

12. Sustainable Development in the Triglav Group

- The set objectives and guidelines for 2017 were fully achieved, while the stakeholders' interests and topic boundaries under the GRI GS standard were identified.
- By forming a partnership with the organisation Transparency International Slovenia, the Company further committed to developing the anti-corruption culture and implementing fair business practices.
- The expansion of the internal network in Triglav Osiguranje, Belgrade had an impact on the growth in the number of employees.
- The organisational culture was measured for the first time in the Triglav Group.
- More training courses on intergenerational cooperation and creative solving of business challenges were held.
- Once again, the total number of accidents at work significantly decreased.
- Investments in prevention made by the parent company to increase fire safety (40%) were followed by investments in health care (28%) and traffic safety (22%).
- Good results of investments in smart traffic signs in Slovenia were recorded.
- Zavod Vse bo v redu (Everything Will Be Alright Institute): Support was provided to 13 new young hopes.

12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group and Zavarovalnica Triglav

In the new Triglav Group Strategy for the 2017–2020 period, the reputation of the Group was linked to building quality relationships with the key stakeholders, whereas business performance was linked to the main aspects of the Group's sustainable development. Two strategic indicators directly relate to the progress of the Group made in relation to sustainable development indicators.

The defined material topics and disclosures under the GRI GS standard (which began to be applied in the 2016 report) were again verified in 2017, as explained in [→ Section 12.2]. For the first time, the achievement of the global sustainable development goals (SDGs) of the United Nations was taken into account in the report. Being part of the international insurance and financial industry, the Company sees its contribution to sustainable economic, social and environmental development in responsible management of financial and non-financial risks and assets of its shareholders and clients. The Company and the Group have actively joined the efforts for building an ethical, inclusive and environmentally responsible society.

Material sustainable development topics of the Triglav Group and Zavarovalnica Triglav:²⁷

Economic impacts	<ul style="list-style-type: none"> ■ Economic performance ■ Market presence ■ Indirect economic impacts ■ Procurement practices 	<ul style="list-style-type: none"> ■ Protection of competition ■ Anti-corruption behaviour 	
Social aspects	<ul style="list-style-type: none"> ■ Employment ■ Labour/management relations ■ Occupational health and safety ■ Training and education ■ Diversity and equal opportunity ■ Labour practices grievance mechanisms 	<ul style="list-style-type: none"> ■ Local communities ■ Non-discrimination ■ Human rights grievance mechanisms ■ Supplier assessment for impacts on society 	<ul style="list-style-type: none"> ■ Marketing and labelling ■ Product and service portfolio ■ User privacy ■ Socioeconomic compliance
Environment	<ul style="list-style-type: none"> ■ Energy 	<ul style="list-style-type: none"> ■ Effluents and waste 	<ul style="list-style-type: none"> ■ Supplier environmental assessment

The goals achieved in 2017

The set goals and activities for 2017 were fully achieved. See the link *Key Sustainability Guidelines and Goals in 2017* for more details.

Commitments to external initiatives²⁸

The Triglav Group voluntarily participates in initiatives that promote business practices that are ethically, environmentally, socially and economically sustainable. Professional business practice standards are implemented in the context of the Insurance Code of the Slovenian Insurance Association, as well as by taking into account the recommendations of the Slovene Consumers' Association for improving financial literacy. In addition, the Group adheres to the codes of professional conduct that apply on the markets in which the Group members operate. The Company is active in the European Institute of Compliance and Ethics (EICE) and the Corporate Ethics and Transparency Committee of the American Chamber

of Commerce in Slovenia. As one of the first Slovene signatories of the Declaration on fair business practices, Zavarovalnica Triglav committed to raising the awareness regarding the significance of fair business practices at the national level and the implementation of the compliance programmes modelled after international practices and standards of fair business practice. In 2017, the Company further committed to developing the anti-corruption culture and implementing fair business practices by establishing a partnership with the organisation Transparency International Slovenia (See [→ Section 12.5 Responsibility towards Clients](#)) for more details).

Membership in associations²⁹

The Group's subsidiaries and their employees outside Slovenia are active members of industry associations and economic groupings in their relevant countries. Zavarovalnica Triglav and its employees actively participate in several insurance industry-related and other associations, including the Slovenian Insurance Association, the Chamber of Commerce and Industry of Slovenia, the Slovenian Directors' Association, the Ethos anti-corruption working group operating within the UNGC Slovenia, the Marketing Association of Slovenia, the Public Relations Society of Slovenia, Transparency International Slovenia and the Network for Social Responsibility of Slovenia (MDOS).

Awards and prizes

In 2017, Zavarovalnica Triglav received the following awards and prizes:

- **Ljubljana Stock Exchange Award:** Zavarovalnica Triglav received the Prime Market Share of the Year Award. The awards for the best shares on the Slovene market are awarded by the Ljubljana Stock Exchange.
- **TOP 10 Training and Education Management:** For the ninth consecutive year, Zavarovalnica Triglav ranked among the companies in Slovenia that systematically invest the most in knowledge, education and training of their employees. The award is given by Planet GV in cooperation with the SOFOS Institute of Training Management.
- **Trusted Brand 2017:** For the eleventh consecutive year, Zavarovalnica Triglav was awarded the most trusted brand in the category of insurance companies.
- **Pearl Awards:** Gold awards in the categories "Best Website" for the [Vse bo v redu](#) (Everything Will Be Alright) portal and "Best Cover" for the special issue of Obzornik magazine about depression. These international awards are given by The Content Council for the best content marketing projects.
- **European Excellence Awards:** The finalists in individual categories for the Annual Report of Zavarovalnica Triglav and the Triglav Group for 2016, the Triglav

Rekord mobile application and the special issue of Obzornik magazine entitled Depression: Let's talk about it. The awards are given by the Communication Director magazine.

- **Advertiser of the Year 2016:** At the 26th Slovene Advertising Festival, the Slovene Advertising Association awarded Zavarovalnica Triglav with the Advertiser of the Year 2016 Award and the Grand Prix in digital communications for the DRAJV mobile application.
- **SEMP:** The Sempler Golden Award in the category "Best Technology Approach" for the Triglav Rekord mobile application at the 19th SEMPL Media Trends Conference.
- **ARC Award:** The Gold Award for the innovative approach to the Annual Report of the Triglav Group for 2016 at the largest independent international competition for annual reports.
- **Best Annual Report:** The main award of the Finance newspaper in cooperation with the Finance Academy for the best annual report amongst large public interest companies, the main award for risk management and corporate governance and the award for the best annual report among all Slovene companies.
- **SPORTO:** The SPORTO Event Award in cooperation with the Ekstrem agency for the Triglav the Rock Ljubljana project. The awards are given for the best sponsorship and sports marketing projects within the framework of the SPORTO Conference.
- **POMP Forum 2017:** The POMP Awards for Best Integrated Content Marketing Strategy, Best Video (the Prevc komplet video series), Best Content Campaign (the in-depth story entitled Earthquakes Always Shake You Up), Best Internal Communication Media (a special issue of Obzornik on depression) and Best Cover (a special issue of Obzornik on depression).
- **SoMo Borac 2017:** The Triglav Drajv application was a finalist in the category "SoMo App".
- **WEBSI 2017:** 1st place in the category "Mobile Applications" for Triglav Vreme application, which became the overall web champion 2017, 1st place in the category "Innovative Digital Projects" for the Triglav Rekord application and the award for the best user experience for both applications.

Triglav, Zdravstvena zavarovalnica received the **POMP Award** for Best Native Advertising in the context of the award for special achievements in content marketing.

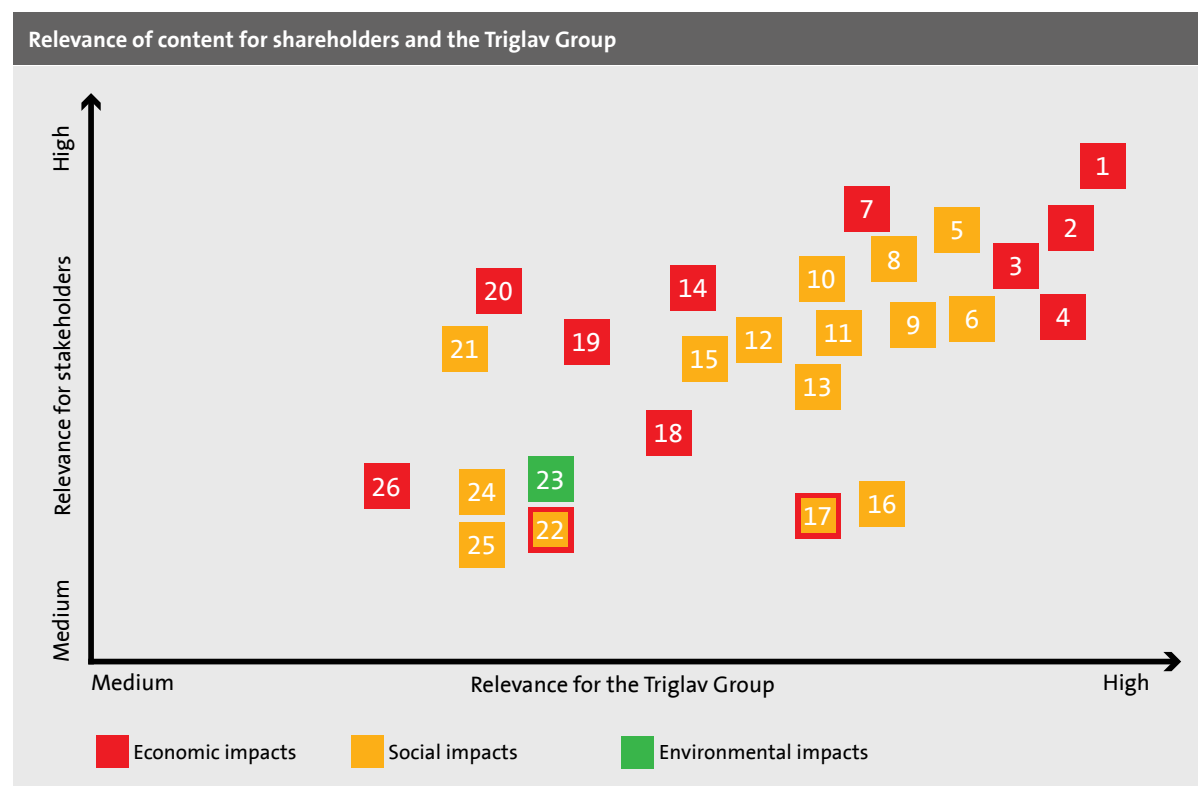


Zavarovalnica Triglav received the Prime Market Share of the Year Award, awarded by the Ljubljana Stock Exchange.

12.2 Key stakeholders³⁰

Zavarovalnica Triglav monitors the needs and interests of its stakeholders through a web of mutual relationships at the strategic and operational levels. Mutual trust and understanding between individual stakeholder groups and the Company are strengthened through proper and balanced communication and inclusion. Among the stakeholders, most attention to the Annual Report is paid by regulators, financial analysts and investors, followed by employees, the media and local communities which are interested in specific segments.

In 2017, a qualitative survey was conducted among the representatives of the Company's stakeholders. By carrying out in-depth interviews, their interests in relation to the Company and their needs and expectations regarding reporting and the content of disclosures were identified. Business partners and users of the Company's services are interested in custom-tailored content, primarily social impacts. The results of the qualitative survey will be used to upgrade stakeholder relations.



1. Capital adequacy – topic boundary: within and beyond the organisation (regulators)
2. Business strategy and plans – topic boundary: within and beyond the organisation (regulators, shareholders/investors)
3. Efficient risk management system – topic boundary: within and beyond the organisation (regulators)
4. Profitability – topic boundary: within and beyond the organisation (shareholders/investors)
5. Safety of policyholders and/or users of insurance services – topic boundary: within and beyond the organisation (regulators)
6. Reliability and trust in the Company – topic boundary: within and beyond the organisation (policyholders, shareholders/investors)
7. Fast payment of damages – topic boundary: within and beyond the organisation (policyholders)
8. In-depth information on the operations and financial position of the Group – topic boundary: within and beyond the organisation (shareholders/investors, the media)
9. Traffic and fire safety – topic boundary: beyond the organisation (policyholders, local communities)
10. Information about changes in the Company – topic boundary: within the organisation (employees)
11. Education and additional training – topic boundary: within the organisation (employees)
12. Relationships among employees – topic boundary: within the organisation (employees)
13. Access to insurance services for people with various disabilities – topic boundary: beyond the organisation (policyholders, local communities)
14. Long-term cooperation with suppliers – topic boundary: beyond the organisation (suppliers and creditors)
15. Friendly approach to clients – topic boundary: beyond the organisation (policyholders)
16. Responsible and sustainable operations – topic boundary: within and beyond the organisation (local communities, policyholders, shareholders/investors, the media)
17. Financial literacy – topic boundary: beyond the organisation (local communities, policyholders)
18. The remuneration system and performance-related pay – topic boundary: within the organisation (employees)
19. Reliability of payments – topic boundary: beyond the organisation (suppliers and creditors)
20. Favourable premium – topic boundary: within and beyond the organisation (policyholders, regulators)
21. Cooperation with local communities – topic boundary: beyond the organisation (local communities)
22. Innovative insurance products and services – topic boundary: beyond the organisation (policyholders)
23. Environmental protection – topic boundary: beyond the organisation (local communities)
24. Infrastructure investments – topic boundary: beyond the organisation (local communities)
25. Health prevention – topic boundary: beyond the organisation (local communities, policyholders)
26. Upgrading the existing cooperation – topic boundary: beyond the organisation (suppliers and creditors, policyholders)

Material topics and methods in stakeholder engagement

Stakeholders	Material topics/interest	Engagement method
Clients/policyholders	<ul style="list-style-type: none"> Fast payment of damages Good ratio between the price and quality of insurance and financial products and services Benefits for the existing and new policyholders, clients Reliability and trust in the Triglav Group Affordable insurance and strong profitability of the Group's funds Market experience Friendly approach to clients, policyholders Personal relationship with an expert Innovative financial/insurance products and services Personal data protection and care Responsible and understandable terms and conditions of insurance and financial services and products 	<ul style="list-style-type: none"> Personal contact with insurance experts, asset managers Detection of complaints and praise and responding thereto E-mail Telephone conversations Opinion polls and surveys Websites, blogs and e-newsletters Social networks Mobile applications Marketing communication
Employees	<ul style="list-style-type: none"> The remuneration system and performance-related pay Career advancement system Information about important milestones and changes in the Company Business strategy Relationships among employees Work-life balance Education and additional training Safety and health at work 	<ul style="list-style-type: none"> Management participation (the works council, trade unions, employee representatives in the supervisory boards) Career development and training system Measurement of organisational vitality Opinion polls and surveys Triglav.smo programme In-house print and online media In-house events, professional training, sports and recreational events Personal contact E-mail Telephone conversations
Shareholders/investors	<ul style="list-style-type: none"> Business strategy In-depth information on the operations, financial position and plans of the Group Financial efficiency, capital adequacy Dividend policy and return Responsible and sustainable operations 	<ul style="list-style-type: none"> General Meetings of Shareholders Sessions of the Supervisory Board and its committees Public announcements on the Ljubljana Stock Exchange SEOnet online portal Corporate website Presentation for Investors Investor conferences, individual meetings, conference calls E-mail Opinion polls and surveys
State and supervisory bodies	<ul style="list-style-type: none"> Ensuring capital adequacy Safety of policyholders and/or users of insurance services Efficient risk management system Compliance of operations and insurance and financial services and products Complying with all obligations of a public company Responsible and sustainable operations 	<ul style="list-style-type: none"> Regulatory reporting (to the Insurance Supervision Agency, the Securities Market Agency) Regular reviews by inspection and supervisory bodies Audits by certified auditors
Suppliers	<ul style="list-style-type: none"> Long-term cooperation Reliable and timely payments Upgrading the existing cooperation Delivery times, prices of services and goods Delivery of environmentally friendly material Paperless operations 	<ul style="list-style-type: none"> Public tenders and competitions Working meetings E-mail and electronic operations Telephone conversations
Local and broader community	<ul style="list-style-type: none"> Traffic safety Fire safety Health protection and care Co-development of projects in the fields of culture, sport, prevention, health, art, charity Infrastructure investments Access to insurance services for people with various disabilities Insurance and financial literacy 	<ul style="list-style-type: none"> Partnerships with non-profit organisations and educational institutions and execution of joint projects Joint projects with local communities, particularly in traffic safety Fund allocation system for sponsorships and donations Cooperation with local decision-makers E-mail Telephone conversations
Media	<ul style="list-style-type: none"> Transparent information about the operations, events and changes in the Triglav Group Information about insurance and financial products and services Cooperation with local and broader community Development and general insurance topics Professional insurance and financial topics 	<ul style="list-style-type: none"> Press releases and statements Meetings with media representatives Answers and explanations E-mail Telephone conversations Websites

Presented below are the disclosures pursuant to the GRI GS standard, which mainly pertain to the parent company, however they are also being gradually implemented by subsidiaries.

12.3 Economic aspects³¹

Economic performance is of key significance for sustainable operations of the Triglav Group in both strategic activities – insurance and asset management. The condition for its achievement is effective management of risks, which are fully understood and also include non-financial risks. The economic performance of the Group is clearly defined in the strategic objectives set at all levels.

Reporting on economic performance is included in several sections of the Annual Report, as seen in the *GRI Content Index*.

The **economic value distributed** of the Group amounted to EUR 26.2 million in 2017. It includes net claims incurred and other insurance expenses, expenses from financial assets, other expenses, operating expenses, dividend payment, tax expenses, community investments (prevention, donations, sponsorships) and employee wages and benefits. Its structure by value and share is presented in [→ *Section 2. in the table Other economic, social and environmental impacts of operations of the Triglav Group*].

The Triglav Group is the leading insurance/financial group in the Adria region. Its **market position** in individual markets is presented in [→ *Section 2.6.2 Insurance and Section 7.4 Operations of the Triglav Group in the Adria region*].

Indirect economic impacts of the Group primarily consist of prevention, sponsorships and donations as well as investments in public infrastructure. They are defined at the national and local levels, in particular:

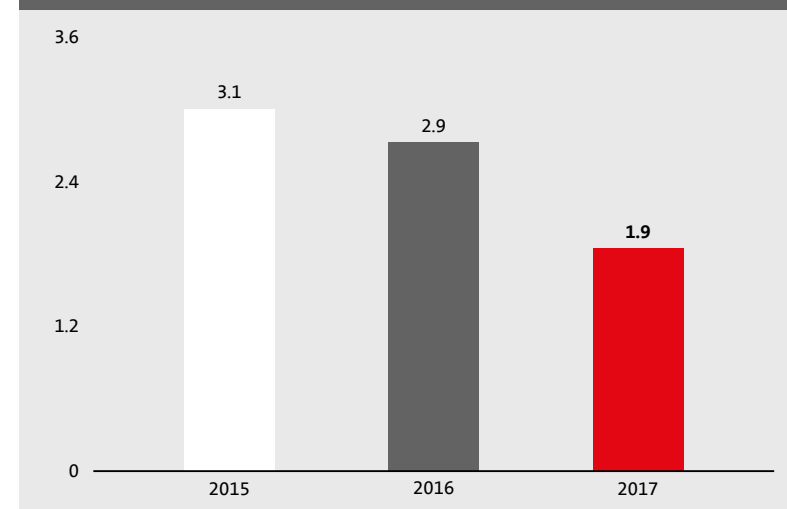
- through the results of public tenders and calls for proposals intended for local communities and non-profit organisations to participate in investments in prevention and based on calls for applications for sponsorship and donation funds;
- based on the needs identified in local environments by the Group's subsidiaries and business units;
- through the direct contact with local communities;
- based on performance analyses, especially risk and claims experience, published data of specialised organisations and institutions, as well as the needs for investments in prevention;
- with market research and public opinion surveys.

Investments in prevention³²

Investments in preventive programmes for the reduction of risks are an important dimension of economic and social impacts of the insurance industry, which are also prescribed by law. The Group invested EUR 1.9 million (index 68) and the parent company EUR 1.2 million (index 91) in prevention activities. The Group's lower investments in prevention are the result of the changes in the accounting policy of Lovćen Osiguranje.

Investments in prevention are described in detail in [→ *Section 12.4 Social Aspects*].

Funds allocated to prevention activities of the Triglav Group in 2015–2017 (in EUR million)



■ Indirect economic impacts of the Group primarily consist of prevention, sponsorships and donations as well as investments in public infrastructure.

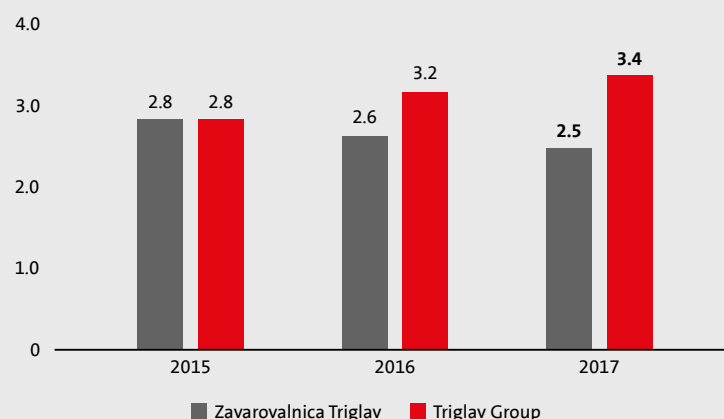


As part of the Children of Triglav campaign, in 2017, the Company helped with the reconstruction and setup of two playgrounds.

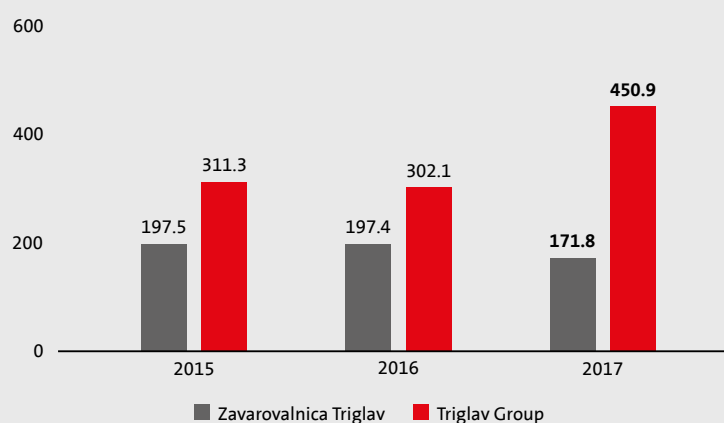
Sponsorship and donations³³

Funds allocated to sponsorships totalled EUR 3.4 million, up by 6% compared to 2016. Funds for donations amounted to EUR 451 thousand or 49% more than the year before, the bulk of which went to humanitarian projects.

Amounts for sponsorships of the Triglav Group and Zavarovalnica Triglav in 2015–2017 (in EUR million)



Amounts for donations of the Triglav Group and Zavarovalnica Triglav in 2015–2017 (in EUR thousand)



■ The vast majority of purchases in the Triglav Group was made from local suppliers.

Infrastructure investments

For the sixth consecutive year, Zavarovalnica Triglav set up new playgrounds in local communities as part of the **Children of Triglav** campaign. In 2017, the Company helped with the reconstruction and setup of two playgrounds. Since the campaign has been launched, more than twenty playgrounds have been opened.

The goal of this project is to provide appropriate spaces where families with children, adolescents and others can spend quality leisure time.

Procurement practices³⁴

In mid-2017, the Company upgraded and centralised the procurement process for a more uniform implementation of procurement with the aim of ensuring transparency and achieving cost synergies based on joint procurement terms and conditions. The process is divided into strategic and operational procurement and implemented in accordance with the updated internal regulations.

Calls for proposals and tendering are normally carried out electronically via the procurement portal, ensuring adequate traceability in addition to automation. The **supplier selection criteria** depend on the type of procurement. The obligatory criteria are the **price** and **business cooperation**. Other criteria depend on the type of procurement (the credit rating of a company, payment terms and conditions, before- and after-sales services, technical advantages, experiences and references, the date of supply or completion of work, bank guarantees, etc.).³⁵

Additional attention is devoted to the development of the criteria of quality, social responsibility, cooperation, achievement of synergies and price competitiveness, which are a suitable basis for the annual assessment of suppliers on a wider scale and even more systematically as thus far.³⁶

The strengthening of supplier relationships and the use of objective assessment criteria of financial and other impacts of cooperation are the basis for efficient development of long-term partnerships, taking into account the principles of competitiveness, risk management, transparency and sustainable development.³⁷

Locally-oriented procurement³⁸

Due to the relatively small size of Slovenia, the whole Slovene market is considered a local market. The broader market trends in key procurement groups are regularly monitored, especially due to the competitiveness of the Company's purchases. Searching for suppliers on foreign markets is not sensible (except in exceptional cases), as suppliers for most types of purchases can always be found in Slovenia under better terms and conditions and with a lower risk arising from

local suppliers. The regional units aim to include as many local suppliers as possible in the procurement process. This, however, is not justified when it causes a higher number of intermediaries, an increased quality risk and poor conditions of competition.

Other subsidiaries in the Group also follow locally-oriented procurement practices by purchasing materials or services on their own markets. On the basis of the strategic procurement function in the parent company, the Company examines which types of purchases could be more centralised in the future, thereby ensuring better terms and conditions, higher quality and lower risks.

Protection of competition

Care is taken that the supplier selection procedures are transparent and comply with fair competition rules. In its day-to-day operations, product development and marketing, the Company adheres to good business practices and respects the protected interests of competitors.³⁹

The Triglav Group denounces any arrangements with competitors, which could lead to restrictive practices, and ensures that no marketing purposes or preferences are revealed in its communication with competitors. Any information on competitors is gathered solely in compliance with the law. Furthermore, no banned advertising approaches are used in marketing

communication and advertising of the Company's services or products. As the company holding the leading position, Zavarovalnica Triglav takes great care not to abuse its power in individual markets. Zavarovalnica Triglav was not informed of any legal actions filed against the Company before the Slovenian Competition Protection Agency for violating the competition protection laws.⁴⁰

Remuneration of insurance agencies and their sales staff

As at the 2017 year-end, the Company cooperated with 445 contractual partners registered as insurance agents, (44 roadworthiness test providers, 49 car dealers, 6 leasing companies, 3 banks, 164 travel agencies, 61 life insurance agencies and 118 non-life insurance agencies). Most agreements are concluded with non-exclusive agencies.⁴¹ Before signing an agreement with a new contractual partner, the standardised selection process is carried out. Business results achieved by contractual partners are regularly monitored and measures taken for enhancing the cooperation.

The non-life insurance agencies are classified into categories based on the following criteria: exclusivity, written premium, the size of the area of operation and the range of insurance classes. The commission rate also depends on whether insurance is renewed or a new insurance policy is taken out. Contractors selling non-life insurance products are monitored on the basis of plan implementation, portfolio renewal and an increase in new policyholders, which is also linked to additional remuneration. In 2017, good overall results were achieved from the new campaign, in the context of which quarterly and annual roadworthiness test targets were linked to remuneration.

In the case of agencies selling life insurance products, the commission rate depends on trends in the portfolio and the index for maintaining client loyalty.

Subsidies⁴²

In 2017, Zavarovalnica Triglav received subsidies from the Eco Fund for the purchase of electric cars in the amount of EUR 37,818.40. This is non-refundable financial assistance.

Apart from that, the Company received subsidies for people with disabilities (bonuses for exceeding the set quotas, exemption from the payment of pension and disability insurance contributions) in accordance with the Vocational Rehabilitation and Employment of Disabled Persons Act.

12.4 Social aspects

12.4.1 Responsibility to employees⁴³

The human resource management policy of the Triglav Group is based on its business strategy. Business objectives are pursued with competent, responsible, highly qualified and committed employees. To this end, employee motivation, commitment to personal growth and development of their potential through lifelong realisation of career goals are at the forefront.

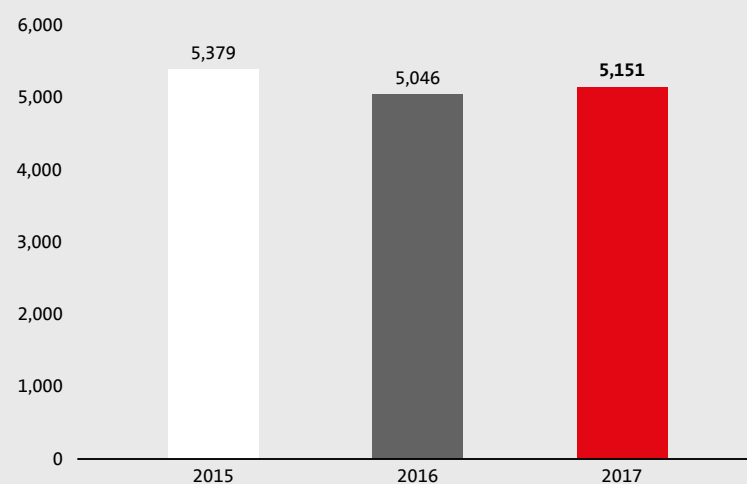
Strategic human resource management guidelines of the Group:

- The focus is on recruiting highly trained, competent and promising staff (also in cooperation with higher education institutions and through scholarships), optimising processes and ensuring mobility of employees between the parent company and its subsidiaries in order to transfer good practices and build a coherent organisational culture.
- Care is taken to develop an effective and motivation-oriented remuneration system associated with a new post classification. Promotion of health and well-being includes special programmes ([Triglav.smo](#)) and projects for employees.
- By investing in development and training, highly skilled employees are created and their competences and digital skills are strengthened, while at the same time implementing the policy on the identification and development of key promising staff.
- The business strategy is implemented by developing an organisational culture, which is based on openness, acceptance of changes, orientation to external and internal clients, promotion and respect for diversity and dignity, and taking responsibility.
- The aim is to centralise human resource development in the Group.
- A new HR information system is being implemented, which will be gradually introduced in the Group members, thereby creating an advanced connection point between the employees and the companies.

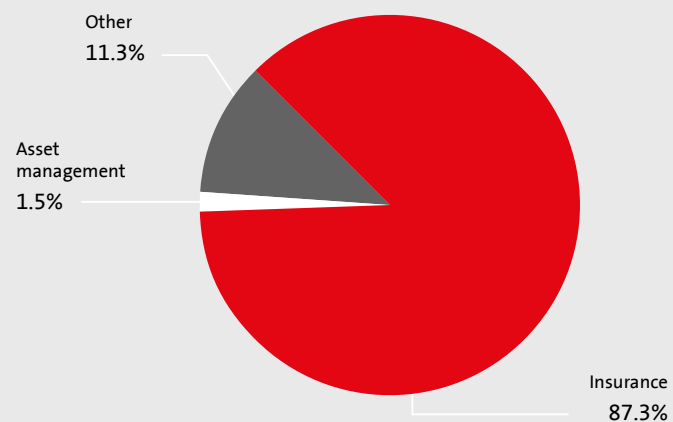
12.4.1.1 Recruitment and employee structure⁴⁴

As at the 2017 year-end, the total number of employees in the Triglav Group was 5,151 or 105 more than the year before (index 102). The increase mainly reflects the expansion of the internal network in Triglav Osiguranje, Belgrade.

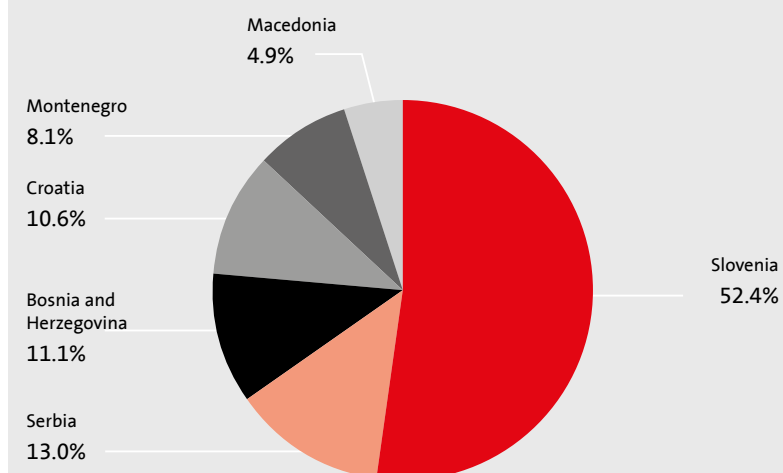
The number of employees in the Triglav Group



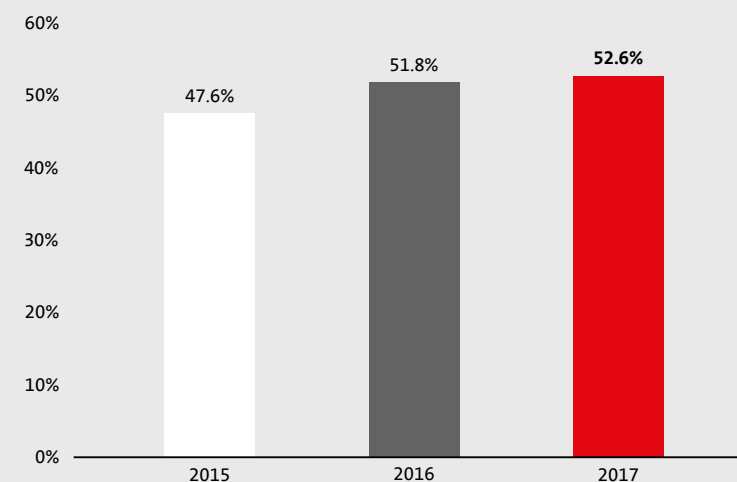
Employees by activity



Employees by market of the Group



The share of employees in the Triglav Group with at least level VI education



⁴⁴ GRI GS 102-7, 102-8

Employees in Zavarovalnica Triglav by employment type (full-time, part-time) as at 31 December 2017⁴⁵

Type of employment	2017		2016		2015	
	Number	Percentage	Number	Percentage	Number	Percentage
Part-time	91	4.0	91	3.9	89	3.8
Full-time	2,194	96.0	2,244	96.1	2,252	96.2
Total	2,285	100.0	2,335	100.0	2,341	100.0
Type of employment agreement						
Fixed-term	47	2.1	71	3.0	60	2.6
Permanent	2,238	97.9	2,264	97.0	2,281	97.4
Total	2,285	100.0	2,335	100.0	2,341	100.0

The staff turnover rate⁴⁶ in the parent company slightly increased by 0.2 percentage point to 4.9% (2016: 4.7%). Among leavers, the main reason was again retirement among the oldest age group, i.e. above 56 years (61%). The majority of new employee hires were aged between 26 and 30 years (30.9%) and between 31 and 35 years (22.1%). Even though only 19.1% of new employee hires were older than 40 years, the average age of employees rose to 44.99 years (44.63 years in 2016).

In terms of gender, the employee structure shows no significant changes in the long term and is comparable to the gender ratio in the Slovene general population.

Employees of Zavarovalnica Triglav by age and gender as at 31 December 2017⁴⁷

Age group	2017		2016		2015	
	Number	Percentage	Number	Percentage	Number	Percentage
From 18 to 19	0	0.0	1	0.0	0	0.0
From 20 to 25	26	1.1	29	1.2	17	0.7
From 26 to 30	126	5.5	140	6.0	136	5.8
From 31 to 35	219	9.6	233	10.0	260	11.1
From 36 to 40	335	14.7	367	15.7	392	16.7
From 41 to 45	434	19.0	421	18.0	430	18.4
From 46 to 50	453	19.8	467	20.0	465	19.9
From 51 to 55	415	18.2	400	17.1	379	16.2
56 and over	277	12.1	277	11.9	262	11.2
Total	2,285	100.0	2,335	100.0	2,341	100.0
Gender						
Men	1,126	49.3	1,147	49.1	1,145	48.9
Women	1,159	50.7	1,188	50.9	1,196	51.1
Total	2,285	100.0	2,335	100.0	2,341	100.0

The basic salary of women is equal to the basic salary of men in all categories of employees, locations and activities.⁴⁸ The proportion of women in top management was 31.8% (27.9% in 2016) and in middle management 35.2% (37.6% in 2016). Two women sit in the Management Board of Zavarovalnica Triglav, the share of women being 40%.⁴⁹

The average age of the Management Board members was 44.8 years.⁵⁰ Local management is employed in Slovenia.⁵¹ In foreign markets, management is mostly employed locally.

The share of employees under the collective agreement as at the 2017 year-end remained the same as the year before, i.e. 93.5%. Employees with individual agreements accounted for 6.5% (149 employees) of total employees.⁵² Benefits are the same for full-time employees, temporary employees and part-time employees.⁵³

12.4.2 Staff training and development**Training⁵⁴**

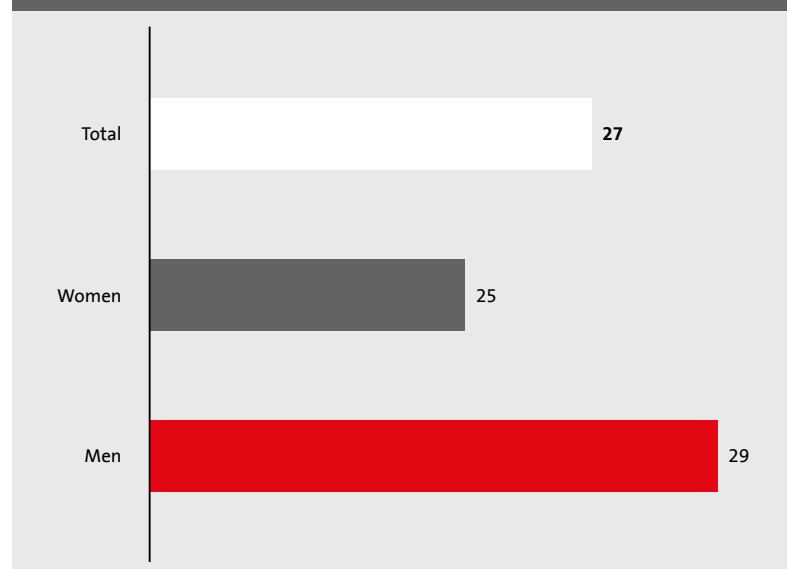
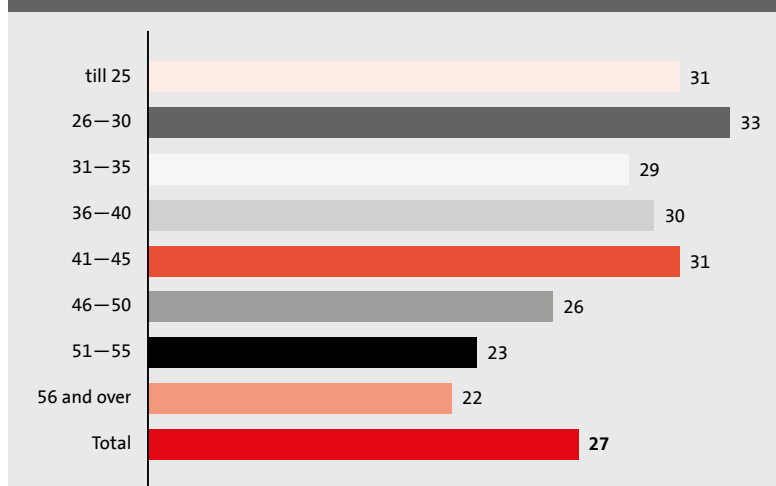
Employees receive regular professional training, while promoting their personal growth and development. Most training courses are carried out in-house because they are better tailored to the Company's needs. In-house training was attended by 95% participants of all types of training (of whom 51.3% participated in traditional forms of in-house training and 43.7% in online training). The most common topics were related to the insurance industry, business communication and sales skills. Apart from that, employees participated in computer and foreign language courses. Greater emphasis was devoted to learning about intergenerational cooperation. To encourage a more creative solving of business challenges, Design Thinking workshops were organised. In addition to professional training, the emphasis was on training intended for the well-being of employees at work.

Employees are encouraged to obtain further formal education. A slight growth in total training costs is primarily the result of higher work study costs.

In 2017, the Company cooperated with schools and universities in different ways, enabling work study to 35 pupils and students. Company scholarship was awarded to 8 recipients.

The number of functional training hours in Zavarovalnica Triglav in 2015–2017⁵⁵

	2017	2016	2015	Index	
				2017/2016	2016/2015
Total number of functional training hours	61,849	66,054	60,940	94	108
Number of hours of in-house training (traditional)	50,014	54,161	51,812	92	105
Number of hours of in-house training (e-learning)	4,059	4,650	3,386	87	137
Number of hours of external training	7,776	7,243	5,742	107	126
Number of functional training hours per employee	27	28	26	96	108

The average number of functional training hours in 2017 by gender⁵⁶The average number of functional training hours in 2017 by age⁵⁷

Training costs of Zavarovalnica Triglav in 2015–2017

	2017	2016	2015	Index	
				2017/2016	2016/2015
Total costs*	931,962	916,075	791,985	102	116

* The data include both direct (scholarships, grants, tuition fees, work study costs, trainee pay and payments to trainers and lecturers) and indirect training costs (travel expenses in Slovenia and abroad, daily allowances, overnight stay allowances and other training-related costs).



Employees receive regular professional training, while promoting their personal growth and development.

Management by objectives and annual development interviews⁵⁸

Employee performance is improved through performance reviews, feedback and personal relationships between supervisors and their employees. At annual interviews, employees set their goals for the current year in cooperation with their supervisor. Further interviews held every three months are aimed at revising future expectations, assessing the achievement of set goals and determining work performance. Due to the nature of their work, sales staff in the parent company and subsidiaries (e.g. insurance agents and call centre clerks) are subject to other forms of remuneration.

As much as 69% of all employees are included in the management-by-objective system. In 2017, the management-by-objective system was tested in the Group's subsidiaries outside Slovenia and is expected to be fully implemented in 2018.

Assessment of competences⁵⁹

In Zavarovalnica Triglav, employee competences and development potential are assessed with the DNLA tool, which is an essential tool not only for targeted employee training and development but also for career and development planning. It is also used as an additional aid in the recruitment process. The tool began to be tested in subsidiaries outside Slovenia for the development of middle management and if necessary in recruitment procedures.

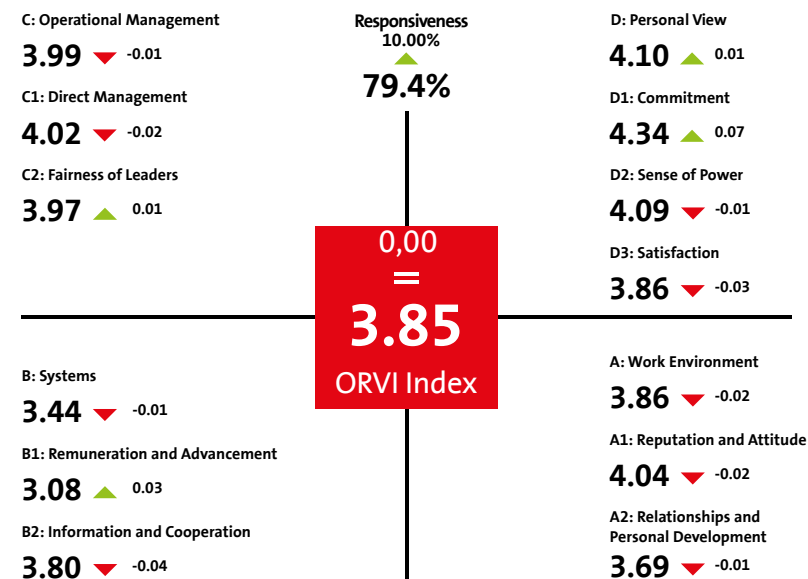
Fit and proper assessment

The Solvency II Directive requires that all persons who manage or supervise an insurance undertaking or hold a key function have adequate professional qualifications (fit) and are of good reputation and integrity (proper). The Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav and the Fit and Proper Policy for Key Function Holders and Business Function Holders of Zavarovalnica Triglav lay down the main rules, criteria and procedures for a fit and proper assessment. In 2017, a fit and proper assessment was performed for all persons in accordance with the said Directive.

Both policies are also implemented in all insurance subsidiaries outside Slovenia.

12.4.2.1 Measurement of organisational climate (vitality)⁶⁰

The organisational climate of Zavarovalnica Triglav was measured for the tenth time. Based on the methodology used, it is called organisational vitality. The aggregate ORVI index is composed of the indexes work environment, systems, operational management and personal view, which are classified into several categories. Employee commitment, which is part of the new strategic indicators, was measured for the first time.



Responsiveness of employees improved, with nearly 80% of employees participating (69.4% in 2016).

The aggregate ORVI index is the same as last year; the other indexes and sub-indexes are also similar to the year before (any differences are shown in the figure above). Employees remain loyal and are proud to work for Zavarovalnica Triglav, they are satisfied with the working conditions, their co-workers and direct supervisors. There is room for improvement in relation to cooperation between organisational units, remuneration and commitment.

In accordance with the strategic project of renovating the organisational culture, the organisational culture of the Group was measured for the first time in 2017, while in 2018 activities will be launched to bring the existing organisational culture closer to the target organisational culture.

In 2017, the measurement of the organisational climate was expanded to include non-insurance subsidiaries in Slovenia and Skupna pokojninska družba.

The ORVI index for the Triglav Group is 3.79.

12.4.3 Safety and health at work⁶¹

Safety and health at work is regulated by the Safety Statement and Risk Assessment, which includes the risks, assessed for a particular workplace as well as all identified and described hazards and harmful effects on the health of employees. The Statement also contains measures to reduce them. By regularly revising this area, the Company adapts to new or changed working conditions, thereby also updating and revising the Statement.

In terms of safety and health at work, great importance is placed on prevention and timely elimination of any hazards. The Company complies with the applicable legal regulations governing safety and health at work. At the level of Zavarovalnica Triglav, the following is carried out:

- the »Protecting Health« programme that promotes health (emphasising mental health),
- Triglav.smo programme and
- the measures of the full »Family-Friendly Enterprise« certificate.

The good practice of the Triglav.smo programme began to be transferred to subsidiaries, and as a result »Greeting the Seasons« was implemented in all insurance subsidiaries.

To raise the employees' awareness about the importance of physical and mental health, the Company organised workshops and events and recorded short educational videos on the importance of taking short breaks from computer work, which are available at the *Povej naprej* (Share) internal portal.

The Company is proactively facing the challenges brought by the increasing number of older people and a higher age of its employees, focusing its plans on the long-term preservation of health. In the summer of 2017, the Company took part in the Slovene study »Brains for Brains«. On the basis of its findings, new programmes for the preservation of cognitive skills as well as additional programmes for inter-generational cooperation and the promotion of lifelong learning will be developed.

Employees receive advice on regular physical activity, sitting properly, eating healthy, efficient relaxation, coping with stress and breaking unhealthy habits (smoking, drinking alcohol, consuming psychoactive substances). Employees' families are also invited to attend these workshops and events.

Two suitably qualified employees are in charge of safety and health at work. The important decisions on ensuring adequate personal protective equipment are made by the representatives of the trade union and the Works Council.⁶²

In the modern e-classroom, employees are able to gain new and improve the existing knowledge about fire safety and safety and health at work (the training and exams are obligatory). The obligatory e-material was updated with the section »Healthy Workplaces for All Ages«, prepared by the European Agency for Safety and Health at Work (EU-OSHA). Due to the increasing number of older workers, thinking about ageing and the workplace is of even greater importance.

Support to employees in the event of workplace violence⁶³

The employees who are in contact with clients are trained in how to respond in the event of violence, robbery or threats. Along the modern technical security measures to protect both the employees and the business premises, regulations and instructions ensuring a safe work environment are in place.

Fire safety

Good practice in fire safety of the Triglav Group is disseminated to the business partners and clients.

In fire safety, preventive measures are carried out, on-site fire safety is monitored in accordance with the applicable statutory requirements, employees undergo regular training and education and ongoing improvement of fire safety are carried out at all business locations. A Plan (instruction) on security conduct and actions in the case of emergency and other security events was drafted for all employees. In the case of emergency or a security event, employees can call the security control centre where they will receive appropriate instructions and psychosocial assistance.

Health and safety topics covered in formal agreements with trade unions and in the collective agreement⁶⁴

Safe working conditions for employees are provided in accordance with Zavarovalnica Triglav's collective agreement and the applicable legislation. Before starting their work, employees are familiarised with the dangers at work and work safety measures that they are obligated to follow. Furthermore, employees are required to use the prescribed work equipment. They are provided with the required work equipment and materials as well as personal protective gear.



In the context of the Triglav.smo programme, the initiative »Greeting the Seasons« was also implemented in the subsidiaries.



Injuries at work⁶⁵

Injuries in total again decreased heavily in 2017.

Injuries at work in Zavarovalnica Triglav in 2015-2017

	2017		2016		2015		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2017/2016	2016/2015
At work	2	50.0	6	40.0	10	43.5	33	60
On business trips	2	50.0	9	60.0	13	56.5	22	69
Total	4	100.0	15	100.0	23	100.0	27	65

Vaja: Okrepimo vratne mišice



Opis vaje:

Vaje za krepitev vratnih mišic, ki jih poimenujemo tudi izometrične vaje, so namenjene aktivnemu raztoku zakrčenih mišic vratu. Še posebej pri višji stopnji stresa. Vajo ponovite večkrat na dan, pri vsaki vaji vedno šteje do deset.

Vaja: Poskrbimo za hrbtenico



Zaposlenim svetujemo tudi glede rednega gibanja, pravilnega sedenja, zdravega prehranjevanja, učinkovitega sproščanja, obvladovanja stresa ter opustitve nezdravih navad.

The number of lost work days due to injuries at work went down significantly. This is the result of a significant decrease in the number of work-related accidents; the injuries suffered have also been less severe.

Lost work days due to injuries at work in Zavarovalnica Triglav in 2015-2017

	2017	2016	2015	Index	
				2017/2016	2016/2015
Lost work days due to injuries at work	83	491	814	17	60

Every accident at work which would render an employee unfit for work for more than three working days, every dangerous occurrence and every established occupational disease must be reported to the Labour Inspectorate of the Republic of Slovenia. In 2017 two dangerous occurrences were recorded. Thus far no occupational diseases were identified.⁶⁶

Absenteeism⁶⁷

The absenteeism rate in Zavarovalnica Triglav increased by 0.5 percentage points to 4.77% and was 0.51 percentage points above the national level reported for the Republic of Slovenia.

Temporary absence from work due to illness or injury is measured by the number of lost working days in a year. By law, sickness benefits are divided into two categories: those reimbursed by the employer (medical leave up to 30 days) and those reimbursed by the Health Insurance Institute of Slovenia (ZZZS) (medical leave longer than 30 days, care for and/or accompanying a sick person). Compared to 2016, the share of work days lost due to sick leave reimbursed by Zavarovalnica Triglav rose by 0.15 percentage points, while the share of work days lost due to sick leave reimbursed by the Health Insurance Institute of Slovenia was higher by 0.33 percentage points.

Absenteeism rates in Zavarovalnica Triglav and Slovenia by year and type of sick leave

Year	Paid by Zavarovalnica Triglav	Reimbursed by ZZZS	in %	
			Rate of absenteeism in Zavarovalnica Triglav	Rate of absenteeism in Slovenia ⁽¹⁾
2011	1.98	1.73	3.71	4.19
2012	1.90	1.66	3.56	4.06
2013	1.89	1.62	3.50	3.94
2014	1.87	1.51	3.37	3.80
2015	2.32	1.86	4.19	4.06
2016	2.13	2.15	4.27	4.16
2017	2.28	2.48	4.77	4.26

(1) Source: National Institute of Public Health, Records of temporary absence from work due to illness, injury, care and other causes, IVZ3

12.4.4 Ensuring employee satisfaction⁶⁸

The Triglav.smo programme and the Family-Friendly Enterprise certificate

In addition to fostering innovation, intergenerational cooperation and health promotion, the programme includes measures relating to the "Family-Friendly Enterprise" certificate.

Zavarovalnica Triglav has been the holder of the full »Family-Friendly Enterprise« certificate awarded to companies facilitating the reconciliation of work and personal life of employees. In 2017, the Company established a »care fund of work hours« for employees who have family members suffering from serious illness. The children of employees were provided with the possibility of participating in a summer holiday camp. For the first time, companies outside Slovenia also hosted children of employees. Around 450 children visited 28 work locations of their parents in six countries.

Additional benefits for employees:⁶⁹

- Zavarovalnica Triglav pays a supplemental pension insurance premium amounting to 5% of their gross salary for 96.1% of its employees;
- group accident insurance premium is paid for all employees;
- additional accident insurance for employees and their family members is available at favourable insurance terms and conditions;
- additional accident insurance is provided for all business trips;
- after one year of employment, all employees may opt for supplemental voluntary pension insurance and voluntary pension insurance;
- 78% of all employees took out the collective insurance package Celostna zdravstvena oskrba (comprehensive medical care).

⁶⁵ GRI GS 403-2 | ⁶⁶ GRI GS 403-3 | ⁶⁷ GRI GS 403-2 | ⁶⁸ GRI GS 103-1, 103-2, 103-3 | ⁶⁹ GRI GS 401-2, 201-3



Zavarovalnica Triglav has been the holder of the full »Family-Friendly Enterprise« certificate awarded to companies facilitating the reconciliation of work and personal life of employees.



Employees have submitted 24 ideas to the system Idea IN aimed at fostering innovation and collecting good ideas and suggestions for improvements; 16 of those have been recognized as good and have been rewarded.

Parental leave or part-time work in Zavarovalnica Triglav in 2017⁷⁰

	Women	Men	Total
Maternity leave, child care leave	72	0	72
Father's leave of 20 days*	0	58	58
Father's leave of 75 days (up to the child's age of three years)	0	2	2
Option to work part-time	36	1	37

* Paid paternity leave of 15 days can be used in the period up to the child's age of six months, while in 2016 additional 5 days of paid leave may be used until the child finishes the first grade.

All employees (male and female) with an employment agreement for an indefinite duration who used parental leave had the right to resume work or return to their position.

Return to work and retention rate after using parental leave in Zavarovalnica Triglav in 2017⁷¹

	Women	Men	Total
The number of employees who returned to work after parental leave	71	0	71
The number of employees who returned to work after parental leave (by gender) and who stayed employed in the Company after 12 months	71	0	71
Return rate after parental leave	99%	0%	99%
Retention rate after parental leave	100%	100%	100%

Circumstance and work requirements permitting, working hours can be adapted to the needs and wishes of employees. 103 employees who were parents of first graders took advantage of a day's paid leave on the first school day. Employees can take unpaid leave in certain cases and in agreement with their superiors. In 2017, 6 employees took short unpaid leave.

Relationship between employees and management, trade union activities⁷²

Two representative trade unions are active in Zavarovalnica Triglav. The Company concluded a special agreement and cooperates well with both of them. Before adoption, any act specifying the rights and obligations of workers is submitted to the trade unions to give their opinion.

The Company implements the provisions of the Worker Participation in Management Act and the Agreement on Worker Participation in Management. In line with the Worker Participation in Management Act, the Company has a Works

Council which allows employees to exercise their rights to participate in the management of the company in the following ways:

- through the right of initiative and the right to receive a response to any initiative;
- through the right to information;
- through the right to voicing opinions and making proposals as well as the right to receive a response;
- through the possibility or obligation of joint consultation with the employer;
- through the right of co-decision;
- through the right to veto the employer's decisions.

The Company informs the Works Council of any changes in the Company's operations at least 10 days prior to adopting such a decision.

Respecting the workers' rights and human rights of employees⁷³

In 2017, no formal cases of discrimination were recorded in Zavarovalnica Triglav.⁷⁴ There have also been no cases that would have to be resolved in line with the Rules on the Protection of Dignity at Work.

The Employment Relationship Act regulates the exercising of rights vis-à-vis the employer and judicial protection. If an employee considers that the employer has failed to fulfil the obligations arising from the employment contract or that one of the employer's rights arising from the employment contract has been violated, he or she has the right to request, in writing, that the employer remedy the violation or fulfil their obligation. If the employer fails to comply with the obligations arising from the employment contract or fails to eliminate the violation within eight working days from the receipt of the employee's written demand, the employee has the right to seek judicial protection before the competent labour court within 30 days from the expirations of the deadline for compliance or elimination of the violation by the employer.

Zavarovalnica Triglav has a well-established formal system for ensuring a safe and healthy work environment and protecting the employees' dignity, outlined in the Code of the Triglav Group and amending the Rules on the Protection of Dignity at Work. In 2015, based on the existing practises, the Code of the Triglav Group was upgraded and the Rules on Protecting Employees' Dignity at Work were revised. The Company strives to address any disagreements or conflicts in the earliest stages; the key to resolving any issues lies in a comprehensive approach with the cooperation of a wide circle of experts and competent leaders.



One of the more popular leisure activities of employees is membership in the hiking and sports association. Forty percent of Zavarovalnica Triglav employees are members of the association.



In cooperation with the Slovenian Environment Agency, the Triglav Vreme mobile application was upgraded.



Promoting innovation and improvements

Employees have submitted 24 ideas to the system Idea IN aimed at fostering innovation and collecting good ideas and suggestions for improvements; 16 of those have been recognized as good and have been rewarded. Two ideas have already been integrated in the business process; three are in the process of being implemented. Others will be implemented in the long term to the extent possible.

Care for employees outside working hours

One of the more popular leisure activities of employees is membership in the hiking and sports association. Forty percent of Zavarovalnica Triglav employees are members of the association; membership also includes employees of subsidiaries in Slovenia. The variety of social and sports activities available to employees include the traditional Triglav Group Day – Our Day, Sports Games of Financial Organisations (ŠIFO) and gatherings with retired Triglav employees.

The Company continues to run a psychological and social support programme for employees in distress.

12.5 Responsibility toward clients⁷⁵

The Company strives for long-term relationships with clients, so clients are looked after and their needs monitored. An effort is made to successfully resolve any disagreements. Emphasis is put on transparent, intelligible and accessible insurance products and services, which is a goal pursued starting with their design. Much attention is paid to high-quality after-sale services.

Marketing and labelling

Insurance contracts and other financial transactions are often complex and difficult for clients to understand. Every effort is therefore made to explain all their rights and obligations to clients concluding such contracts and to provide them with the necessary material. The Company strives for simplicity and clarity of all formats of information materials (web, print or audio-video editions).⁷⁶ No misleading, aggressive, insulting, shocking or otherwise inappropriate practices are used in promotion activities and the marketing of products and services. See also Brand management and marketing communications in [→ Section 11.6].

The Triglav Group fully complies with consumer legislation and special requirements with regard to client information when concluding distant contracts for financial services, including insurance contracts. By upgrading its digital business, Zavarovalnica Triglav also applies the recommendations of the Slovene Consumers' Association for improving financial literacy. In 2017, the Company actively participated in the implementation of the Insurance Distribution Directive (IDD) and the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs).⁷⁷

The commitment to information of clients is further discussed in [→ Section 11.8. Adjustment to the regulatory changes].

Accessibility and product and service portfolio

Section [→ 11. Development and sales activities] provides a detailed description of activities aimed at improving the accessibility of the Company's services through the use of modern technology. The Company is using advanced technological solutions and new forms of partnerships to simplify its processes, products and services and design new ones based on clients' needs.

- **Telematics for promotion of safe driving:** The total number of downloads of the mobile application DRAJV has exceeded 100,000. The number of safe drivers who have concluded an insurance policy with a DRAJV discount has increased.
- **Mobile application for reporting claims and ordering assistance services.** The mobile application *Triglav Asistenca* enables clients to report a claim, monitor the progress of the claim settlement process and order assistance services.
- **Mobile Loss Adjustment Unit in case of mass claims.** Mobile loss-adjustment units are set up in affected areas to facilitate the reporting of claims and the estimation of hail damage to vehicles, thereby enabling a faster reporting and handling of claims.
- **Simplified handling of low-value claims.** A simplified procedure for the handling of low-value claims reported online has been introduced.
- **Web platform for prevention and promoting insurance literacy.** The web platform Vse bo v redu (Everything Will Be Alright) provides advice on prevention and contains explanations of basic insurance concepts and principles. The bul-letin Investor (Naložbenik) is also published on the platform, raising awareness of the importance of personal insurance for ensuring financial security.
- **Upgraded mobile application for weather warnings.** In cooperation with the Slovenian Environment Agency, the Triglav Vreme mobile application was upgraded. See [→ Section 12.6.1]⁷⁸ for more details about prevention activities.
- **Accessibility in communication with clients.** The Company's clients can choose from a wide variety of communication channels and tools, depending on their needs and capabilities. Clients can receive information on non-life and life

⁷⁵ GRI GS 103-1, 103-2, 103-3 | ⁷⁶ GRI G4-FS14, SDG 1.4 | ⁷⁷ GRI GS 103-1, 103-2, 103-3, GS 417-1, GS 417-2 | ⁷⁸ GRI G4-FS7 | ⁷⁹ GRI G4-FS14, SDG 1.4

insurance products by calling the **toll-free number 080 555 555**. The **assistance and general information centre** is fully operational 24/7 all year round at the special number 080 2864 (for calls from abroad: +386 2222 2864).

The www.triglav.si website provides clients with information on products and services and enables safe underwriting, quick reporting of claims and management of insurance policies to electronically literate client with reduced mobility.⁷⁹

- The **i.triglav web office** is regularly upgraded. It provides clients with insight into all insurance policies concluded with Zavarovalnica Triglav, Triglav, Zdravstvena zavarovalnica and Skupna pokojninska družba. A corporate web office is available to employers. The mobile application for smartphones using the Android or IOS operating system has also been upgraded.

Insurance products and services fostering environmental responsibility

Zavarovalnica Triglav promotes a responsible attitude to the natural environment and encourages locally grown food supply through insurance products and services, mainly in agricultural insurance.

- The premium policy is designed to encourage policyholders to invest in **active protection from adverse weather conditions** through the use of anti-hail nets, greenhouses, tunnels, and irrigation and sprinkler systems for spring frost protection.⁸⁰
- The Company has co-financed the purchase of a state-of-the-art fertilizer distributor contributing to a rational distribution of mineral fertilizers on arable land as well as the purchase of a state-of-the-art tractor-mounted sprayer which allows for precise and environment-friendly dosage and use of plant protection products.⁸¹
- The Company encourages **less intensive animal production**, which is not only environmentally friendlier but also involves fewer insurance risks. Cattle insurance (the main class of livestock insurance) was adapted to local specificities, i.e. to small and medium-sized livestock farms maintaining agricultural production in less favoured areas (limiting agricultural factors).⁸²
- In agricultural insurance, **electronic commerce** was introduced in the estimation of damage in the field, which is both user- and environment-friendly (paperless operations).
- The awareness of the importance of **prevention and risk management in agricultural production** and the need to protect domestic food production is being raised:
 - through the promotion of insurance co-financed by municipalities at the level of local communities,
 - through the promotion of cooperatives by concluding insurance via cooperatives (especially with regard to hop insurance).

- When concluding fruit and crop insurance, the Company establishes communication with the Register of Agricultural Holdings so as to ensure that the insurance contract can be drafted in a simple, quick, accurate and transparent manner.
- The Company is **expanding the list of authorised veterinary clinics** it works with so as to improve the quality of insurance and health services.
- The stimulative premium policy **for young farmers** contributes to the promotion of young farmers setting up an agricultural holding, the preservation of settlement and larger land cultivation in the countryside. These goals are consistent with the interests of both the Common Agricultural Policy and the Slovene agricultural policy.⁸³
- By distributing preventive items, the possibility of the **occurrence of damage in livestock production** is reduced (dermatological veterinary ointments and sprays).
- The Company actively participates in the **Task force for the upgrade of financial risk management** in relation to natural disasters for agriculture, forestry and bee-keeping for the period 2020–2027 which has been established by the Ministry of Agriculture, Forestry and Food.
- **Conclusion of agricultural insurance with the premium co-financed by the state:** In accordance with the Decree on co-financing of insurance premiums for primary agricultural production and fisheries, the insurer and the policyholder agree on the payment of only that part of the premium which the policyholder is required to pay. On behalf of the policyholder, the insurer seeks the payment of the remaining portion of the premium, which is co-financed by the state, directly from the Agency for Agricultural Markets and Rural Development.

Access to insurance services for people with various disabilities⁸⁴

Zavarovalnica Triglav: improving the services provided to persons with disabilities and ensuring their full integration

- 65% of the Company's points of sale enable a completely independent access to people with different types of impairment (in 2017: renovation planning for three points of sale)
- 100% of the points of sale equipped with aids for visually impaired persons
- 100% of the regional units' head offices fitted with FM devices for hard-of-hearing persons
- Websites designed in compliance with the requirements of the AA standard WCAG 2.0 for visually impaired persons
- Promoting awareness about the needs of persons with disabilities: partnership with the Sports Federation for the Disabled of Slovenia and the Vozim Institute; employees volunteering at school sports days
- Financial support to TIPK TV web television, which adapts public information to hard-of-hearing, deaf, blind and visually impaired persons
- Since 2015, Zavarovalnica Triglav is the general sponsor of the Paralympic Committee of the Sports Federation for the Disabled of Slovenia



Fair business practice⁸⁵

Principles of fair and ethical conduct are defined in the Triglav Group Code (hereinafter: the Code) that is applicable to all insurance and financial companies within the Group. Its content and the fundamental ethical principles are constantly communicated and included in training (including fairness and compliance, transparency, prevention of corrupt practices, conflict of interest management, fraud management, money laundering and terrorist financing prevention, restriction of competition prevention, acts of unfair competition and fair business practices).

The Code has established a system for direct reporting of non-compliance; the reporting process is regulated by a special internal document for dealing with internal fraud and infringements of the Code of the Triglav Group. These rules are being implemented in all companies of the Triglav Group through minimum compliance standards that were

upgraded in 2017 by including additional provisions on the handling of anonymous reports of suspected compliance infringements, the assessment of the bona fide nature of such reports and the protection of bona fide whistle-blowers as well as minimum standards for purchasing procedures.

In the reporting year, two procedures relating to the infringement of the Code were investigated in Zavarovalnica Triglav. Irregularities were discovered in both cases; a warning was issued in one case, while the other case led to a labour dispute. Five cases of alleged infringements of the Code were investigated in foreign subsidiaries of the Triglav Group; none of the suspected infringements was confirmed.⁸⁶

The reporting system of the compliance function of Zavarovalnica Triglav on significant non-compliance issues in other insurance and financial companies of the Group has been upgraded. In 2017, the external supervisory body found no major non-compliance. Fines imposed on the Company totalled EUR 3,000 and a warning was issued.

Supervisory procedures in other companies of the Group detected certain deviations from expected standards particularly in the period 2011-2015, which resulted in the imposition of a fine in the total amount of EUR 712,815 (including default interest) on the company Triglav Osiguranje Belgrade.

Insurance fraud risk management⁸⁷

The Fraud Prevention, Detection and Investigation Department (FPDID) is in charge of insurance fraud in Zavarovalnica Triglav. The Company is committed to reducing its own costs and the costs of its policyholders by managing insurance fraud and other illegal activities related to insurance and the handling of claims. Employees are encouraged to identify any cases of suspected fraud and report them by using the relevant application software. Advanced IT solutions are used for identifying fraud. On the basis of reports and established indicators, investigators are able to detect suspicions of fraud very rapidly; the investigation process is quick and simple. In the light of the good experience, the use of the advanced system has been extended to most insurance companies within the Triglav Group.

As part of the Company's fraud prevention policy, employees whose work involves insurance underwriting and claim settlement participate in a fraud prevention and detection training programme. Any confirmed cases of fraud serve as the basis for improving the internal control system. In 2017, fraud was confirmed in 442 cases out of 786 reported cases of suspected fraud. The number of confirmed cases of insurance fraud was 19% higher than in 2016.⁸⁸

Anti-corruption measures and personal data protection⁸⁹

In accordance with the Declaration on Fair Business, the Slovene Corporate Integrity Guidelines and the Rules on Agreement Management, an anti-corruption clause as an obligatory contractual provision should be included in legal relationships with contractual partners. The obligatory inclusion of the anti-corruption clause was expanded to other insurance and financial companies of the Group through minimum compliance standards. In 2017, the parent company also adopted an Anti-Corruption Policy which complements the existing rules of conduct in processes where a risk of corruption has been identified. The elevated standards have been expanded by making the Anti-Corruption Policy binding on other insurance and financial companies within the Triglav Group. The adoption of the Anti-Corruption Policy was actively communicated within the Group.

Zavarovalnica Triglav was one of the first Slovene companies to become member of the Business Integrity and Transparency Forum set up by Transparency International Slovenia. In 2017, Zavarovalnica Triglav did not deal with any case of alleged corruption.

In the field of personal data protection, Zavarovalnica Triglav and the subsidiaries of the Triglav Group bound by EU legislation started with the implementation of the Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR) in 2017. Employees were informed about the novelties and made aware of the importance of the appropriate protection of personal data and the relevant procedures.⁹⁰

The Company received 9 requests from clients regarding their right of information in accordance with the Personal Data Protection Act (ZVOP-1), other subsidiaries of the Group received two. Out of 9 complaints received about an alleged infringement of the Act, 7 were justified. In 2017, the Information Commissioner brought a surveillance procedure against Zavarovalnica Triglav in one case and issued a warning in another case introduced in 2016. No irregularities in relation to personal data protection were detected in other companies of the Triglav Group in 2017.⁹¹

Value of all contributions to political parties⁹²

Due to an over 25% share of state ownership in equity, Zavarovalnica Triglav is prohibited from financing political parties pursuant to the Political Parties Act.



Employees are encouraged to identify any cases of suspected fraud and report them by using the relevant application software.

Client satisfaction⁹³

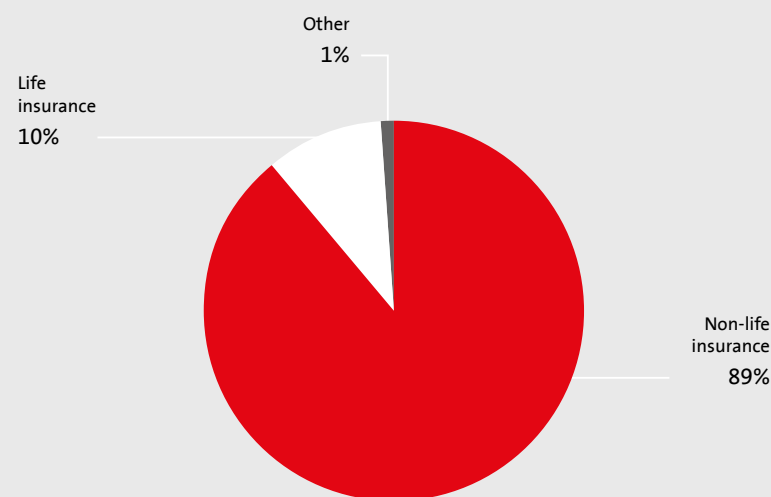
Complaints and compliments are an important indicator of client satisfaction, and are therefore regularly monitored, resolved and analysed. In the reporting year, 2,550 complaints were received, which is 7% more than the previous year. In terms of the content and the resolution process, complains are classed as substantive and general complaints and complains resolved through a fast-track procedure. Substantive complains in which clients express their dissatisfaction with the handling of their claims are the most common (91.2 percent). With respect to non-life insurance, most complaints were filed against the decision of the Company to reject the claim, against the amount of the damages paid and the grounds for the payment of damages or insurance benefits, whereas in relation to life insurance, most complaints were made against the amount

of damages or insurance benefits paid and the sales procedure. In the reporting year, 8.3% of complaints were founded and 7.3% were partly founded. Apart from that, 31 compliments were received (2016: 43).

The Company implements a range of measures aimed at improving client satisfaction, reducing the number of complaints and improving the quality of its services. Employees undergo additional training, claim handling applications are being upgraded and the sale of insurance through the internal and external sales network is monitored.

In order to measure client satisfaction and gather information on clients, the Company also uses the survey Insurance Monitor (international survey conducted annually since 2000), brand reputation measurements among residents (twice a year) and purchase factor measurements. The Net Promotor Score (NPS) which is an indicator of customers' attitude toward the brand as a whole or to individual aspects is also used for monitoring client relations.

Complaints by segment



The main focus of prevention activities was on reducing the risks of fire.

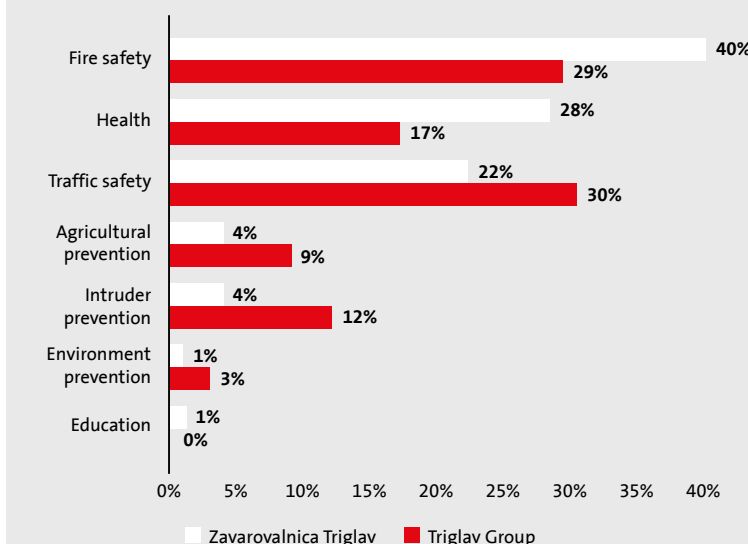
12.6 Responsibility to the community

The Triglav Group is closely involved in the environment in which it operates and fulfils its corporate social responsibility through various prevention activities, partnerships with the local and wider communities and voluntary work.

12.6.1 Investments in prevention⁹⁴

Investments in prevention are described along with sponsorships in the section Indirect economic influences. The main focus of prevention activities was again on reducing the risks of fire.

The share of Zavarovalnica Triglav's funds and the Triglav Group's funds for prevention activities by purpose



Prevention projects⁹⁵

Insurance companies of the Triglav Group marketing non-life insurance provide policyholders with a financial incentive to maintain and improve anti-fire systems, purchase fire alarms and access control/intruder detection systems. Investments are made in the maintenance and purchase of equipment for volunteer fire services. Other insurance companies also co-financed fire safety measures.



In two years, the Group helped to install 24 intelligent systems for improving traffic signals on dangerous road sections.



High profile and comprehensive prevention activities of the Triglav Group in 2017⁹⁶

Segment: Road safety

Project Calming Traffic Together, partner company Sipronika, Slovenia

Project COPS@road, partner company Aktivna signalizacija Korun, Slovenia

Interactive workshops for secondary school students »I Still Drive But I No Longer Walk«, partner institute Vozim, Slovenia

Activities for the safety of first grade pupils in road traffic, partner Slovenian Traffic Safety Agency

University of Ljubljana, Faculty of Electrical engineering

International programme 'Safety tunes' for road safety, partner AMZS, Slovenia

Educational charity event »Motorcyclists for Motorcyclists AMZS Safe Driving Centre Vransko, Slovenia

Safe driving training, partners Health Centre Koroška and Health Centre Nazarje, Slovenia

Participation in the construction of a footpath for school children, partnership with the municipalities of Trbovlje and Rogaška Slatina, Slovenia

Traffic safety prevention programme, Macedonia

Traffic safety prevention programme, Montenegro

Segment: Air safety

Long-term research study »Safe Return«, Slovenia

Segment: Health prevention

Research project Adam, Slovenia

Co-funding of the purchase of around 20 defibrillators

Financing of a prevention programme for recreational athletes, Serbia

Impact

- 30 speed display signs in local communities at high-risk road sections and in the vicinity of schools and kindergartens (2 years).
- Reduction of speed and improved road safety.
- Cooperation with local communities, police officers, athletes, kindergartens, schools.
- 24 intelligent systems for improving traffic signs at high-risk road sections and intersections (over two years).
- Reduction in the number of traffic accidents in all road sections.
- 150 workshops where 11,154 pupils listened to personal stories of lecturers and became acquainted with the application DRAJV.
- 22.000 first grade pupils equipped with yellow neckerchiefs series of videos on traffic safety.
- Traffic safety video clip.
- Road Safety mascot Kuža Pazi (Watch Out Doggy) in over 60 elementary schools.
- Neurophysiological and cognitive profiling of driving abilities.
- 5,000 secondary school students from 5 secondary schools participating in a road safety programme.
- 164 motorcyclists refreshed their driving knowledge and tested their driving abilities in critical circumstances.
- The Company co-financed the purchase of motorcycling and road accident rescue equipment.
- Testing of driving abilities in critical circumstances for drivers of ambulances.
- Safer footpaths for school children.

Impact

- Increased safety of first grade pupils in road traffic.
- Increased safety of drivers and passengers in road traffic.
- Reduction of damage upon take-off and landing due to bird strikes.
- Protection of biodiversity at airport sites and in surrounding areas.

Impact

- Earlier detection of Alzheimer's disease.
- Effective action in the event of cardiac arrest.
- Raising awareness about the risk of injury among recreational athletes.

Within the framework of the fourth New Year's prevention campaign »For a Better Tomorrow«, Zavarovalnica Triglav supported 23 prevention projects in local communities throughout Slovenia. In line with tradition, funds were donated to firefighters, health services, for traffic safety, mountain rescue, safety at ski slopes, etc. Over 100 preventive projects were supported over the course of four years.

Corporate volunteering of Zavarovalnica Triglav's employees

Initiative

Local community Gradin

Project "Giving Back to the Community", organised by the American Chamber of Commerce

Cooperation with the Sports Federation for the Disabled of Slovenia – the Paralympic Committee

Ana's Star and Trbovlje Association of Friends of Youth

Employee volunteering

Participation in the cleaning and construction of footpaths leading to local monuments

Participation in an employment fair for the blind and visually impaired and in the preparation of potential market opportunities for blind and visually impaired youth

Participation in the organisation of the Paralympic Winter Sports Days in elementary schools across Slovenia

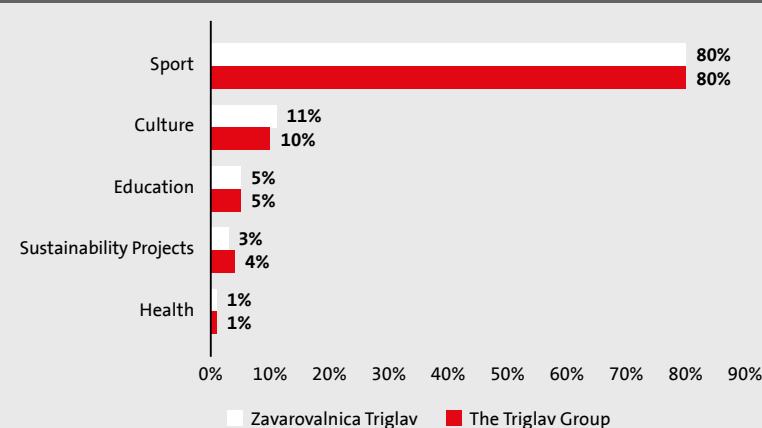
Collection of food with for socially disadvantaged people

12.6.2 Sponsorships and donations⁹⁷

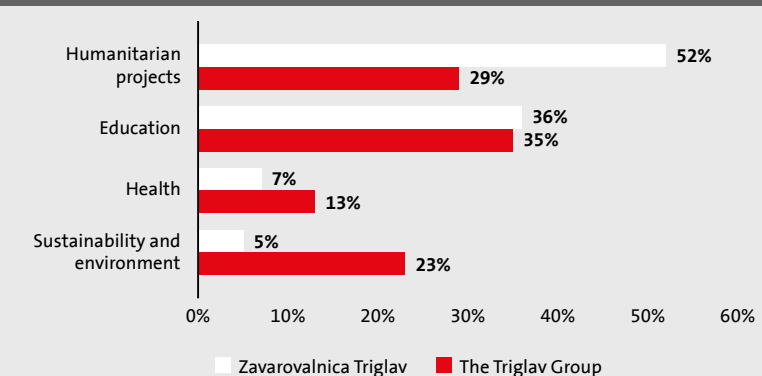
The value of the awarded sponsorships and donations is specified in the section *Economic aspects*; this section describes the causes supported by Zavarovalnica Triglav and the key projects of the Triglav Group.

The good practice of public invitations to tender for distributing sponsorships and donations was continued. Applications for partnerships in the form of sponsorships and donations were collected through the website www.triglav.eu, attracting 1,690 applications, of which 38.5% were approved. The sponsorship and donation strategy was followed, whilst attention was paid to the selection and effectiveness of sponsorships. The commissions considering the applications ensure that the partnerships are compliant with Zavarovalnica Triglav's values and brand identity.

Sponsorships of Zavarovalnica Triglav and the Triglav Group in 2017 by content



Donations of Zavarovalnica Triglav and the Triglav Group in 2017 by content



Zavarovalnica Triglav is the general sponsor of the Paralympic Committee of the Sports Federation for the Disabled of Slovenia. On photo: Jernej Slivnik

Major sponsorships and donations

Companies of the Triglav Group are loyal **supporters of sports** and are committed to raising awareness on the importance of a healthy life-style, placing a particular emphasis on the development of young athletes.

Zavarovalnica Triglav is widely recognised as a partner of **numerous national sports associations** – in hockey, volleyball, handball and kayak – and as a partner of teams and organizers of international sports events.

The traditional partnerships with the Petrol Olimpija, Krka – Telekom Novo Mesto and Domžale basketball clubs continued, as did the partnerships with the Radenska Creativ Sobota basketball club, the Celje Pivovarna Laško Handball Club and the Ajdovščina Women's Handball Club.

Zavarovalnica Triglav supports a number of clubs across a wide range of sporting disciplines: the Ilirija Ski Jumping Club, the ACH Volley Volleyball Club, the Puconci Female Volleyball Club, the Ljubljana Rowing Club, the Pomurje Beltinci Female Football Club, the Čarda Martjanci Football Club, the Šentjur Basketball Club, the Olimpija Hockey Club, and the Radovljica Swimming Club.

The Rog Cycling Club, the Kranj Cycling Club and the Cycling Club Rajd also received Triglav's support, as did the popular cycling event Marathon Franja.

Zavarovalnica Triglav sponsors the project HUDOdobra TELOvadnica (FIT-for-purpose BODY-building) implemented by the Faculty of Sports at elementary and secondary schools and focusing on the refurbishment of school gymnasias and improving the health of school children.



The Group members are faithful sports sponsors and support numerous national sports associations and clubs as well as individuals.

Some of the major sponsorships of the Triglav Group

The Triglav Group subsidiary	Sports sponsorship
Zavarovalnica Triglav	<ul style="list-style-type: none"> General sponsor of the Paralympic Committee of Slovenia
Zavarovalnica Triglav	<ul style="list-style-type: none"> Partner of the Ski Association of Slovenia Golden partner of national teams in biathlon and nordic skiing General sponsor of the final competition of the Ski Flying World Cup in Planica Over 3,300 school children, large families and people with special need were given the opportunity to see the competition live Over the past 30 years, more than 90,000 sports fans were taken to see the final in Planica
Zavarovalnica Triglav	<ul style="list-style-type: none"> Sponsor of the Ski Jumping World Cup Ladies in Ljubno pri Savinji Sponsor of world-class athletes Peter, Domen and Cene Prevc, Jakov Fak, Vesna Fabjan, Rok Marguč, Klemen Bauer, Špela Rogelj, Žan Košir, Timotej Lampe Ignjič, Ana Marija Lampič, Janez Lampič
Zavarovalnica Triglav	<ul style="list-style-type: none"> Partner of the climbing event The Rock Ljubljana Sponsor of the Adriatic Waterpolo League (since 2011)
Zavarovalnica Triglav	<ul style="list-style-type: none"> Main sponsor of the Triglav triathlon competition in Bled Sponsor of the Four Municipalities Mountain Run
Lovćen Osiguranje, Podgorica	<ul style="list-style-type: none"> Budučnost Female Handball Club Montenegro Olympic Committee Waterpolo and Swimming Federation of Montenegro
Triglav Osiguranje, Zagreb	<ul style="list-style-type: none"> Croatia Open Umag Personal sponsorship of the rower Damir Martin
Triglav Osiguruvanje, Skopje	<ul style="list-style-type: none"> Vardar Handball Club Auto racing club Stefanovski Sponsorship of the construction of the City Tree – ecological installations Basketball club MZT
Triglav Osiguranje, Sarajevo	<ul style="list-style-type: none"> Female Play Off Basketball Club Art Forum
Triglav Osiguranje, Belgrade	<ul style="list-style-type: none"> General sponsor of the Basketball Federation of Serbia and the Serbian male national basketball team Sponsor of the Regional Basketball Federation of East Serbia General sponsor of the ski school Snow Stars Team at Kopaonik Crvena Zvezda Judo Club
Triglav Osiguranje, Banja Luka	<ul style="list-style-type: none"> Vardar Handball Club Jahorina Ski and Mountaineering Association Sponsorship of the brother judoists Nemanja and Stefan Majdov

Culture

Music from all over the worlds was brought closer to its fans through the traditional cooperation with the Cankarjev Dom Cultural and Congress

Centre (season tickets for *the Music of the World*), the Ljubljana Festival, the Lent Ljubljana Festival and numerous other music festivals and events. Zavarovalnica Triglav continued its co-operation with the Ljubljana Puppet

Theatre. The Company supported the celebration marking the 150th anniversary of Slovene National Theatre Drama and co-financed the reprint of the book Plečnik's Ljubljana as part of the project Plečnik Year 2017 taking

place under the auspices of the Museum and Galleries of Ljubljana. Amongst the film activities supported by the Company were the events *Kino v planicah*, *Kinobalon*, *Kinodvorišče* and Open Air Cinema at Kongresni Square, all of which were organised by Kinodvor.

Other companies of the Triglav Group are also engaged in the field of culture. Triglav Osiguranje, Belgrade supported the International Medieval (Knight) Tournament »Despot Stefan Lazarević. The company Triglav Osiguruvanje, Skopje supported the series May Opera Nights and sponsored a concert by Vlatko Stefanovski and the Big Band Orchestra of the Slovene Armed Forces. The company Triglav Osiguranje, Sarajevo supported a concert by Jasna Gospić and an International Festival of Secondary School Theatre Groups; Triglav Osiguranje, Zagreb co-financed the largest summer cultural event in the region of Kvarner, while the company Lovćen Osiguranje from Podgorica once again supported the traditional Winter Kotor Festival as well as the international festival Bridges Bring People Together.

Education and training

Zavarovalnica Triglav is the partner of the intergenerational centre "To Triglav to Change the World" (Na Triglav spreminjat svet) in Ljubljana. There, young people introduce the world of computers and other innovations to the elderly, while they share their language skills, playing of instruments and other skills with young people.

The Company again supported the project "Staying Safe on Social Networks", which has been upgraded and is aimed at educating children, adolescents and parents on the safe use of social networks. The Company has also joined the project "I Like Life" aimed at educating young people and raising awareness with regard to the development of depressive disorders due to excessive use of social media.

Humanitarian activity

In cooperation with the cinema Kinodvor and the Centre for education, rehabilitation and training Vipava, a film was screened for the children at the Centre who were also entertained by the Watch Out Doggy mascot who traditionally visits them at the Paediatric Clinic.

The Company has also provided support to organisations providing assistance to persons with physical and mental disabilities, institutes and associations improving the quality of life of the elderly and children, research and health organisations, various mountaineering clubs, and many other institutions and associations that improve the quality of life in local communities.

Other forms of humanitarian aid of the Triglav Group

Donation recipient	Purpose of aid
Association for a better quality of life for people with Down syndrome Brežice and Trbovlje maternity hospitals	Fostering learning and exercise of children with Down syndrome In the context of the Triglav Run funds were donated for the purchase of the necessary equipment
Ultrasound Association	Support for the project "Slojenčki" aimed at the refurbishment of the Ljubljana maternity hospital
Slovenian Society for Dog Assisted Therapy <i>Tačke Pomagačke</i> (Helping Little Paws)	Promotion of reading literacy and communication skills of children with developmental disorders or after an accident
Humanitarian campaign "With love from brave hearts", Banja Luka	Solidarity fund for children requiring treatment abroad
Centre for Children and Youth With Mental or intellectual Disability, Belgrade	Purchase of teaching and educational materials
Podgorica Medical Centre, Montenegro	Reconstruction of the ear, nose and throat and maxillofacial surgery clinic of the Montenegro Medical Centre
Our dreams, their smile, Zagreb.	Support for an association assisting the poor

Everything Will Be Alright Institute

The mission of "Everything Will Be Alright" Institute is implementation of socially responsible activities with the help of external partners and employees. The Institute provides help and support to the weakest members of society and raises awareness on the importance of corporate social responsibility. The main projects of the Everything Will Be Alright Institute in 2016:

- Support to young talents

Talented young artists, athletes and future scientists and were supported through the project "Young Hopes" for the fifth consecutive year; para-athletes were also among the recipients for the first time in 2017, the tender attracted 79 applicants. The board of experts selected 13 finalists aged between 16 and 19. In cooperation with the Pro Plus media company, as much as EUR 51,000 was allocated to the development of talent and the achievement of goals; over the past five years, a total of EUR 261,000 has been awarded to 62 Young Hopes.

In order to provide long-term assistance and guidance to young talents in achieving top results, the Company organised a free seminar for all Young Hopes generations and everyone closely connected to their work. This year's meeting of alumni focused on public speaking training.

- Prevention activities of the Institute aimed at preventing loss events

The Institute is the partner of the "Alcohol-free for 40 days" campaign, in the context of which breathalyser tests were offered free of charge in Planica during the World Cup 2016; participants were invited to support the campaign with their signature.

Information on sponsorships and donations:

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
E-mail: sponzorstva@triglav.si



12.7 Environmental aspects⁹⁸

Protection of the environment in work processes

Zavarovalnica Triglav continued to raise awareness about the rational use of resources and waste management among employees. Employees receive electronic notification of earnings, resulting in annual savings of approximately 300 kg of office paper. To reduce waste plastic packaging from beverage vending machines, all employees of Zavarovalnica Triglav have their own cup and water bottle. Employees in most regional units and at the headquarters can use 21 bicycles for short-distance work-related travel.

Having purchased five additional vehicles, the Company currently has seven electrical vehicles and plans to buy nine new ones in 2018. Most new service vehicles (7 out of 10) have low CO₂ emissions, which is in compliance with the guidelines of the European Commission, setting the maximum CO₂ emission target of 95 g/km by 2020. Environmental sustainability criteria are part of the supplier selection process (see Procurement practices in [→ Section 12.3. Economic Aspects]).

All computers and multi-function devices purchased in 2017 have an Energy Star certificate for energy efficiency.

Carbon footprint calculation⁹⁹

Systematic carbon footprint measurements are performed in all insurance companies of the Triglav Group (see the table below).

Carbon footprint results in tonnes of CO₂ equivalent by Triglav Group subsidiary

Location	Carbon footprint		
	2017	2016	2015
Zavarovalnica Triglav*	7,738/4,793***	5,117	4,944
Triglav Osiguranje, Sarajevo**	151	165	174
Triglav Osiguranje, Belgrade**	743	668	471
Lovćen Osiguranje, Podgorica**	206	252	195
Triglav Osiguruvanje, Skopje**	201	179	372
Triglav Osiguranje, Zagreb**	602	709	
Triglav Osiguranje, Banja Luka**	72	71	

* The calculation includes the Company headquarters, the head offices of 12 regional units and the business premises at Dunajska 22. Data for previous years did not include the business premises at Dunajska 22 and are therefore not comparable. Data for Dunajska 22 refers to the entire building including all tenants.

** The headquarters are included in the calculation.

*** Data does not include the business premises at Dunajska 22 and is therefore not comparable with previous years.

The bulk of greenhouse gas emissions is again accounted for by emissions due to electricity consumption and heating, followed by work-related transport. The introduced information system has improved the quality and efficiency of collecting data on energy consumption, emissions and waste (see *Use of Energy Products* for further details).

The calculation was performed using the methodology based on the Greenhouse Gas Protocol. The measured greenhouse gas emissions included direct emissions from heating with natural gas and fuel oil at regional units' head offices and the Headquarters as well as emissions due to the Company's vehicle fleet, which is used exclusively for work-related travel. Indirect emissions included electricity used for cooling, lighting, heating, the operation of electrical and electronic equipment, as well as district heating emissions. Furthermore, emissions due to the use of paper and emissions due to work-related travel using employees' own vehicles or public transport (train, bus, plane) were taken into account. Commuting to/from work was not considered in the calculation.

Compared to the preceding year, electricity consumption went down by 8% in Zavarovalnica Triglav, whereas the carbon footprint from heating decreased by just over 5%.

Electricity consumption and heating by location of Zavarovalnica Triglav¹⁰⁰

Location	Electricity consumption and heating in m ²		
	2017	2016	2015
Headquarters	0.065	0.067	0.065
Dunajska 22	0.080		
Ljubljana Regional Unit	0.106	0.100	0.090
Celje Regional Unit	0.042	0.051	0.051
Koper Regional Unit	0.065	0.079	0.074
Kranj Regional Unit	0.087	0.088	0.073
Krško Regional Unit	0.030	0.029	0.029
Maribor Regional Unit	0.057	0.070	0.044
Murska Sobota Regional Unit	0.077	0.081	0.083
Nova Gorica Regional Unit	0.056	0.055	0.053
Novo mesto Regional Unit	0.077	0.074	0.081
Postojna Regional Unit	0.097	0.269	0.246
Slovenj Gradec Regional Unit	0.049	0.051	0.044
Trbovlje Regional Unit	0.085	0.074	0.080
Total	0.070	0.084	0.078

Total emissions due to exclusively work-related travel (using the Company's vehicle fleet, public transport or employees' own vehicles) accounted for 420 tonnes of CO₂ equivalent or 7% more than the year before. This increase resulted mainly from the increased volume of air travel.

Lower paper consumption helps raise environmental awareness and fosters responsible employee behaviour in the office. CO₂ emissions due to office paper consumption are very low compared to other sources.

The average use of A4 printing and copy paper per Zavarovalnica Triglav's employee a day

	2017	2016	2015
Average use of paper sheets per employee a day	26.2	29.0	27.7

Use of energy products¹⁰¹

The Company has made a voluntary commitment to reduce energy consumption by around 10% in the period 2015-2018, mainly through the implementation of various organisational and investment measures. This commitment is part of a broader effort for an efficient use of all resources since the insurance industry is not bound by energy management regulations.

Energy performance certificates have been obtained and energy audits of some of the most important buildings have been performed since 2015, which will continue also in 2017. In 2017, the heating and cooling system at the Celje regional unit was refurbished and a heating furnace was replaced at the Slovenj Gradec regional unit. Since 2013, small investments have regularly been made to improve the energy efficiency of the most critical buildings. Similar future improvements are planned.

Use of energy products in Zavarovalnica Triglav in 2015-2017

Energy product type	Use of energy product by year			Index	
	2017	2016	2015	2017/2016	2016/2015
Warm water (MWh)*	5,935	3,080	2,900	193	106
Fuel oil (l)**	0	7,498	16,550	0	45
Gas (m ³)	92,936	145,048	144,697	64	100
Electricity (MWh)***	8,593	5,475	5,092	157	108

* The calculation includes the Company headquarters, the head offices of 12 regional units and the business premises at Dunajska 22. Data for Dunajska 22 refers to the entire building including all tenants.

** The only system where measures for improving energy performance are still required is the fuel oil heating system of the building in Postojna. Other heating systems have already been upgraded to heat pumps.

*** If only the data for the Company headquarters and the 12 regional units' head offices are taken into account, electricity consumption is 5,031 MWh (index 92).

In the reporting period, 51,888 gigajoules (GJ) of electricity were used for heating, cooling, lighting and the operation of electrical and electronic equipment (assuming that 10 kWh of electricity are generated from one litre of fuel oil and 9.5 kWh from a m³ of natural gas).

Zavarovalnica Triglav does not yet keep records of its energy consumption by energy source, but estimates its structure to be comparable to the structure of energy sources at the national level. The largest energy source in Slovenia are solid fuels (60%), followed by nuclear energy (35%) and renewable energy sources (5%) (latest available data from 2016).¹⁰²

Waste disposal policy¹⁰³

Paper, packaging and mixed municipal waste are collected separately in all regional units and most representative offices.

The quantity of waste in Zavarovalnica Triglav¹⁰⁴

Waste type	Zavarovalnica Triglav (in m ³)			Index	
	2017	2016	2015	2017/2016	2016/2015
Mixed waste	740*/666	743	856	100	87
Packaging	841*/784	492	448	171	110
Paper	580*/306	442	475	131	93
Glass	3*				
Biological waste	38*				
Total	2,202/1,756	1,677	1,779	131	94

* The calculation for the reporting year includes the Company headquarters, the head offices of 12 regional units and the business premises at Dunajska 22. Data for previous years did not include the business premises at Dunajska 22 and are therefore not comparable. Data for Dunajska 22 refers to the entire building including all tenants.

In the reporting year, the amount of disposed disused IT equipment including disused mobile phones (2,559 kg) was almost 50% lower than in the previous year. Toners and ink cartridges are disposed of separately. In the reporting year, 895 kg of empty cartridges were given to charity.

8th season of the Slovenia-wide campaign "Let's Clean the Mountains"¹⁰⁵

- Biodegradable rubbish bags were provided to more than 78 cottages and mountain stations.
- The Company was involved in the event »Slovenian Mountain Trail in a Day«; in collaboration with hikers, a 600 km section of the trail leading from Maribor to Ankaran was cleared of rubbish.
- In 2017, more than a tonne of waste was removed from the mountains.
- In the eighth season, the number of campaign ambassadors participating in the community of clean mountain lovers in social media exceeded 36,000.
- The campaign "Let's Clean the Mountains" provides financial support for the development of the programme SarOS aimed at helping mountain rescue services shorten the time required to locate injured persons and deliver them to professional medical care. Members of the mountain rescue service carried out demonstrations of their work at campaign events.
- 5 Slovene mountain huts were equipped with "Let's Clean the Mountains" bookshelves featuring books on mountains.
- Over the past three seasons, 67 suggestions for family hikes have been published on the interactive website www.ocistimogore.si.
- The Company encouraged education on safety in the mountains and hiking etiquette with online quizzes »Safety in the Mountains in Winter« and »How Devout a Hiker are You?« which were taken by over 2,300 hikers; First online quiz: Are you a true guardian of the mountains?
- More than 29 tons of waste removed from the mountains over 8 years.



Having purchased five additional vehicles, the Company currently has seven electrical vehicles and plans to buy nine new ones in 2018.



12.8 Key guidelines of Corporate Social Responsibility for 2018



Triglav run

Guideline	Effect
Corporate government	<ul style="list-style-type: none"> Provision of high-quality information of the financial public on the operations, financial position and plans of the Group Pro-active cooperation with analysts, institutional investors and shareholders
Fair business practices	<ul style="list-style-type: none"> Declaration on Fair Business Proactive internal communication and employee training in compliance and corporate ethics Active participation in compliance and fair dealing external working groups and ensuring the exchange of good practices Further development of ethical business practice of the Group subsidiaries An example of good practice in insurance fraud investigation and prevention in the Triglav Group Encouraging employees to identify insurance fraud cases and participate in the relevant training
Recruitment and work practices	<ul style="list-style-type: none"> Improvement of selection procedures Effective onboarding of new hires into the work and culture Unification of activities in relation to the development of employees of the Triglav Group Employee mobility Staff competency development Revision of the organisational culture Employee training Establishing a healthy and safe environment for the employees Active management of psychosocial risks among employees Intergenerational cooperation – coexistence of generations: activities and training
Human rights	<ul style="list-style-type: none"> Protection of employees' dignity with zero tolerance for discrimination, harassment or mobbing at the workplace
Responsibility to clients and suppliers	<ul style="list-style-type: none"> Preparation of a wide range of quality content and stories, focusing on the relevant areas of the insurance industry in terms of raising literacy and providing useful tips Services accessible to people with disabilities
Engagement in the community and its development	<ul style="list-style-type: none"> Traffic safety prevention programmes Employee volunteering The Triglav Generations in Planica drive Triglav Run Children of Triglav Preventive action
Reduction of environmental impacts	<ul style="list-style-type: none"> Waste management Let's Clean the Mountains and Hills Reduction of greenhouse gas emissions