply with the technological, economic, environmental and social aspects at the same time. Priority in our work is the balance of the interests of all stakeholders, transparency and readiness for dialogue.

In the spirit of high responsibility related to our job, we set ambitious standards of conduct. To work with modern and high-efficiency technologies, responsible attitude toward the environment, commitment to society and human resources development.



Kalina Trifonova
Deputy Chairperson of the Board of Directors
EVN Bulgaria



Alexander Sipek
Chairman of the Board of Directors
EVN Bulgaria

The ten principles of the UN Global Compact

Human Rights

- Principle 1:** Businesses should support and respect the protection of international proclaimed human rights within their sphere of influence; and
- Principle 2:** make sure that they are not complicit in human rights abuses.

Labour Standards

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** the elimination of all forms of forced and compulsory labour;
- Principle 5:** the effective abolition of child labour; and
- Principle 6:** eliminate discrimination in respect of employment and occupation.

Environment

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** undertake initiatives to promote greater environmental responsibility;
- Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10:** usinesses should work against all forms of corruption, including extortion and bribery.



EVN for Bulgaria: energy for good multiplied by the heart of each of us

The corporate and social responsibility program "EVN for Bulgaria" supports both the initiative and volunteering of the company's employees and socially useful projects. Within the program are gathered ideas for campaigns, they are evaluated according to predefined criteria, and provided resources and technical support for the realisation of the approved initiatives.

In the past 2022 we found a partner represented by WWF Bulgaria. For three years we will breathe new life into the riverside area along the banks of the river Maritsa near Stamboliyski, and together with WWF Bulgaria we will collect and plant acorns from summer oak, alder seeds and black poplar saplings. In addition, we will take care of their cultivation and support in order to successfully catch up, grow and become a healthy and beautiful forest.

EVN за България

In November 2022, the volunteers of EVN Bulgaria together with our friends from WWF implemented the first joint voluntary campaigns for the restoration of the riverside forest near the town of Stamboliyski. The first step was the collection of acorns from a summer oak from a village near Plovdiv. After a few days of careful examination and separating the quality acorns by WWF experts, it was time for their planting. Over 30 volunteers from EVN Bulgaria planted more than 6,000 pieces of acorns on an area of over 8,000 square meters.

To make sure that in time a sustainable forest will grow in this place, activities for collecting and planting acorns from summer oak will be carried out in 2023.

Nature as a cause

At EVN Bulgaria we have accepted for a cause the care of nature and we believe that the behaviour of each of us has a real effect on our environment. That is why we do not stop putting resources and funds into sustainable initiatives with a thought for the future, which will have a long-term positive effect.

One of the activities that most contribute to combating climate changes and reducing the impact of carbon emissions is the afforestation of suitable tree species in nature and cities. Therefore, the objectives of the program "EVN for Bulgaria" include promotion of more such projects.



Acknowledgement:

The best volunteer campaign

On December 15, 2022, our program "EVN for Bulgaria" received the honour "Best Volunteer campaign" from the Bulgarian Donor Forum. The award was presented in the Presidency of the Republic of Bulgaria, under whose patronage the competition is held. For all of us this is an important recognition and a huge incentive to continue to follow the right direction of good deeds. And the company will continue to cooperate with resources and technical support.

Since the start of the program in 2015 so far, 207 campaigns have been carried out, 12,530 hours of volunteer work have been invested, in which 1,468 employees took part. Among the beneficiaries were centers for disadvantaged children and elderly people, public areas, kindergartens, community centers, associations with public useful activity and other non-profit organizations.



Energy efficiency: easy as a children's (online) game



At EVN Bulgaria, we traditionally develop an energy efficiency campaign at the beginning of each winter season. We do it with the belief that our own actions are the ones that trigger change. With small daily steps, we can save natural resources and save the family budget without harming home comfort.

In 2022, again, we focused on children – those who perceive the fastest and look for causality in both words and actions. It is in their nature to be inquisitive and active, always accepting with joy to be useful at home, and the visible results of their actions stimulate them.

Getting their attention and getting them to listen to you, however, is not an easy job. In the modern environment in which they grow, the closest way to reach them is through technology. That's why we created Fridgy – a virtual nice guy that appears by scanning QR code and is ready to give you useful energy tips. His playful look and charming smile, stamped on a fridge magnet, immediately caught the children's attention.

Fridgy told the kids what makes him happy and what makes him cry, told them why his girlfriend Potty is unhappy and when he likes to be dark and quiet. We know that there is a special connection between children and music, so we prepared a song that easily became part of their daily adventures.

We distributed magnets free of charge in EVN Offices and business premises of a chain of bookstores.



For the first time in 2022 EVN Bulgaria included virtual reality in its public campaign.

Energy efficiency even in the digital world

#TURNOFF became the hashtag with which EVN Bulgaria implemented an innovative socially responsible campaign for energy efficiency in our digital footprint. Created together with our creative agency, the initiative received high recognition from the advertising business in 2022.

At the advertising festival FARA the campaign was awarded with silver in the category "Social Media" and bronze in the category "Influencer Marketing". Earlier that year, the IAB MIXX Awards 2022 Bulgaria #TURNOFF won two bronze awards in the categories Best Social Campaign and Influencer Campaign.



The #TURNOFF campaign was implemented along with the TV presenter and influencer Slavena Vatova. With its "going out" from the social media, Slavena aroused public attention and provoked interest in the topic of our digital presence and what it means to be energy efficient both online and offline.

The awards received acknowledged the success of the initiative to reach consumers and impact them.

Learning and fun with Evy and Encho

In the school year 2021/22, for the thirteenth consecutive year, EVN Bulgaria started training of students in the wise use of the energy resources and nature conservation. EVN Bulgaria organized "energy lessons" in all 9 administrative districts in South-East Bulgaria, serviced by EVN – Burgas, Kardzhali, Pazardzhik, Plovdiv, Sliven, Smolyan, Stara Zagora, Haskovo and Yambol. In 2021/22 the program included training for a total of 10,800 students from grade 2, 3 and 4 in 58 schools. To be even more accessible and understandable for the students, special painted heroes are helping the children: the firefly Evy and the bunny Encho. Therefore, the full name of the initiative is "The Evy and Encho's class. Entertaining energy and environmental trainings".

Evy and Encho offer children interesting energy tips and curious ways for the rational and safely energy use. The amusing classes "Evy and Encho's class" are taught by teachers in 5 lessons in the course of the year, during the "class hour". For the purposes of training, the company has developed and provided for free the materials approved by the Ministry of Education and Science (MES) together with useful and entertainment gifts for the students and the class. The initiative of EVN Bulgaria is approved by the Ministry of Education and Science and is carried out in partnership with the Regional Directorate of Education. EVN Bulgaria started the trainings on energy efficiency at schools in 2009, and by the end of 2021/22 school year a total of 42,700 students will have attended trainings for wise use of the natural resources.

Despite the pandemic in the 2021/22 school year, we managed to hold the fourth-grade competition, which enjoys a huge interest. Fourth graders have the task of creating a model "House of the future". In 2022, the winners of "Zheleznik" Secondary School in Stara Zagora chose as their award 15 smart TVs to equip classrooms. Thanks to the award, students will be able to get modern interactive learning and to discover the world with ease and curiosity.



EVN Bulgaria and BSPB with a new common project for the protection of birds

In 2022 Elektrorazpredelenie Yug (EP Yug, part of EVN) and the Bulgarian Society for the Protection of Birds (BSPB) officially continued their joint work under the project LIFE Safe Grid for Burgas, funded by the LIFE Program of the European Union. This is the biggest project on the Bulgarian Black Sea coast for bird protection. The project will be implemented in the wetlands around Burgas, namely Atanasovsko Lake, Burgas Lake (Vaya), Mandra-Poda Complex and Pomorie Lake, which are located on one of the two main migratory routes of birds in Europe – "Via Pontica" and are part of NATURA 2000 network in Bulgaria.

The aim of the project is to protect birds by reducing mortality due to contact with electricity distribution grid overhead lines. In addition to bird precautions, the project will improve the security of electricity supply for customers in nearby settlements where power disruptions were recorded during the months of bird migration.

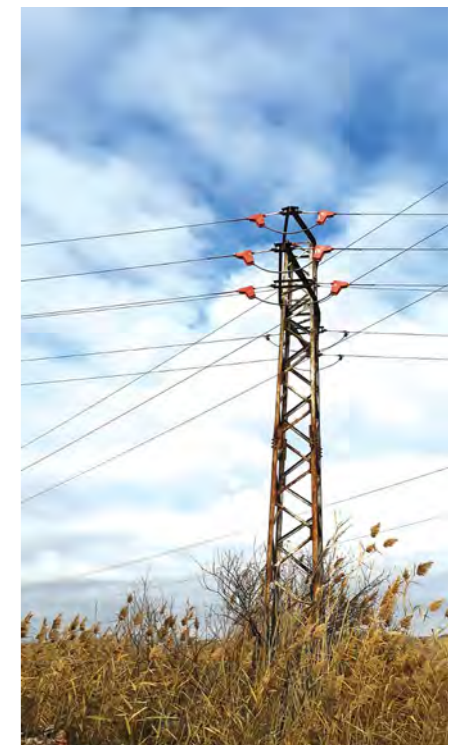
EP Yug' project, developed in partnership with BSPB, which was approved by the European Commission in May 2021 has a total value of EUR 5.5 million. In total, 75% of the funds come from the LIFE program of the European Commission and 25% from EP Yug. The planned implementation period of the activities is 2021 – 2026.



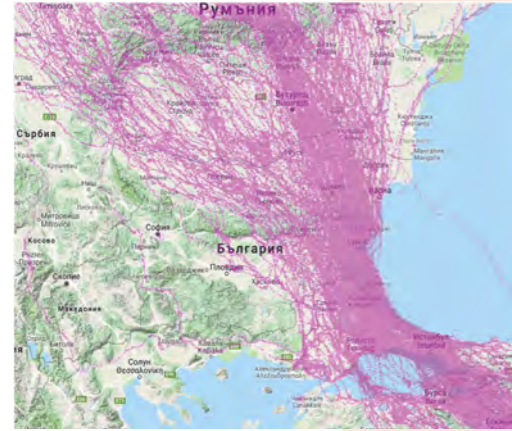
Within the project are planned large-scale activities to secure the electricity distribution grid:

- Underground cable laying (cabling) of 52 km of 20 kV (medium voltage) overhead power lines, which completely eliminates the risks to wild birds
- Securing (with protective insulations) on 2,000 poles of the electricity grid. By means of these insulations, the birds do not have a contact with the energized elements and thus no disturbances are caused in the power supply.
- Installation of 2,000 electrical diverters (reflective markers) along the overhead power lines. They reduce the likelihood of flying birds colliding with overhead wires.
- Building 18 transformer stations and one switching station.

In the autumn of 2022 the first stage of the technical activities of the project, which includes installation of protective insulations on poles of the grid, was launched. The materials used are of a new type and are used for the first time in EP Yug. The statistics after their test installation show a significant reduction in mortality of birds and the number of breakdowns at the grid.



Curious facts about 'Via Pontica'



- "Via Pontica" is one of the main migratory routes of birds between their breeding sites in Europe and their wintering sites in Africa.
- The route connects both continents and passes through more than 20 countries (from Finland to South Africa).
- On the territory of Bulgaria, it passes mainly along the Black Sea coast.
- Over 550,000 birds are passing during the spring migration from Africa to Europe.
- In autumn migration, more than 880,000 birds fly from Europe to Africa.
- Over 78% of the entire world population of the white stork passes through this migration route.
- The entire Bulgarian section of Via Pontica the largest gathering of birds is monitored in the area of Burgas Lakes.

In 2022, the official website of the project www.lifesafegridforburgas.bg was also launched, which is available in Bulgarian and English, easy and intuitive to operate and offers a variety of information and photos.

It contains information about the project and the organizations that implement it; details of the planned technical activities on the electricity distribution grid; details of the LIFE program of the European Union; information on endangered bird species and benefits for nature and biodiversity conservation in the Burgas Lakes region after completion of the project; current news about its implementation.



Care for stork nests

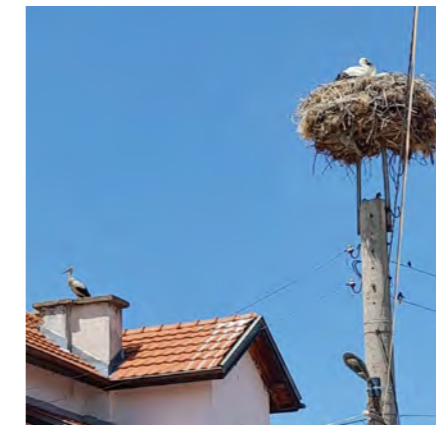
In the spring and summer, when is the season of the white storks, the employees of EVN Bulgaria respond to signals about storks in distress, especially young storks who are yet to learn how to fly.

requirements of our company. The nests are raised at a safe distance of about 1 meter from the live parts, which protects the life of the birds and prevents outages on the electricity distribution grid.

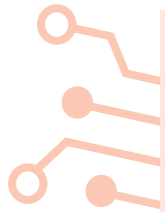
That is why one of the initiatives of EVN Bulgaria is in support of biodiversity with the longest tradition is the conservation of the population of the White Stork (*Ciconia ciconia*) on the licensing territory of the company in South-East Bulgaria.

With the 158 platforms mounted in 2022, the total number of these facilities provided by EVN Bulgaria for protecting the storks live amounts to 3,131 for the time period 2009 – 2022.

Our company secures risky stork nests built on electric poles of the grid at low voltage level and securing is carried out by mounting a metal platform standardized according to the internal technical



In October 2022 was held a workshop at an expert level in the presence of representatives from EP Yug, Bulgarian Society for Protection of Birds (BSPB), Burgas Municipality, RIEW Burgas, Green Balkans, etc. The management of the National Contact Point (NCP) of the LIFE Programme for Bulgaria at the Ministry of Environment and Waters (MoEW) also participated with a presentation.



Our electricians are often heroes in rescue operations when signals are sent of young storks fallen from the nest. On the photo: in July 2022, residents of Kovachevo village, municipality of Septemvri, alerted us of a fallen young stork. Employees of Elektrorazpredelenie Yug responded and managed to bring the young bird back to its nest.



Life for safe grid

There are activities that strongly emphasize the fact that the added value is not the result of a regulatory act, but of the responsibility that we have undertaken to society. As an example, we could give the project "Life for safe grid", implemented in partnership with the Bulgarian Society for the Protection of Birds (BSPB) in the period 2013 – 2018. The investments under this project exceeded EUR 4 million, as part of the funds were provided by the European Commission under the LIFE Program. Within the project, 70 km overhead power lines in protected areas were laid underground, 42 km of overhead power lines were completely insulated, and 2,340 electric poles were secured with protective insulation. As a result, 6 new pairs of imperial eagles were registered, increasing their total number to the record high 41.

With the technical measures taken, we reduced the mortality of the highly endangered Imperial Eagle and we reduced the transient voltage interruptions in the grid, thereby improving the quality of the power supply of our consumers in these areas.

With the implementation of this project EP Yug became the first infrastructure company in Bulgaria that implemented a project under the LIFE programme of the European Commission.

Succession
 "Life for Safe Grid" is a continuation of the long-standing support which EP Yug provided to BSPB's project "Conservation of Imperial Eagle and Saker Falcon in key Natura 2000 sites in Bulgaria". This previous project was completed in December 2013.



Taking care about biodiversity

Energy supply is an activity that has a greater impact on birds than on other animal species. This fact has put a natural focus on our environmental social work – we are dedicated to the protection of various species of birds. Our largest projects relate to the conservation of storks and imperial eagles, but we are also continuously working on a number of others.



Photo archive: Dimitar Gradinarov

In 2022, we secured more than 300 electric poles at risk for birds in the area of Natura 2000 protected areas in Sliven district – "Sinite kamani – Grebenets" and "Kamenski bair" in order to protect the globally endangered **saker falcon**. The activity is part of a BSPB's project funded under the Operational Programme "Environment", which aims to protect the saker falcon.



The project "Greater chance for Lesser Kestrel (Falco naumanni) in Bulgaria" aims to support the populations of the internationally threatened **lesser kestrel** – a small falcon species – through direct conservation measures and wide public participation. This project has been developed by our partners NGO rescue center Green Balkans and is funded under the LIFE Program of the European Union. In partnership with Green Balkans, we secured 209 electric poles, covering more than 20 kilometres of electricity distribution grid



Egyptian vulture is the most rapidly vanishing pray in Europe and its population on the Balkans has decreased by more than 80% in the last 30 years. In order to prevent the extinction of the species, we secured with protective insulation 280 electric poles in the region of the Eastern Rhodopes. Egyptian vulture is the most rapidly vanishing pray in Europe and its population on the Balkans has decreased by more than 80% in the last 30 years. In order to prevent the extinction of the species, we secured with protective insulation 280 electric poles in the region of the Eastern Rhodopes.



Photo archive: Green Balkans

EVN Bulgaria supports the efforts of Green Balkans to return the species to the country, by implementing projects to secure bird-dangerous overhead lines from the electricity distribution grid. The company also assisted the "Green Balkans" under their European project, "Vultures return in Bulgaria". EVN Bulgaria secured an electricity distribution line in the territory of Sinite kamani nature park near Sliven, which passes immediately next to the aviary for adaptation of **Eurasian griffon vultures**.

Sinite kamani and Strandzha – helping together

EVN Bulgaria assists for the sustainable management and planning to the Directorate of "Sinite kamani" Nature Park and "Strandzha" Nature Park. The two nature parks have been supported by projects implemented by them under the Operational Programme "Environment". In "Sinite kamani" EVN Bulgaria secured 200 electric poles at risk for birds which are located on steep and very high-relief terrain. In Strandzha the company secured 150 electric poles.

Regular securing of power lines

Following its environmentally responsible policy, EP Yug seeks technical solutions and applies effective means and methods to secure overhead electricity distribution lines in order to conserve protected bird species. Measures include securing medium voltage overhead electricity distribution lines by installing different types of protective materials that cover exposed live parts or prevent birds from using them as rest and observation locations.

The safety prevents the occurrence of a short circuit, which can be caused by the simultaneous contact of the wings of large bird species with the wires and grounded part of the pole in attempting to land or take off from the electrical pole. Short circuits caused by birds usually result in interrupts or permanent black-outs in the power supply to customers connected on EP Yug's licensed territory and in most cases can lead to a risk of deaths for birds.

In its long-term policy on grid development, EP Yug plans that the overhead lines of the newly installed lines and facilities of the electricity distribution grid will be replaced by underground cable lines, where the terrain allows. On the one hand, they completely eliminate the risks for protected bird species, and on the other hand, they provide a reliable, sustainable and continuous quality service to the company's customers.

Nayden: a story about an unexpected eco-campaign at EVN

TPP North in Plovdiv is the main production capacity of EVN Toplofikatsia. The TPP includes multiple sites, facilities and structures under increased security. On a winter day in February 2022, on one of the routine visits to the territory of TPP North, two employees found a distressed buzzard (a kind of hawk). The bird lies on the ground with an injured wing, bloody beak and half-open eyes. The reaction time is of great importance and while searching for a carton and a pair of gloves to take it to a safe place, they trigger the communication with the environmental organization Green Balkans to organize the help for its treatment. While coordinating between each other, the colleagues decide to give him a name – Nayden.

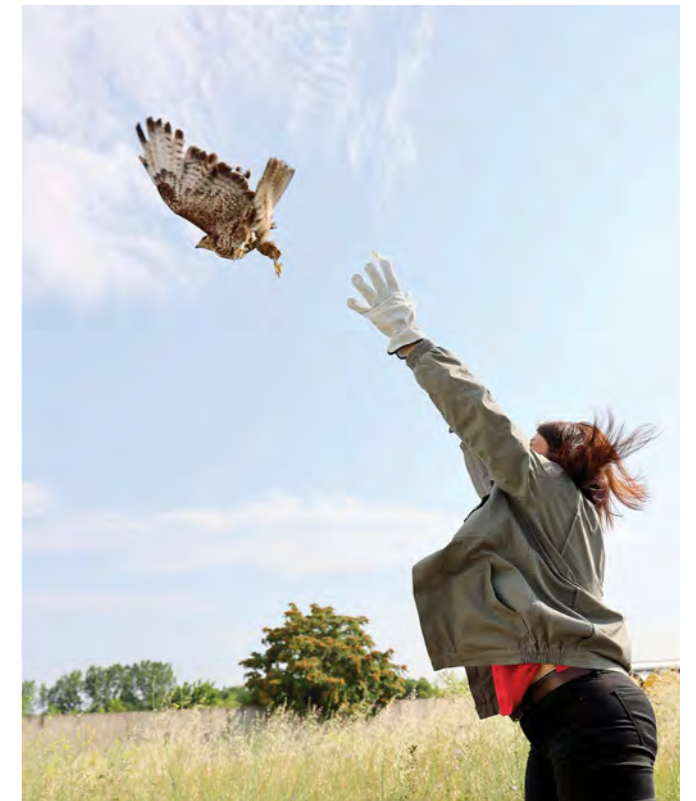
The injured buzzard was taken to Stara Zagora and spent nearly four months in the Wildlife Rescue Center there, and for a month and a half it was not sociable and was fed only intravenously. Dr. Stefka Dimitrova is the doctor who takes daily care to stabilize Nayden, and colleagues from EVN Toplofikatsia keep constant communication with her to get informed about its condition. The care and attitude given resulted, and the buzzard was soon transferred to a larger recovery room, and the last month it spent in an environment suitable for birds about to be released back into nature.

Nayden was truly expected in EVN Toplofikatsia not only by excited colleagues, but also by his female. A distinctive fact about this type of bird is that couples have only one spouse for the rest of their lives.

In June, the buzzard was released and again it flies its area over TPP North together with its female.



The buzzard Nayden left a feather to his rescuers from EVN Toplofikatsia to remind them that good deeds leave traces.



Environmental management

The responsible attitude toward the environment is a guiding principle in the policy of EVN Bulgaria. In order to ensure its practical implementation at all levels in the EVN companies, since 2013, we have been maintaining an Environmental Management System in line with the international standard ISO 14001.

The main rules on which the system is built are:

- Strict compliance with the applicable regulatory requirements.
- Consistent implementation of policies and good practices.
- Continuous control of processes to avoid pollution risks.

Every year we successfully pass the supervisory audits carried out by a certification service company that confirm the certificate issued.

Waste management – efficient approach to resources

In implementation of its environmental policy and socially responsible behaviour, EVN Bulgaria continued its program for separate collection of industrial and hazardous waste in 2015 as well. Waste is collected and provided for utilization and disposal to companies, which possess the relevant permits.

In 2022 the company delivered more than 24 tons of paper for recycling, which is equivalent to saving more than 360 trees from being cut down.

Proper waste management among the companies in the group leads to saving natural resources by waste recycling and utilization of waste on the one hand,

and at the same time prevents environmental contamination with hazardous substances through the disposal of waste that cannot be otherwise used.



Business and clean air – mission possible

The problem of air purity is one of the most pressing, not only in Bulgaria, but also worldwide. Measures need to be taken both to reduce harmful CO₂ emissions and to tackle fine dust particles that most significantly affect our health. We believe that the solution to these problems also depends on the personal responsibility of each of us.

In our main business, we in EVN Bulgaria are striving to contribute to reducing CO₂ emissions by investing in modern energy efficiency technologies and reducing the technological cost on the electricity grid.

We managed to reduce the technological cost from 19.5 % at the time of privatization in 2005 to below 7 % at the end of 2022. This means that more than 1,200 GWh of electricity and more than 611,000 tons of CO₂ harmful emissions are saved.



We close the book but keep writing the history

High goals, courage to pursue them and ability to realise them are the big motor of history, driving progress and powering our development as people and society with enormous energy. But the most satisfied are those who with all their ambition manage to find the balance between traditions and innovations. In EVN Bulgaria, we are proud of the fact that we have been finding the happy medium for 18 years. And the experience of the century-long history of the Austrian group, of which we are a part, gives us additional confidence to embark on the digitalisation drive towards the future of innovations being ready to face it.

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