

12. Sustainable Development in the Triglav Group



- Organisational vitality was again improved in both the Triglav Group and the parent company.
- In the Group, 23% more hours were allocated to the acquisition of new knowledge, including the most recent digital technologies.
- Injuries at work were rare; in 2018 their number decreased by another 43%.
- The new requirements of the GRI GS for occupational health and safety were included in the reporting.
- As much as 14% more funds were allocated to prevention activities. Good results of investments in smart traffic signs in Slovenia were recorded.
- The “Vse bo v redu” Institute (Everything Will Be Alright Institute) was a partner of the “Alcohol-Free for 40 Days” campaign.
- The number of safe drivers who took out an insurance policy with the DRAJV discount increased.
- Claim reporting was simplified by providing a new mobile channel, where an agent or an appraiser is able to report a claim using a mobile phone with a client's authorisation.
- The set goals and activities for 2018 were fully achieved.

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

Implementation of strategic guidelines by 2022 is also measured by indicators that show progress in the sustainability aspects of the Group's business. With an even stronger client-centric focus, the importance of clients as outlined in the 2017–2020 strategy has been maintained. The reputation of the Triglav Group is understood as building quality relationships with key stakeholders, while business performance reflects the positive trends of the key indicators of the Group's sustainable development.

The Group's active role in the development and implementation of responsible business practices will continue in the future. The Group participates in the long-term sustainable development of the insurance and financial industry, particularly by pursuing responsible and comprehensive management of financial and non-financial risks and the management of its shareholders' and clients' assets, as promoted by the respective United Nations and Global Reporting Initiative guidelines. The scope of material topics and disclosures according to the GRI GS standard is shown in the table below and obtained through a stakeholder analysis and a materiality analysis (2017). The achievement of global sustainable development goals (SDGs) of the United Nations is presented in the footnotes.

Material topics of sustainable development of the Triglav Group and Zavarovalnica Triglav:²⁶

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 ■ Relationships between the employees and the management ■ Occupational health and safety ■ Employee training ■ Diversity and equal opportunities ■ Labour practices 	<ul style="list-style-type: none"> ■ Local communities ■ Non-discrimination ■ Grievance mechanisms on human rights policies or procedures ■ Supplier assessment by grievance mechanisms 	<ul style="list-style-type: none"> ■ Marketing and labelling ■ Product and service portfolio ■ User privacy ■ Socioeconomic compliance area
Environment	<ul style="list-style-type: none"> ■ Energy 	<ul style="list-style-type: none"> ■ Wastewater and waste 	<ul style="list-style-type: none"> ■ Supplier environmental assessment

²⁶GRI GS 102-47

Commitments to external initiatives²⁷ and membership of associations²⁸

The Group complies with professional standards, the Insurance Code of the Slovenian Insurance Association and professional codes in individual markets. Taking into account the recommendations of the Slovene Consumers' Association, the aim is to improve financial literacy, both in insurance and asset management. The Group's participation in projects and its contribution to initiatives for ethical conduct and environmentally, socially and economically sustainable business are voluntary. It is active in the commissions and committees of the Slovenian Insurance Association, the European Institute of Compliance and Ethics (EICE) and the Corporate Ethics and Transparency Committee of the American Chamber of Commerce in Slovenia. The Company is a member of the Business Integrity and Transparency Forum of Transparency International Slovenia.

The Group members and their employees are members of industry and other economic associations in individual countries, including the Slovenian Insurance Association, the Chamber of Commerce and Industry of Slovenia, the Slovenian Directors' Association, the Slovenian Investment Fund Association (ZDU – GIZ), the Ethos anti-corruption working group operating within the UN-GC Slovenia, DPO Club of the Institute for Privacy and Access to Information, Transparency International Slovenia and the Network for Social Responsibility of Slovenia (MDOS). Furthermore, the Company is a member of several industry and professional associations for business compliance, both local and international.

Triglav received many awards for investment in traffic safety.



Awards and prizes of Zavarovalnica Triglav in 2018

- **TOP 10 Training and Education Management:** For the tenth consecutive year, Zavarovalnica Triglav ranked among the companies in Slovenia that systematically invest the most in knowledge, education and training of their employees.
- **Trusted Brand 2018:** Zavarovalnica Triglav was recognised as the most trusted insurer in Slovenia for the twelfth time.
- **Slovene Advertising Festival (SOF):** Two Grand Prix Awards for the Triglav Rekord mobile application (innovative solutions and digital communication).
- **Marketing excellence** of the Slovenian Marketing Association: A finalist in the category "Large companies, the majority of business in B2C".
- **Award for socially responsible entrepreneurial practices:** The main prize for partnerships, innovations and changes in 2018 for the "Together for Better Road Safety in Slovenia" project, awarded by the Network for Social Responsibility of Slovenia.
- **PMO Symposium 2018:** A PMO of the Year Award finalist at the largest international conference for project management, PMO Symposium (awarded by the Project Management Institute).
- **Gold Quill** (awarded by the International Association of Business Communicators – IABC): The Award of Excellence in the category "Publications" for the special issue of *Obzornik* magazine: *Depression – Let's talk!* and in the category "Digital Communications" for the web portal "Vse bo v redu" (Everything will be alright).
- **Content Marketing Awards:** Two awards for the special issue of *Obzornik* magazine: *Depression – Let's talk!* for Best Special Topic Issue and Best Cover – Print (awarded by the Content Marketing Institute).
- **FEIEA Grand Prix 2018:** Two Grand Prix Awards for internal communication: *Obzornik* International for Best Multi-Language Publication and Best Photograph Internal Channel (awarded by FEIEA, European Association of Internal Communication).
- **POMP Forum 2018:** Two POMP Awards for achievements in content marketing in the categories "Best Video" and "Best Content Campaign".
- **ARC Award:** The Annual Report of the Triglav Group for 2017 was awarded the Gold Award for Non-Traditional Annual Report, the Silver Award for Interactive Annual Report, and awards in the categories "Design/Graphics" and "Photography/Video".
- **Best Annual Report:** The main award of *Finance* newspaper in cooperation with the Finance Academy for risk management and corporate governance and sustainable development, as well as an award for the best annual report among all Slovene companies.
- **IADA Awards:** The Gold Award for the Annual Report of the Triglav Group in the category "Printed version – non-traditional format".
- **SoMo Borac 2018:** The Triglav Dravj application was a finalist in the category "SoMo App".
- **WEBSI 2018:** The 2nd a place in the category "Digital Tools" for *Travel Tetris* and the category "Innovative Digital Projects" for *Firefighters rescue a trapped Cene Prevc from a vehicle* and the 3rd place for the Triglav Lab centre. An award of the expert jury for the in-depth story *Fire! What Now?*

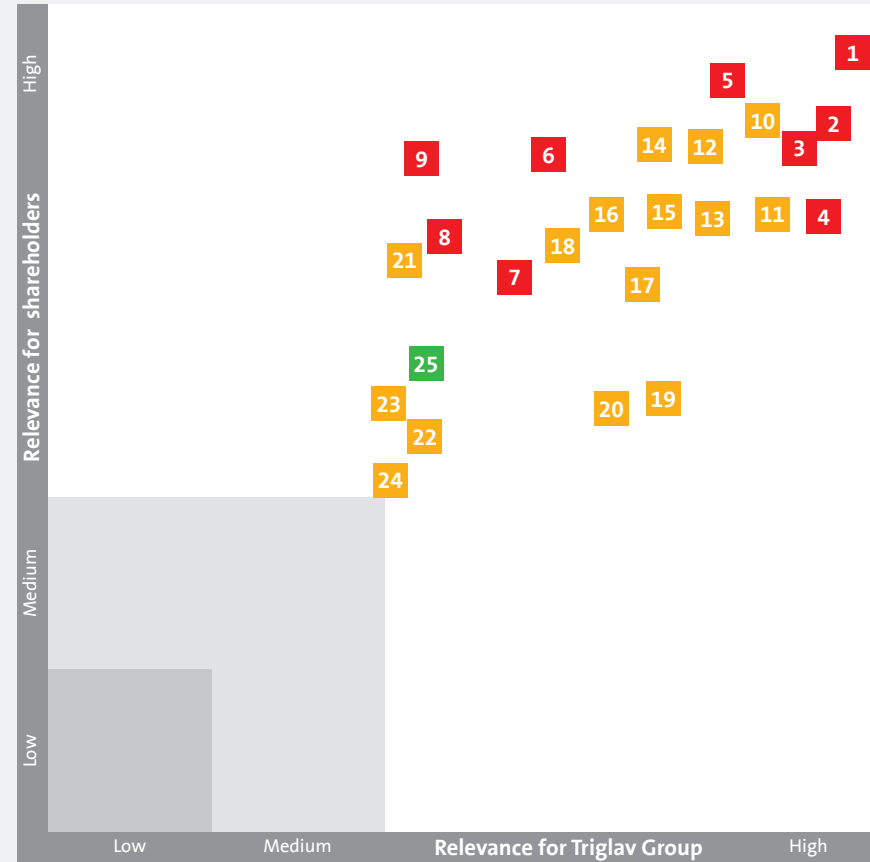
²⁷ GRI GS 102-12 | ²⁸ GRI GS 102-13

12.2 Key stakeholders²⁹

The Company 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 their inclusion.



Relevance of content for shareholders and the Triglav Group



Economic impacts

- Capital adequacy
- Business strategy and plans
- Efficient risk management system
- Profitability
- Fast payment of damages
- Long-term cooperation with suppliers
- The remuneration system
- Reliability of payments
- Favourable premium

Social impacts

- Safety of customers
- Reliability and trust in the Company
- In-depth information on the operations
- Traffic and fire safety
- Information about changes in the Company
- Education and training
- Relationships among employees
- Access for people with disabilities
- Friendly approach to clients
- Responsible and sustainable operations
- Financial literacy
- Cooperation with local communities
- Innovative products and services
- Infrastructure investments
- Health prevention

Environmental impacts

- Responsible use of natural resources

²⁹ GRI GS 102- 40, 102-42, 102-43, 102-44

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 returns 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

12.3 Economic aspects³⁰

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

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 Triglav Group** includes net claims incurred and other insurance expenses, expenses from financial assets, other expenses, operating expenses, dividend payments, tax expenses, community investments, and employee salaries, allowances and benefits.

In 2018 it reached EUR 38.3 million (2017: EUR 26.2 million). Its structure by value and share is presented in [→ Section 2. in the table Other economic, social and environmental impacts of the Triglav Group's operations].

The Group holds the leading position among insurance/financial groups in the Adria region. Its **market position** in individual markets is presented in [→ Section 2.6.2 Insurance] and [→ Section 7.4 Operation of the Triglav Group in the Adria Region (South-East Europe)].

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

- through the results of invitations to tender and invitations to participate in investments in prevention, sponsorships and donorships;
- based on the needs identified in local environments by the Group's subsidiaries and business units;
- through direct contact with local communities;
- based on performance analyses, especially risk and claims experience, published data of specialised organisations and institutions;
- with market research and public opinion surveys.

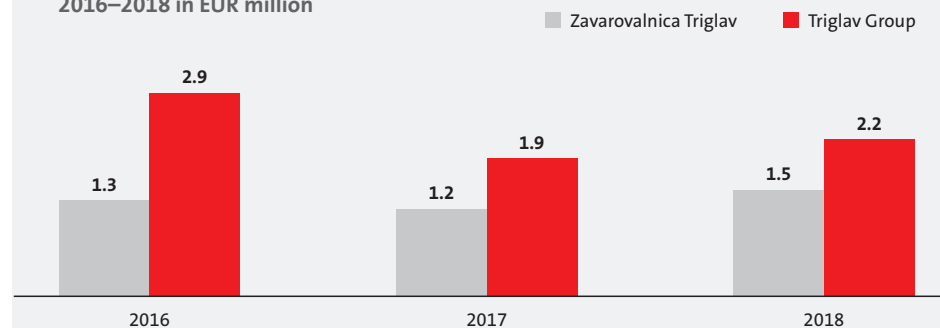
Investments in prevention³¹

Investing in prevention programmes not only reduces risks but also enables the insurance industry to have an important economic and social impact; these programmes are also prescribed by law. The Group's investments in prevention increased in 2018; see [→ Section 12.4 Social aspects] for more details.

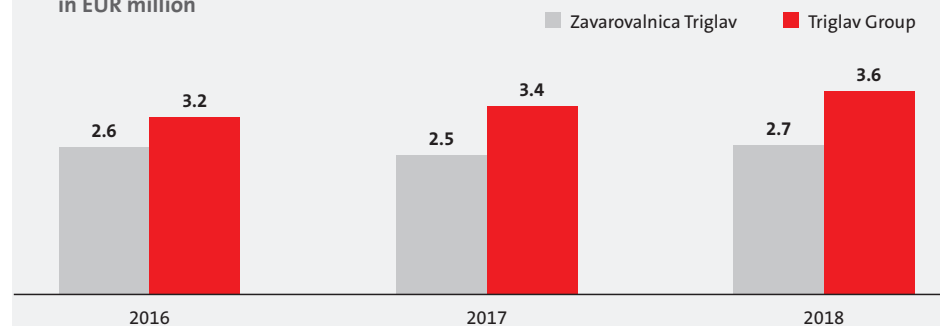
Sponsorships and donations³²

Donations are mostly made for medical purposes. In 2018, the funds for donations and sponsorships increased.

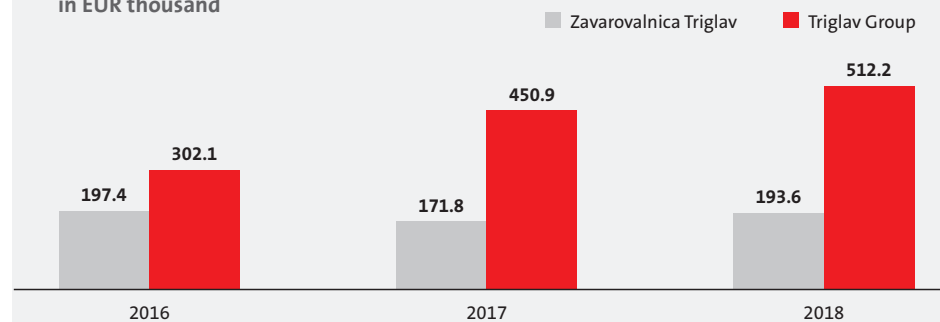
Funds allocated to prevention activities of the Triglav Group and Zavarovalnica Triglav in 2016–2018 in EUR million



Amounts for sponsorships of the Triglav Group and Zavarovalnica Triglav in 2016–2018 in EUR million



Amounts for donations of the Triglav Group and Zavarovalnica Triglav in 2016–2018 in EUR thousand



³⁰ GRI GS 103-1, 103-2, 103-3 | ³¹ GRI GS 201-1 | ³² GRI GS 201-1



Infrastructure investments

For the seventh consecutive year, new playgrounds were arranged and set up in local communities. From the beginning of the **Children of Triglav** campaign, over twenty playgrounds were opened for families with children, adolescents and others, providing them with quality leisure time. The last acquisition was the forest playground near the cottage in Lom pod Storžičem.

The playground near the cottage in Lom pod Storžičem.

Procurement practices³³

The procurement process in the parent company was upgraded, while focusing on its further digitalisation so as to increase transparency, competitiveness and quality of data on procurement results and suppliers. The redesigned IT support will be implemented in 2019. Good practices are being transferred to the Group members. Several major joint procurements in IT were carried out and a revised minimum standard was adopted for the procurement process in the Group.

Calls for proposals and tendering are mostly carried out electronically via the procurement portal, ensuring adequate traceability. The **supplier selection criteria** depend on the type of procurement. The obligatory criteria are **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.).

In 2018, extensive supplier assessments were performed. Suppliers were assessed in terms of deliveries performed; however, all suppliers, including potential, were assessed in terms of compliance requirements. Furthermore, the criteria of quality, corporate social responsibility, efficiency of cooperation and the achievement of synergies and price competitiveness were developed. Strengthening supplier relationships and using objective criteria to assess the effects 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.

Locally-oriented procurement³⁴

Due to the relatively small size of Slovenia, the Slovene market is considered a local market. The aim is to cooperate with as many local suppliers as possible. This, however, is not justified when it increases the number of intermediaries and quality risk as well as reduces the competitive position. 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.

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

Protection of competition

The Group respects the protected interests of its competitors and acts in accordance with good business practices in its day-to-day operations, product development and marketing.³⁵

The Triglav Group denounces any arrangements with competitors, which could lead to restrictive practices, and ensures that no marketing purposes or preferences are revealed to them. Any information on competitors is gathered solely in compliance with the law. Furthermore, no banned advertising approaches are used when presenting the Company's services or products. As the company holding the leading position, the Company takes great care not to abuse its power in individual markets. Zavarovalnica Triglav was not informed of any legal actions filed against the Company or any Group member before the Slovenian Competition Protection Agency for violating the competition protection laws.³⁶

Remuneration of insurance agencies and their sales staff

The business results of contractual partners are regularly monitored and measures are taken for enhancing cooperation and improving sales. Before signing an agreement with a new contractual partner, the standardised selection procedure is performed.

As at the 2018 year-end, the Company cooperated with 457 contractual partners registered as insurance agents (roadworthiness test providers, car dealers, leasing companies, banks, travel agencies, life and non-life insurance agencies). Most agreements are concluded with non-exclusive agencies.³⁷ Non-life insurance agencies are classified based on the following criteria: exclusivity, written premium, size of the area of operation, and the insurance product range. The Company is implementing the system of awarding a bonus upon fulfilling annual plan targets and holds training and motivational events. In the case of agencies selling life insurance products, the commission rate depends on exclusivity, portfolio trend and client loyalty index. It is divided into an initial and portfolio commission and is based on premium paid.

In foreign markets of the Group, the Group cooperates with over 850 contractual partners (agencies, roadworthiness test providers, leasing companies, car dealers and banks). In awarding a bonus, linear bonus schemes are used which, pursuant to the local legislation, may be upgraded with bonus commissions depending on the amount of insurance sold, financial discipline and loss ratio. Premium rates are universal (regardless of whether an insurance policy is new or renewed), whereas exclusive partnerships are additionally rewarded with benefits.

Subsidies and state aid³⁸

In 2018, the Company received subsidies from the Eco Fund for the purchase of electric cars in the amount of EUR 39,161.07. 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.

Other Group members did not receive any public funds in 2018.

³³GRI GS 102-9, 103-1, 103-2, 103-3 | ³⁴GRI GS 103-1, 103-2, 103-3, GS 204-1 | ³⁵GRI GS 103-1 | ³⁶GRI GS 206-1 | ³⁷GRI GS 102-10 | ³⁸GRI GS 201-4

12.4 Social aspects

12.4.1 Responsibility to employees³⁹

The human resource management policy of the Triglav Group is focused on redefining and unifying the organisational culture, as described below. The set business objectives are pursued with highly qualified, skilled, experienced and motivated employees. Thus, new hires are carefully selected among the best workers available on the labour market. Moreover, employees are provided with opportunities for personal growth, development and career advancement. The Company values new knowledge and digital talents, promotes innovation and multicultural awareness and encourages transfer of experience and knowledge through intergenerational cooperation.

Strategic human resource management guidelines and the recruitment policy

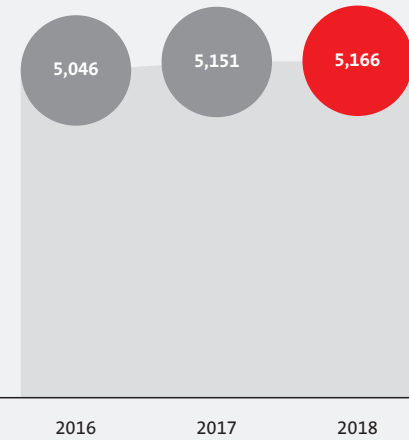
- A uniform organisational culture of openness and cooperation is being built. The Triglav Group Strategy is implemented through the corporate values, rules, established processes and procedures, behaviour and working methods of employees.
- An emphasis is on building a good employer reputation. The goal is to recruit, develop and retain the best staff by improving processes and mobility of employees between the parent company and the subsidiaries, in addition to setting up a mentoring system and promoting diversity and intergenerational cooperation. In recruitment, both traditional and alternative methods are employed (job posting on web portals, cooperation with higher education institutions, scholarships, internal programmes, etc.). A special challenge is to obtain workers with inter-functional, analytical and technical skills.
- In 2018, posts were re-evaluated and annual interviews were upgraded using a competency model (in the context of reorganisation and new post classification). Employee development monitoring was added to the role of a leader.
- In training intended for the development of all employee groups, a special emphasis is placed on key promising staff. In addition to continuing training in digital technologies and sales skills, training and coaching of leaders are ongoing activities.
- The new human resource information system in Zavarovalnica Triglav facilitates improvements and simplifications of many processes. After making the necessary adjustments, it will be implemented in the Group members, thereby improving mutual cooperation.

12.4.1.1 Recruitment and employee structure⁴⁰

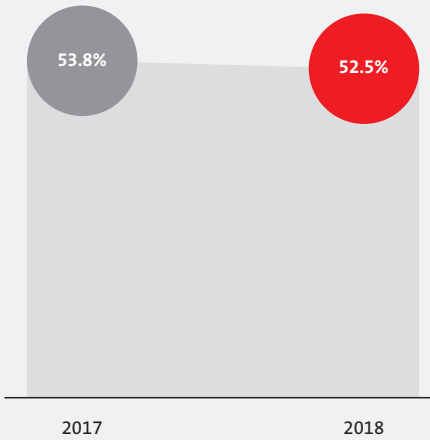
As at 31 December 2018, the Triglav Group had 5,166 employees, 15 employees more compared with the year before, mainly as a result of new hires in Triglav Savetovanje, Belgrade.

³⁹ GRI GS 103-1, 103-2, 103-3 | ⁴⁰ GRI GS 102-7, 102-8

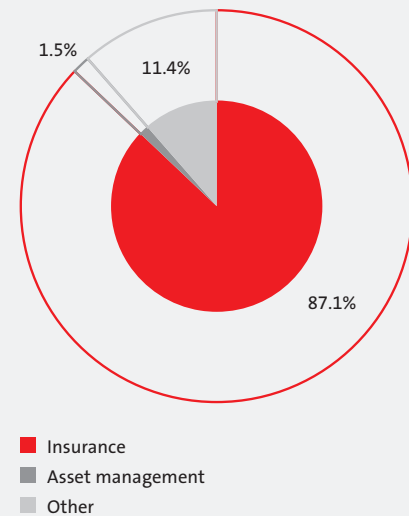
Number of employees in the Triglav Group



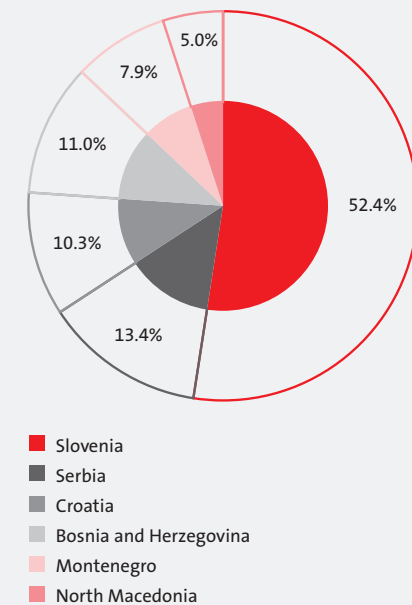
The share of employees in the Triglav Group with at least Bologna level VI education



Employees by activity in the Triglav Group



Employees by market in the Triglav Group



Employees in the Triglav Group and Zavarovalnica Triglav by employment type (full-time, part-time) as at 31 December 2018⁴¹

Type of employment	2018		2017	
	Number	Percentage	Number	Percentage
Triglav Group				
Part-time	295	5.7	309	6.0
Full-time	4,871	94.3	4,842	94.0
Total	5,166	100.0	5,151	100.0
Zavarovalnica Triglav				
Part-time	91	4.0	91	4.0
Full-time	2,199	96.0	2,194	96.0
Total	2,290	100.0	2,285	100.0
Type of employment agreement	Number	Percentage	Number	Percentage
Triglav Group				
Fixed-term	655	12.7	703	13.6
Permanent	4,511	87.3	4,448	86.4
Total	5,166	100.0	5,151	100.0
Zavarovalnica Triglav				
Fixed-term	35	1.5	47	2.1
Permanent	2,255	98.5	2,238	97.9
Total	2,290	100.0	2,285	100.0

The **employee turnover rate**⁴² in the Group was 10.8% (2017: 10.2%) and much lower in the parent company at 3.0% (2017: 4.9%). Most leavers were aged between 26 and 40 years and above 56 years due to retirement. The majority of new hires were aged between 26 and 35 years.

The **average age** of employees in the Group slightly rose to 43.96 years (2017: 43.61 years). The average age of employees in the parent company was 45.61 years (2017: 44.99 years). The average age of Zavarovalnica Triglav's Management Board members was 45.8 years.⁴³ In Slovenia, senior management is hired from the local community,⁴⁴ as is the majority of senior management in foreign markets.

In terms of gender, **the share of women** among employees increased by 1.0 percentage point. In all employee categories, locations and activities, **the basic salary of men and women** is equal.⁴⁵ **The share of women in senior management** was 13.6% (2017: 13.3%) and 40.2% in middle management (2017: 38.8%). The share of women among the members of the Management Board of Zavarovalnica Triglav was 40%.⁴⁶

Employees in the Triglav Group and Zavarovalnica Triglav by age and gender as at 31 December 2018⁴⁷

Age group	Triglav Group				Zavarovalnica Triglav			
	2018		2017		2018		2017	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
From 18 to 19	5	0.1	0	0.0	0	0.0	0	0.0
From 20 to 25	116	2.2	119	2.3	17	0.7	26	1.1
From 26 to 30	397	7.7	412	8.0	121	5.3	126	5.5
From 31 to 35	645	12.5	664	12.9	224	9.8	219	9.6
From 36 to 40	780	15.1	807	15.7	297	13.0	335	14.7
From 41 to 45	905	17.5	923	17.9	422	18.4	434	19.0
From 46 to 50	829	16.0	833	16.2	434	19.0	453	19.8
From 51 to 55	749	14.5	735	14.3	434	19.0	415	18.2
56 and over	740	14.3	658	12.8	341	14.9	277	12.1
Total	5,166	100.0	5,151	100.0	2,290	100.0	2,285	100.0
Gender	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Men	2,470	47.8	2,512	48.8	1,128	49.3	1,159	50.7
Women	2,696	52.2	2,639	51.2	1,162	50.7	1,126	49.3
Total	5,166	100.0	5,151	100.0	2,290	100.0	2,285	100.0

The share of employees under the collective agreement in the Group was 91.4% (2017: 91.7%) and 93.1% in the Company (2017: 93.5%). The remaining 8.6% were employees with individual agreements (443 employees).⁴⁸ Benefits are the same for all employees, be it permanent full-time employees, fixed-term employees or part-time employees.⁴⁹

12.4.2 Staff training and development

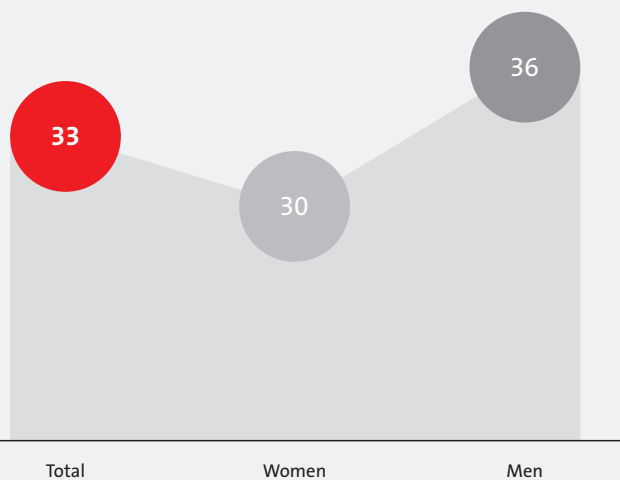
Training⁵⁰

Most training courses are carried out in-house so they can be better tailored to the Company's needs. The share of employees included in the **in-house training** stood at **94%** (63% classic, 31% online training).

In the parent company, the most training courses were related to the insurance industry, sales skills and business communication. New training programmes on new digital technologies were developed. A team of in-house coaches was trained to support supervisors in the introduction of a new mentality aimed at establishing a new leadership culture (Strengths Based Leadership). All supervisors of the parent company as well as those of two subsidiaries participated in the coaching. The system will be extended to other companies of the Triglav Group. All supervisors were also trained on how to conduct annual interviews. New insurance agents are offered a preparatory course to help them obtain the licence for insurance intermediation; more experienced agents can attend the Sales Academy which was also held in Triglav Svetovanje. Promising staff members of the Triglav Group participated in the third group of the Triglav International Business Academy (TIBA).

Zavarovalnica Triglav and Triglav INT organised **16 international expert symposia** for employees. Pozavarovalnica Triglav prepared a training course on receivables insurance aimed at employees of the entire Group, while Triglav Svetovanje conducted a specialised sales training course and introduced coaching for working with consultants. Triglav INT and insurance companies outside Slovenia trained supervisors for the introduction of the new strengths based leadership. Triglav Osiguranje Belgrade also introduced training for sales staff.

The average number of functional training hours in Zavarovalnica Triglav in 2018 by gender⁵²



Specialised topics related to the insurance business and sales skills prevailed among the online training courses at the level of the Triglav Group. Other courses focused on preparation for obtaining licences, health and safety at work, data security, protection of personal data and the prevention of money laundering and terrorist financing.⁵¹

Employees of the Group are encouraged to obtain further **formal education**. Full or partial funding of work study was provided to 155 employees, 13 young employees

completed traineeship under the in-house mentoring programme. Scholarships were provided to 18 high school and university students, while mandatory work practice/internship was offered to 36 high school and university students. Cooperation with university faculties continued and the Company presented its activities to high school and university students on several occasions.

The Triglav Group increased the **volume of functional training** in the Group by 19% (measured in hours). Training was spread quite evenly across all age groups; more training was offered to younger, particularly recently employed staff. **Higher total training costs** were the result of higher costs of in-house training and indirect training costs. Training costs at Group level amounted to EUR 1,684,203 at the Group level (index 124), a similar level was recorded by Zavarovalnica Triglav with costs totalling EUR 1,143,986 (index 123), indirect and direct costs included.

Management by objectives and competence⁵³

Management by objectives is used to monitor staff and their performance, provide them with feed-back and motivate them. Annual interviews with employees allow them to set their objectives for the current business year in cooperation with their superiors. These objectives are then monitored at quarterly interviews. Employees are rewarded for the achievement of their set objectives. Due to the nature of their work, sales staff in the parent company and subsidiaries are subject to other forms of remuneration.

At the end of 2018, the parent company upgraded the annual interviews with employees by including targeted development planning for employees and an in-house competence model that reflects the business strategy and the desired organisational culture. This model will serve as the basis for establishing a competence profile and fostering the development of employees.

As much as 70% of all employees are included in the management-by-objective system. The system is also being introduced in various forms to other companies (Pozavarovalnica Triglav Re, Skupna pokojninska družba, Triglav Svetovanje, Triglav Avtoservis, Triglav, Upravljanje nepremičnin and Triglav, Zdravstvena zavarovalnica). In 2018, the management-by-objective system was tested in the Group's insurance companies outside Slovenia and in Triglav INT and will be fully implemented in 2019.

Competences and the development potential of employees in several companies of the Group are also assessed using the DNLA (Discovery of Natural Latent Abilities) tool. It is also used in recruitment in Zavarovalnica Triglav, Pozavarovalnica Triglav Re and Triglav Osiguranje, Belgrade and for the development of leadership skills in the parent company, Pozavarovalnica Triglav Re, Triglav, Zdravstvena zavarovalnica and in insurance companies outside Slovenia.

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). In the Triglav Group, fit and proper assessment is conducted in line with national legislation and the adopted internal acts for members of Management Boards, Supervisory Boards and among persons holding key functions. The assessment is carried out in all insurance companies. In 2018, a fit and proper assessment of all persons listed above was conducted on the basis of fundamental rules, criteria and assessment processes.

12.4.2.1 Organisational climate (vitality) and organisational culture⁵⁴

In 2018, 3,651 or 83.1% of employees in 15 companies participated in the measurement of organisational vitality and engagement. The responsiveness was 2% higher than in the year before (2017: 80.94%). The aggregate ORVI index is composed of the indices *work environment, systems, operational management, personal view and engagement*.

The organisational vitality of the Triglav Group has been improving from year to year. The Group's aggregate ORVI index for 2018 equals 3.87, which is 0.12 points more than last year. An improvement of all major indices has been recorded.

With over 52%, the share of highly engaged employees is growing, while the share of less engaged employees is in decline (12%). Employees of the Triglav Group perceive their working environment

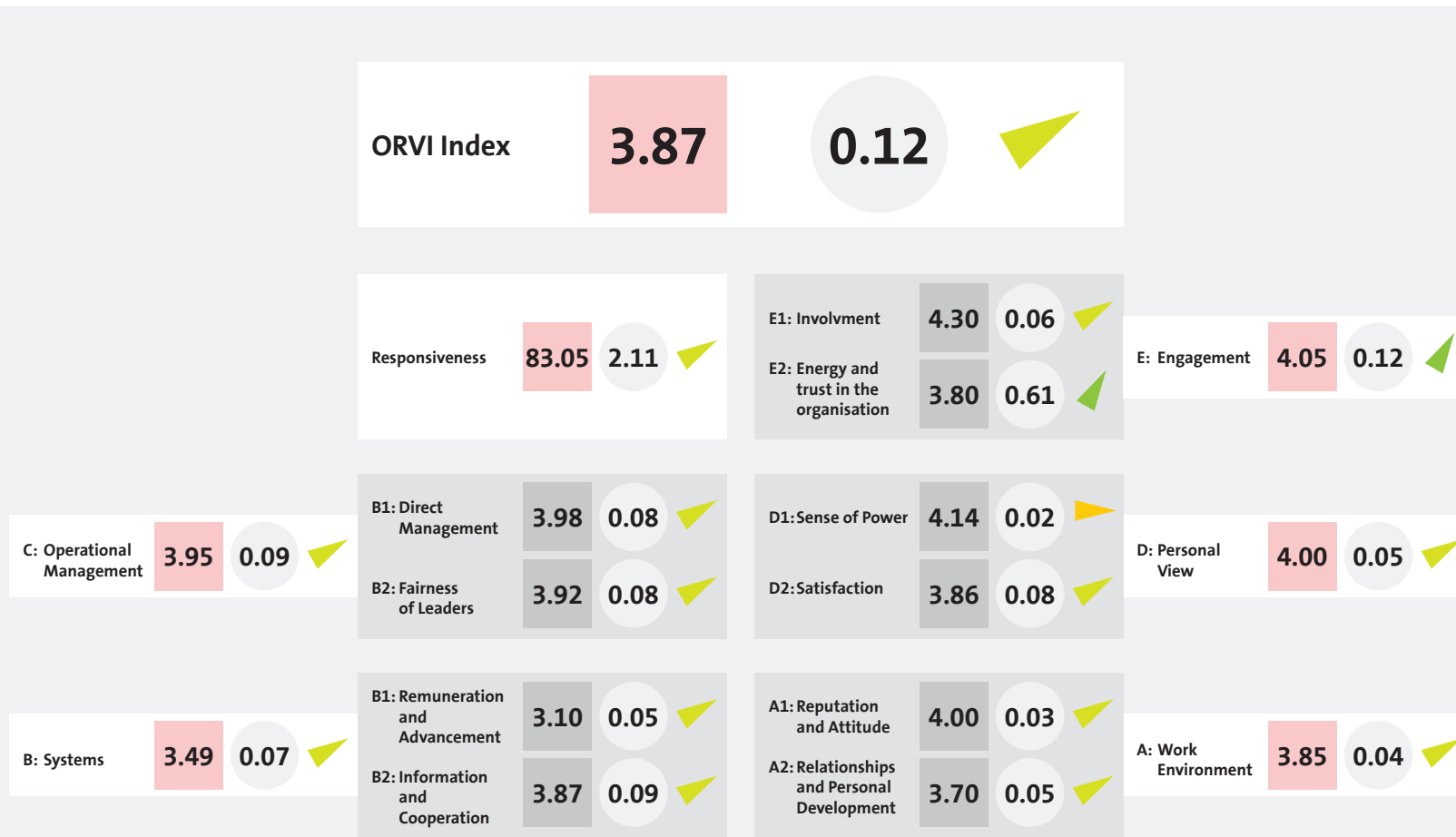
as positive; they are quite satisfied with the regular employment, working time, their co-workers and direct supervisors. Improvement is seen in the category of the Remuneration and Advancement as well.

The ORVI index of the **parent company** is higher than that of the Group and stands at 3.94. Other indicators have also improved.

The results of the survey serve as the basis for adjustments and improvements of the organisational culture of the Triglav Group and the long-term organisational vitality of Zavarovalnica Triglav. Key measures in this respect include the establishment of a leadership culture and the systematic development of supervisors throughout the entire Group. The introduction of a leadership culture (through management by objectives, coaching and other measures) has a significant impact on

the development, satisfaction and engagement of employees. Some companies have also introduced specific measures focusing on the systematic development of leadership skills and an overhaul of management by objectives and remuneration.

To support the development of a leadership culture, the Group has adopted a set of Triglav Group Leadership Standards that will complement the existing Minimum Standards in this field. The Policy on the implementation of in-house training in the Triglav Group was upgraded to ensure a more efficient introduction of new values. The continuous transfer of insurance and other expertise among the companies of the Group remains the key goal of such training.



⁵⁴ GRI GS 102-43, 102-44

The events such as “Where Do You Work” significantly improve the employees’ well-being.

12.4.3 Safety and health at work⁵⁵

Zavarovalnica Triglav has a comprehensive approach to ensuring safe and healthy working conditions and strives to identify, reduce and manage any risks arising from work tasks and the working environment. This approach is **transferred to subsidiaries** through the introduction of minimum standards for occupational health and safety. Local laws are also taken into account.

Safety and health at work is organised in line with the legislation and guided by the goal of smooth providing for a healthy working environment for employees. Three suitably qualified employees are in charge of safety and health at work.⁵⁶

The Safety Statement and Risk Assessment include an assessment of **all workplaces** in terms of the identified and described potential hazards and harmful effects on the health of employees and the foreseen mitigation measures. In this process, the Group conducts regular assessment audits and takes additional measures. Employees are also directly included in the programme. The risk assessment of potential health hazards is conducted in cooperation with occupational physicians which is crucial for efficient risk management. Based on the results of the risk assessment, employees are medically examined in regular intervals, whereas any new employees undergo the statutory medical examination.⁵⁷

Great emphasis is placed on **prevention** and the timely elimination of any hazards. Employees have the possibility of reporting any hazards or work accidents. The parent company investigates the reported incidents and adopts necessary measures.⁵⁸

Better health and safety at work is also encouraged among customers through insurance products. Any company wishing to conclude a collective accident insurance (employer), for example, can only do so if it fulfils the requirements relating to the occupational health and safety of its employees.⁵⁹

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 (training and exams are obligatory). In addition, all communication channels are used for raising awareness. The obligatory e-material was upgraded by adding a new section “Healthy Workplaces for All Ages”, prepared by the European Agency for Safety and Health at Work (EU-OSHA).

In addition to complying with statutory requirements and ensuring a safe and healthy working environment for employees, the Company also provides training and preventive medical examinations for its employees. In cooperation with internal and external experts, Zavarovalnica Triglav performs:

- the “**Protecting Health**” programme that promotes health (emphasis on mental health),
- the “**Triglav.smo**” programme (practical workshops in regional units); and
- the measures of the full “Family-Friendly Enterprise” certificate.



workplace is of even greater importance. All employees receive advice on regular physical activity, sitting properly, healthy eating, efficient relaxation, coping with stress and breaking unhealthy habits (smoking, drinking alcohol, consumption of psychoactive substances). Employees’ families are also invited to attend workshops and events.

Certain parts of the “Triglav.smo” and “Greeting the Seasons” programmes have already been extended to other companies. The transfer of other events promoting the wellbeing of employees (such as “Bring your children to work” days) to other companies will continue.

A psychological and social support programme with a holistic approach to employees experiencing all types of distress is provided for by the parent company on a systematic basis.

The Company also **encourages** better health and safety at work **among its clients** through insurance products. Any company wishing to conclude a collective accident insurance (employer), for example, can only do so if it fulfils the requirements relating to the occupational health and safety of its employees.

Support to employees in the event of workplace violence⁶⁰

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

Fire safety

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

Fire safety efforts include the implementation of preventive measures, monitoring of on-site fire safety in accordance with the applicable statutory requirements, regular training and education of employees and continuous improvement of fire safety at all business locations. A plan (instruction) on emergency response and actions in the case of emergency and other adverse events was drafted for all employees. In the case of an emergency or an adverse 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 agreement⁶¹

Safe working conditions 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. Employees are provided with the necessary work equipment and personal protective equipment. Periodical medical examinations are carried out in line with the timeline and scope foreseen for individual categories of workplaces.

Injuries at work⁶²

The number of injuries at work was low in both the Triglav Group and the parent company.

Injuries at work in the Triglav Group and Zavarovalnica Triglav in 2017 and 2018

	2018		2017		Index 2018/2017
	Number	Percentage	Number	Percentage	
Triglav Group					
At work	8	57.1	14	82.4	57
On business trips	6	42.9	3	17.6	200
Total	14	100.0	17	100.0	82
Zavarovalnica Triglav					
At work	3	37.5	2	50.0	150
On business trips	5	62.5	2	50.0	250
Total	8	100.0	4	100.0	200

As a result of the lower number of injuries at work, the number of lost work days has decreased in the Triglav Group, whilst it was slightly higher in the parent company.

Lost work days due to injuries at work in the Triglav Group and Zavarovalnica Triglav in 2017 and 2018

	2018	2017	Index
Lost work days due to injuries at work			
Triglav Group	529	1,012	52
Zavarovalnica Triglav	106	83	128

Every accident at work which renders an employee unfit for work for more than three working days, dangerous occurrence and established occupational disease must be reported to the Labour Inspectorate of the Republic of Slovenia. In 2018, the Group did not record any dangerous occurrences and occupational diseases.⁶³

Absenteeism⁶⁴

The absenteeism rate in the Triglav Group increased by 0.25 percentage point to 4.73%. The share of absenteeism for which sickness benefits are borne by the employer increased by 0.36 percentage point (medical leave up to 30 days), whilst lost work days for which benefits are borne by other organisations decreased by 0.11 percentage point (medical leave longer than 30 days, sick-nursing, accompanying a sick person). In the parent company, the absenteeism rate slightly increased and stood at 4.91% (in 2017: 4.77%). As a result, the share of lost work days to be reimbursed by the Health Insurance Institute of Slovenia (ZZZS) increased by 0.11 percentage point.

In 2018, the parent company conducted an analysis of sick leave over the past three years in order to prepare measures for reducing absenteeism to a rate below the national average in cooperation with external experts.

12.4.4 Care for employee satisfaction⁶⁵

"Family-Friendly Enterprise" certificate

Zavarovalnica Triglav is planning for the long-term preservation of cognitive skills and promotion of both physical and mental health of its employees. The "Triglav.smo" programme and the topical issue of ageing and the workplace were already discussed under the section "Safety and health at work". In addition to innovation, intergenerational cooperation and health promotion, the programme includes measures relating to the "Family-Friendly Enterprise" certificate aimed at facilitating the reconciliation of work and private life of employees.

Zavarovalnica Triglav has been the holder of the full »Family-Friendly Enterprise« certificate since 2016. The Company wishes to make sure that the benefits of this certificate are also visible in the framework of the strategic project of the improved organisational culture. Children who have lost one of their parents receive an annuity or a scholarship. The children of employees have been given the opportunity to participate in a summer holiday camp for the third consecutive year. The "care fund of work hours" has been welcomed by employees who have family members suffering from serious illness. Employees can also take extraordinary leave to accompany their loved ones for doctor's appointments.



⁶¹ GRI GS 403-4 | ⁶² GRI GS 403-2, 403-9 | ⁶³ GRI GS 403-10 | ⁶⁴ GRI GS 403-9 | ⁶⁵ GRI GS 103-1, 103-2, 103-3

Additional benefits for employees:⁶⁶

- the employer makes payments towards supplemental pension insurance for 52% of the employees of the Triglav Group, for 96% of the employees of the parent company;
- group accident insurance premiums are paid for all employees;
- favourable insurance terms are available for additional accident insurance to employees and their family members;
- additional accident insurance is provided for all business trips;
- after one year of employment in the parent company, all employees may opt for supplemental voluntary pension insurance and voluntary pension insurance;
- 49% of all employees of the Triglav Group and 81% of the parent company took out the collective insurance package Celostna zdravstvena oskrba (comprehensive medical care).

Other benefits are listed in the previous sections. Triglav Group companies operating outside Slovenia also provide benefits to their employees in the form of discounts on medical examinations, the payment of accident insurance premium, discounts on other types of insurance and, in certain companies, the payment of voluntary health insurance premium.

Parental leave or part-time work in the Triglav Group and Zavarovalnica Triglav in 2018⁶⁷

Triglav Group	Women	Men	Total
Maternity leave, child care leave	138	3	141
Father's leave of 20 days	0	143	143
Father's leave of 75 days (up to the child's age of three years)	0	5	5
Option to work part-time	39	4	43

Zavarovalnica Triglav	Women	Men	Total
Maternity leave, child care leave	55	3	58
Father's leave of 20 days	0	70	70
Father's leave of 75 days (up to the child's age of three years)	0	3	3
Option to work part-time	27	1	28

The number of employees who returned to work after parental leave stood at 95% (both genders).

Return to work and retention rate after using parental leave in the Triglav Group and Zavarovalnica Triglav in 2018⁶⁸

Triglav Group	Women	Men	Total
The number of employees who returned to work after parental leave	131	3	134
The number of employees who returned to work after parental leave (by gender) and who stayed employed in the Company after 12 months	129	3	132
Return rate after parental leave	95%	100%	95%
Retention rate after parental leave	98%	100%	99%

Zavarovalnica Triglav	Women	Men	Total
The number of employees who returned to work after parental leave	55	3	58
The number of employees who returned to work after parental leave (by gender) and who stayed employed in the Company after 12 months	55	3	58
Return rate after parental leave	100%	100%	100%
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. Employees who were parents of first graders can take 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.

Relationships among employees and management, trade union activities⁶⁹

Two representative trade unions and a Works Council are active in Zavarovalnica Triglav. The Company concluded a special agreement and cooperates well with both of them. Before adoption, any act regulating the rights and obligations of workers is submitted to the trade unions to give their opinion. The Agreement on worker participation in the management of Zavarovalnica Triglav specifies the implementation of workers' rights under the Worker Participation in Management Act and regulates other rights and processes for the participation of employees in the management of the Company. The Agreement foresees both the individual and collective participation of workers in management. Employees hence have the right to:

- submit initiatives and receive a reply;
- submit opinions and proposals regarding all issues pertaining to the organisation of the individual employee's workplace and work process and receive a reply to their submissions;
- receive timely information on any changes relating to their field of work;
- request an explanation regarding salaries or other issues relating to the employment relationship from the employer or an employee authorised by the employer.

Provisions on the collective participation of workers in management stipulate that the employer is required to provide written information to the Works Council on plans and work programmes as well as reports on the Company's performance, draft company acts, regulation of working time and any changes and amendments to company acts pertaining to employment relationships, salaries and social standard. The employer must report to the Works Council on the performance and economic position of the Company, its development goals and the general economic situation in the sector at least once a year.

⁶⁶ GRI GS 401-2, 201-3 | ⁶⁷ GRI GS 401-3 | ⁶⁸ GRI GS 401-3 | ⁶⁹ GRI GS 103-1, 103-2, 103-3, GS 402-1, SDG 8.8

The Company informs the Works Council of any changes in the Company's operations at least 10 days prior to adopting such a decision. In addition to providing information, the Agreement also foresees a consultation with the Works Council regarding specific issues (e.g. issues relating to the legal form of the Company or HR management) and the co-decision of the Works Council in specific cases (e.g. decisions on the criteria for using annual leave and other absences from work).

Respecting the workers' rights and human rights of employees⁷⁰

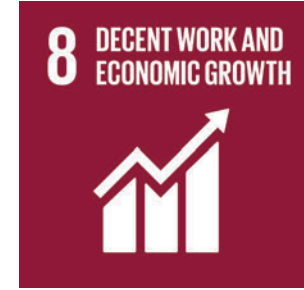
Zavarovalnica Triglav considers respect for the dignity and integrity of employees at all levels to be an integral part of a safe working environment. The formal basis for respectful relationships is the Triglav Group Code which regulates the prevention of discrimination, harassment and mobbing at the workplace. In the implementation of this Code, individual companies must also comply with the local legislation. In Zavarovalnica Triglav, discrimination and unwelcome behaviour are regulated by the Rules on the Protection of Dignity at Work. A confidant is also appointed based on these Rules and with the consent of the Works Council. Triglav INT and insurance companies outside

Slovenia have internal regulations specifying the handling and reporting on cases of violations of the Triglav Group Code as part of their compliance function. The key to a comprehensive resolution of conflicts or misunderstandings lies in identifying the problem and addressing it in its earliest stage with the cooperation of a wide circle of experts and competent leaders.

In 2018, no incidents were reported by employees of the Triglav Group that would prove to constitute a case of discrimination, harassment or mobbing at the workplace.⁷¹

Promoting innovation and improvements

As part of the system Idea IN aimed at fostering creativity and collecting good ideas and proposals for improvements, 26 ideas were submitted by employees of which 13 were recognized as good and rewarded. The ideas will be implemented gradually where possible. Some other companies of



the Group also have in place systems for collecting and discussing good ideas. These companies received 24 good ideas, of which 7 were implemented.

Care for employees outside working hours

Over 40% of employees of the parent company were members of the Mountaineering Association and the Sports Association. Employees from other subsidiaries in Slovenia are also members. The popular 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.

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⁷⁰ GRI GS 103-1, 103-2, 103-3 | ⁷¹ GRI GS 406-1

12.5 Responsibility toward clients⁷²

An important element of the Triglav Group Strategy is the focus on the client. Modern technologies provide for new ways of reaching clients and give clients the possibility to choose the type of communication that is best suited for them. Since the Company strives for long-term client relationships, it monitors clients' needs and makes every effort to resolve any disagreements smoothly. The transparency, comprehensibility and accessibility of products and services are of key importance and are therefore included in the very design. Much attention is also devoted to the quality of after-sales services. For more details, see [→ Section 11. Development and sales activities].

Marketing and labelling⁷³

The Company makes an effort to ensure that customers concluding an insurance contract or any other financial transaction receive a clear explanation of their rights, obligations and various risks and that they are provided with the necessary material. The Company's aim is to provide for simple and transparent processes and comprehensible content available via omnichannels. No misleading, aggressive, insulting, shocking or other inappropriate sales practices are used in promotional activities and the marketing of products and services. The Company also follows the recommendations of the Slovene Consumers' Association for improving financial literacy. See also [→ Section 11.6 Brand management and marketing communications].

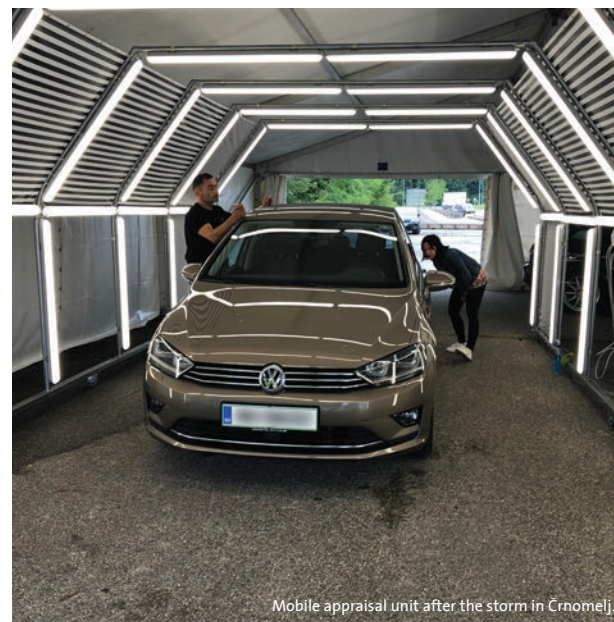
Any complaints are resolved quickly within the prescribed time periods. The Triglav Group fully complies with the consumer legislation and the special requirements with regard to client information when concluding distant contracts for financial services, including insurance contracts. In 2018, the Company implemented the Insurance Distribution Directive (IDD) and the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs). For more information, see [→ Section 11.8 Adjustment to regulatory changes].

Product and service accessibility and portfolio⁷⁴

The client-centric strategy is supported by new technologies that provide greater accessibility and simplicity of services, constant interaction, new forms of partnerships and the upgrading of products into services. See [→ Section 11. Development and sales activities for more details].

- **Telematics to promote safe driving:** The DRAJV mobile application is regularly used by 42,000 drivers per month. The number of safe drivers who took out an insurance policy with the DRAJV discount increased.
- **Safe driving simulator in Triglav Lab:** Young drivers have the opportunity to take a driving skills test on the simulator, thereby receiving a 50% discount on the young driver surcharge on car insurance.
- **Application for mobile claim reporting and ordering assistance services:** The mobile application Triglav Asistenca enables clients to report a claim, monitor the progress of claim settlement and order assistance services.

- **Expanded electronic and mobile claim reporting:** The new mobile channel Pooblaščenec ZT was developed. In the Mobilni zastopnik and Mobilna cenilka mobile applications, a claim can be reported by an authorised person of the Company (agent, appraiser) on behalf of the client.
- **Mobile appraisal units in the event of mass claims:** Mobile appraisal units are set up in the affected areas, thereby facilitating the appraisal of damage.



Mobile appraisal unit after the storm in Črnomelj.

- **Simplified settlement of low-value claims:** The settlement of low-value claims reported online was simplified.
- **Web platform for prevention advice and insurance literacy:** The web platform Vse bo v redu (Everything Will Be Alright) provides advice and explains the basic insurance concepts and principles. In addition, Naložbenik magazine is published with the aim of raising awareness about the importance of life insurance in relation to ensuring financial security.

- **Weather alert mobile application:** The free Triglav Vreme application, in cooperation with the Slovenian Environment Agency, provides reliable weather information and forecasts for a particular location and the whole Slovenia. See [→ Section 12.6.1 Investments in prevention] for more details about prevention activities.
- **Accessibility in client communication:** The wide range of communication channels and tools is presented in [→ Section 11. Development and sales activities]. In addition to those, clients can receive information on non-life and life insurance products by calling the toll-free number 080 555 555. The assistance and general information centre is available 24/7 at the special phone number 080 2864 (for calls from abroad: +386 2222 2864). The web office, which is available as an Android and iOS smartphone application, provides easier access to insurance products to computer literate movement-impaired policyholders.⁷⁵



⁷²GRI GS 103-1, 103-2, 103-3 | ⁷³GRI GS 103-1, 103-2, 103-3, GS 417-1, 417-2 | ⁷⁴GRI G4-FS7, G4-FS8 | ⁷⁵GRI G4-FS14, SDG 1.4

Insurance products and services designed to promote environmental responsibility

- The awareness about the importance of **prevention and risk management in agricultural production** and the need to protect domestic food production is being raised:
 - promotion of insurance co-financed by municipalities at the level of local communities,
 - promotion of cooperatives by concluding insurance via cooperatives (especially with regard to hop 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 and test anti-frost candles against spring frost (for orchards and vineyards).⁷⁶
- For **appraising damage** to crops caused by storms **using drones**, training was held and appropriate equipment was purchased.
- In agricultural insurance, damage appraisal in the field is performed **electronically**.
- Remote sensing technology with satellite-based soil moisture measurement was added to the upgraded crop insurance against the risk of drought, which will be transferred to subsidiaries outside Slovenia.
- When taking out crop insurance, an interactive link is established with the state register of agricultural land so as to ensure a simple, fast, correct and transparent process of issuing an insurance policy.
- **The range of authorised veterinary clinics for small animals** with which the Company cooperates is growing with the aim of improving the quality of insurance and healthcare services.
- 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 and small and medium-sized livestock farms to maintain agricultural production in less favoured areas (limiting agricultural factors).⁷⁷



- 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 Slovenia's agricultural policy.⁷⁸

Due to environmental risks, long-term and short-term financial security of agricultural producers is increased by:

- **actively participating in the project team for upgrading the financial risk management system** in agriculture, forestry and beekeeping due to natural disasters for the 2020–2027 period, which was established by the Ministry of Agriculture, Forestry and Food;
- **taking out agricultural insurance with the premium co-financed by the Government.** 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 directly seeks the payment of the remaining portion of the premium co-financed by the Government.



Access to insurance services for people with various disabilities

Zavarovalnica Triglav: to improve the services provided to persons with disabilities and ensure their full integration⁷⁹

- 65% of the Company's points of sale provide an independent access to people with different types of disabilities.
- 100% of the points of sale are equipped with aids for partially sighted persons.
- 100% of the regional units' head offices are fitted with FM devices for hard-of-hearing persons.
- The website complies with the requirements of the AA standard WCAG 2.0 for visually impaired persons.
- Promoting awareness about the needs of persons with disabilities: in cooperation with the Sports Federation for the Disabled of Slovenia and the Vozim Institute, through the volunteer work of employees at school sports days.
- Zavarovalnica Triglav has been the general sponsor of the Paralympic Committee of Slovenia.



⁷⁶ 65% of the Company's points of sale provide an independent access to people with different types of disabilities.

⁷⁷ GRI G4-FS8, SDG 2.3 | ⁷⁸ GRI G4-FS8 | ⁷⁹ GRI G4-FS7, SDG 9.3 | ⁷⁹ GRI G4-FS14

Fair business practices⁸⁰

In 2018 in Zavarovalnica Triglav, no major non-compliance issues were identified with regard to the infringement of the **Triglav Group Code**, which defines the principles of fair and ethical conduct and internal fraud management. In the reporting period, eight suspected cases of infringement of the Code were investigated in the Group subsidiaries outside Slovenia. In five cases, it was found that the suspicion of infringement was justified and appropriate measures were taken against the infringer.⁸¹

The Code applies to all insurance and financial subsidiaries of the Group. Its content and principles are constantly communicated and included in training (including ethical conduct and compliance, transparency, prevention of corrupt practices, conflict of interest management, fraud management, money laundering and terrorist financing prevention, consumer protection and fair business practices). The Code also serves as the basis for the system for direct reporting of non-compliance, which is regulated by a special internal document for dealing with internal fraud and infringements of the Code. These rules were transferred to the Group members through compliance standards.

The external supervisory bodies did not find any significant non-compliance in Zavarovalnica Triglav. They imposed EUR 1,000 in fines and two reprimands. The relevant business processes were adjusted in accordance with their findings. In other Group members, in 20 separate inspection procedures, three fines were imposed in the total amount of EUR 13,590 and three reprimands, while one fine of EUR 10,094 had not yet become final.⁸²

Insurance fraud management⁸³

Systematic training and awareness raising activities are carried out for all employees so as to effectively identify insurance fraud [*→ see Section 12.4.2 Staff training and development*], particularly with respect to taking out insurance and claim settlement. The internal control system is improved based on confirmed suspicions of fraud. In the fight against fraud, the Company actively collaborates with other insurers and competent state authorities.

Advanced computer solutions help to manage and prevent insurance fraud by expanding the identification of suspicious claim reports, while the established indicators help to quickly identify suspicions of fraud. As a result, investigations are simpler and faster.

In 2018, insurance fraud was confirmed in 450 cases out of 828 reported cases of suspected fraud. The share of confirmed cases of fraud was 2% higher than in 2017.⁸⁴

Anti-corruption measures and personal data protection⁸⁵

In accordance with the Declaration of Fair Business, the Slovene Corporate Integrity Guidelines and the Rules on Agreement Management, the anti-corruption clause as an obligatory contractual provision is included in legal relationships with contractual partners of Zavarovalnica Triglav and insurance and financial subsidiaries of the Group. The parent company has implemented the Anti-Corruption Policy since 2017. In 2018, the same standard of conduct was established in other insurance and financial companies of the Group.

The Company is one of the first and more active members of the Business Integrity and Transparency Forum of Transparency International Slovenia, as well as its strategic partner. In 2018, there were no reported suspicions of corruption in the Group.

With regard to personal data protection, the Company and its subsidiaries, which are bound by the European legislation, continued to implement the requirements 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 (General Data Protection Regulation – GDPR). Thus, internal regulations and processes were updated and employee training was intensified.⁸⁶

The Company received and dealt with three requests from clients regarding their right of information in accordance with the Personal Data Protection Act (ZVOP-1). Since the GDPR has become effective, i.e. 25 May 2018, the Company received and handled 80 requests from natural persons, including objections against the Company’s direct marketing activities. In addition, 12 events were handled which could constitute a personal data breach (data confidentiality, integrity and accessibility) under Article 33 of the GDPR, but in none of the cases examined it was established that there had been a risk to the rights and freedoms of natural persons. The Information Commissioner initiated three inspection procedures against the Company and in one case issued a reprimand without a fine. In other Group members, the competent personal data protection authorities carried out five inspection procedures, and in two cases issued a reprimand due to minor non-compliance.⁸⁷

Monetary value of all contributions to political parties⁸⁸

The corruption risk management policy in the Triglav Group prohibits the financing of political parties and other political activities that are not carried out in any of its members. 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.

Client satisfaction⁸⁹

By analysing client experiences and obtaining feedback, the Company is able to improve both its services and client satisfaction, which is systematically monitored and measured. In order to further increase client satisfaction, employees undergo additional training, claim handling applications are upgraded and insurance sale is monitored.

The client relationship management system and client satisfaction and loyalty measurement system (Net Promoter Score – NPS) provide quick indicators, the profiles of policyholders and potential clients, and user experience. In 2018, client satisfaction was measured with the NPS index in Zavarovalnica Triglav and Triglav Osiguruvanje, Skopje, while in the coming years it will be measured in all insurance subsidiaries outside of Slovenia. See [*→ Section 11.1 Comprehensive client relationships*] for more detail.

The goal of the *Zavarovalniški monitor* survey (Insurance Monitor, an international survey conducted since 2000) and systematic complaint management and resolving is to check client satisfaction

⁸⁰ GRI GS 103-1, 103-2, 103-3, 102-16 | ⁸¹ GRI GS 205-1 | ⁸² GRI GS 419-1 | ⁸³ GRI GS 205-1, GS 205-3 | ⁸⁴ GRI GS 419-1, GS 205-3 | ⁸⁵ GRI GS 103-1, 103-2, 103-3 | ⁸⁶ GRI GS 412-2 | ⁸⁷ GRI GS 419-1, GS 418-1 | ⁸⁸ GRI GS 415-1 | ⁸⁹ GRI GS 103-1, 103-2, 103-3, GS 102-44

and knowledge. The survey results were approximately the same in 2018 as the year before. Zavarovalnica Triglav is still the most recognisable insurer, its top of mind recall increased to 43% and the share of respondents who would choose Zavarovalnica Triglav to take out new insurance rose to 48%. The best results were achieved in image statements, while the most important factor in taking out new insurance is speedy and high quality payment of claims and benefits.

Client feedback is also obtained through an anonymous survey when reporting a claim, direct information from agents in the field, direct and electronic client complaints, as well as from responses on social networks and websites.

Twice a year, the Management Board discusses a report on the satisfaction of outsourcers and measures for improvement.

Complaints and compliments are regularly monitored, resolved and analysed. In the reporting year, 2,659 complaints were received or 4% more compared to the previous year, most of which were related to non-life insurance, whereas only 9% referred to life insurance and less than 1% to other segments. Complaints are classified into substantive and general complaints and complaints resolved through a fast-track procedure. Substantive complains in which clients express their dissatisfaction with the handling of their claims are the most common (92%). In the reporting year, 9.9% of total resolved complaints were founded and 3.8% were partly founded. Apart from that, 62 compliments were received (2017: 31).

In the Macedonian insurance company, an omnibus survey under the CAPI method is conducted twice a year, while for the needs of health insurance, a survey using the CATI method is under preparation. In Triglav Osiguranje, Zagreb, Lovćen Osiguranje and Triglav Osiguranje, Belgrade, the measurement of client satisfaction is defined by the ISO procedure for service quality assurance. In 2018 in Lovćen Osiguranje, a research of the market and its needs was carried out.

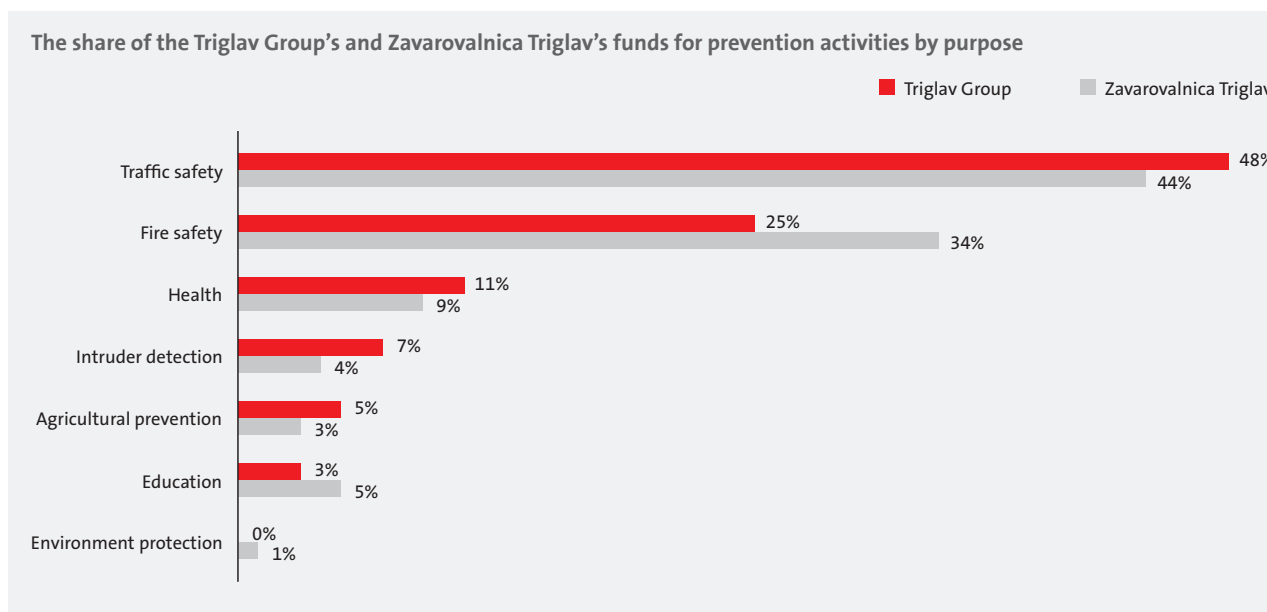
A book of complaints and compliments is available at all points of sale. In the Group members outside of Slovenia, complaints are handled by a complaint committee based on the applicable rules, while complaint records are kept in a prescribed form, mostly in electronic form.

12.6 Responsibility to the community

The Triglav Group is closely involved in the environment in which it operates through various prevention activities, partnerships with local communities and the volunteer work of its employees.

12.6.1 Investments in prevention⁹⁰

Investments in prevention are described together with sponsorships and donations under Indirect economic impacts. The bulk of funds was again allocated to improving traffic safety and reducing the risks of fire.



⁹⁰ GRI GS 103-1, 103-2, 103-3



Prevention projects⁹¹

Policyholders are actively financially encouraged to improve fire safety, i.e. to maintain and improve anti-fire systems as well as to purchase fire alarms and home security systems. Investments are made in the maintenance and purchase of equipment for volunteer fire services.

The Company supported Heavy Rescue Slovenia, the largest training of fire-fighters for rescue operations in major road accidents in the region. In order to familiarise drivers and other stakeholders with rescuing a person who has been involved in a motor vehicle collision, two 360-degree videos were shot and published (from a driver's and a fire-fighter's point of view).

High profile and comprehensive prevention projects of the Triglav Group in 2018⁹²

Segment: Road and rail traffic safety	Impact
Project Calming Traffic Together, partner company Sipronika, Slovenia	<ul style="list-style-type: none"> 44 speed display signs in local communities, at high-risk road sections and in the vicinity of schools and kindergartens (3 years). Reduction of speed by 5–7.5% and improved traffic safety. A survey was conducted to explore additional options of making driving safer (with additional means of communication). Cooperation with local communities, police officers, athletes, kindergartens and schools.
Project COPS@rail, partner company COPS system, Slovenia	<ul style="list-style-type: none"> 12 light signalling systems for preventing collisions on unprotected railway level crossings. Cooperation with local communities and ambassadors to raise public awareness.
Training of fire-fighters and other rescue workers in traffic accidents, partners AMZS and Vizija Institute, Slovenia	<ul style="list-style-type: none"> Traffic accident rescue training – Heavy Rescue. Training on a technologically advanced simulator was provided for over 300 fire-fighters.
Interactive workshops for secondary school students “I Still Drive But I No Longer Walk”, partner Vozim Institute, Slovenia	<ul style="list-style-type: none"> 169 workshops where 12,500 secondary school students listened to personal stories of traffic accident victims (lecturers) and became acquainted with the DRAJV application (the number of workshops increased by 13% compared with the previous year).
Activities for the safety of preschool children and first grader in road traffic, partner Slovenian Traffic Safety Agency, Slovenia	<ul style="list-style-type: none"> Road traffic accident prevention workshops in kindergartens. 23,000 first graders equipped with yellow neckerchiefs. Road Safety mascot Kuža Pazi (Watch Out Doggy) in over 50 elementary schools.
Neurophysiological and cognitive profiling of drivers' abilities, partner Faculty of Electrical Engineering, University of Ljubljana, Slovenia	<ul style="list-style-type: none"> Testing of abilities using the safe driving simulator in Triglav Lab for young drivers, professional drivers, agents and others who want to improve their driving skills. Continued neurophysiological and cognitive profiling of abilities on the simulator.
International programme “Safety Tunes” for road safety, partner AMZS, Slovenia	<ul style="list-style-type: none"> 5,000 secondary school students from 5 secondary schools participating in the road safety programme.
Educational charity event “Motorcyclists for Motorcyclists” partner AMZS, Safe Driving Centre Vransko, Slovenia	<ul style="list-style-type: none"> 190 motorcyclists attended workshops on prevention.
Safe driving training, partner Šmarje pri Jelšah Community Health Centre, Slovenia	<ul style="list-style-type: none"> Safe driving training in a critical situation for ambulance drivers.
Upgrade of the DRAJV safe driving application, Slovenia	<ul style="list-style-type: none"> The DRAJV safe driving applications has 42,000 regular monthly users, who have so far driven 195 million kilometres.
Segment: Safety in mountains	Impact
First aid, Slovenia	<ul style="list-style-type: none"> Purchase of first aid kits for the project “Men of Heart” of the Slovenian Alpine Museum.
Safer hiking trails, Slovenia	<ul style="list-style-type: none"> Co-financing of the renovation of the mountain trail for safer hiking of mountaineers to Okrešelj. Co-financing of the trailblazer course.
Segment: Health prevention	Impact
Assistance in the event of a sudden cardiac arrest, Slovenia	<ul style="list-style-type: none"> Co-financing of the purchase of 19 defibrillators in local communities, two of which were for assistance in mountain huts. Training of fire-fighters.
First aid, Slovenia	<ul style="list-style-type: none"> Co-financing of the purchase of a rescue vehicle for Tržič Community Health Centre. Co-financing of the purchase of protective equipment for Nova Gorica Dog Rescue Association.
Prevention and early detection of diseases, Slovenia	<ul style="list-style-type: none"> Prevention lectures and consults with specialists in Triglav Lab (e.g. breast cancer). Co-financing of the purchase of protective equipment for Nova Gorica Dog Rescue Association.
Preventive programme for recreational athletes, financing, Serbia	<ul style="list-style-type: none"> Improved awareness of recreational athletes about the risks of injury of basketball players.
Segment: Safety in sports activities	Impact
	<ul style="list-style-type: none"> Purchase of ski helmets for the students of the elementary school Videm pri Ptuj. Purchase of protective pads for the Kope Ski Resort.

⁹¹ GRI GS 103-1, GS 203-1, 413-1 | ⁹² SDG 3.6

In the framework of the New Year's prevention campaign "For a Better Tomorrow", Zavarovalnica Triglav supported another 30 prevention projects in local communities. Funds were provided to fire-fighters, health care, municipalities and local communities to improve traffic safety, safety in the mountains and ski resorts and to purchase rescue dog equipment. More than 130 prevention projects were supported over five years.



In 2018, support was provided for the installation of 12 light signalling systems for preventing collisions on unprotected railway level crossings.

Corporate volunteering of Zavarovalnica Triglav's employees

Initiative	Employee volunteering
Cleaning of the Triglav glacier	<ul style="list-style-type: none"> Participation of employees in cleaning the remaining glacier and the surroundings of the Kredarica mountain hut.
Cooperation with the Sports Federation for the Disabled of Slovenia – the Paralympic Committee	<ul style="list-style-type: none"> Participation in the organisation of the Paralympic Winter Sports Days in elementary schools across Slovenia.
Ana's Star and Trbovlje Association of Friends of Youth	<ul style="list-style-type: none"> Collection of food for socially disadvantaged people.



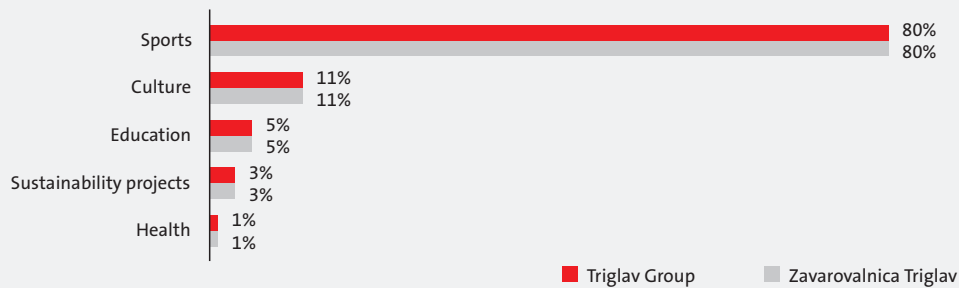
Our colleagues during the cleaning of the Triglav glacier.

12.6.2 Sponsorships and donations⁹³

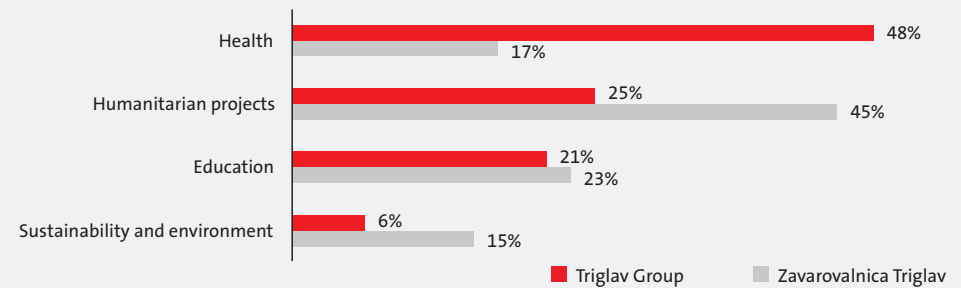
This section describes the causes supported by sponsorships and donations of Zavarovalnica Triglav and the key projects of the Group, while their value is presented in [→ Section 12.3 Economic aspects].

As many as 1,595 applications for partnerships in the form of sponsorships and donations were collected through the website www.triglav.eu, of which 41% were approved. Attention was paid that the selection and effectiveness of sponsorships comply with the Company's values and brand identity.

Sponsorships of the Triglav Group and Zavarovalnica Triglav in 2018 by content



Donations of the Triglav Group and Zavarovalnica Triglav in 2018 by content



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Major sponsorships and donations

Sports sponsorships and the development of young athletes as well as raising awareness about the importance of a healthy lifestyle are in the forefront. Zavarovalnica Triglav is recognised as a partner of national sports associations (alpine skiing, hockey, volleyball, handball and kayak) and as a partner of organisers of international sports events and numerous sports clubs in Slovenia.

Triglav Osiguranje, Belgrade is the general sponsor of the Basketball Federation of Serbia and the Serbian male national basketball team.



⁹³GRI GS 103-1, GS 203-1

In over 30 years, more than 90,000 sports fans were taken to the Ski Jumping World Cup in Planica.

Some of the major sponsorships of the Triglav Group

Triglav Group company	Sports sponsorship
Zavarovalnica Triglav	<ul style="list-style-type: none"> General sponsor of the Paralympic Committee of Slovenia 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 needs 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 The Company provided over 1,800 children with the opportunity to watch the Biathlon World Cup in Pokljuka Sponsor of the Ski Jumping World Cup Ladies in Ljubno ob Savinji Golden partner of the Football Association of Slovenia Continued traditional partnerships with the basketball clubs Petrol Olimpija, Krka – Telekom Novo mesto, Domžale and Basketball Club Radenska, Creativ Sobota and the handball clubs Celje Pivovarna Laško and Ajdovščina (women). In addition, Zavarovalnica Triglav supported many other sports clubs in local communities, including cycling clubs and societies (Rog, Kranj, Rajd) and the cycling event Marathon Franja. Sponsor of top 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, Nika Križnar, Vid Vrhovnik, Janja Garnbret and Domen Škofic Partner of the climbing event The Rock Ljubljana Main sponsor of the Triglav triathlon competition in Bled Sponsor of the Four Municipalities Mountain Run Supporter of 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
Lovčen Osiguranje, Podgorica	<ul style="list-style-type: none"> Budučnost Basketball Club Budučnost Female Handball Club Montenegro Olympic Committee Water Polo and Swimming Federation of Montenegro Adriatic Water Polo League Sponsor
Triglav Osiguranje, Zagreb	<ul style="list-style-type: none"> Croatia Open Umag Croatian Academic Water Polo Club Mladost Adriatic Water Polo League Sponsor
Triglav Osiguruvanje, Skopje	<ul style="list-style-type: none"> Vardar Handball Club Stefanovski Auto Racing Club Alkaloid Chess Club MZT Basketball Club
Triglav Osiguranje, Sarajevo	<ul style="list-style-type: none"> Female Play Off Basketball Club S. Ketch Street Basketball
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 Mega Vizura Basketball Club Sponsor of Radivoj Korać Basketball Cup in Niš Sponsor of the ski school Snow Stars Team on Kopaonik Crvena Zvezda Judo Club Adriatic Water Polo League Sponsor
Triglav Osiguranje, Banja Luka	<ul style="list-style-type: none"> Mladost Tennis Club Jahorina Ski and Mountaineering Association Sports and Recreation Association

Culture

Music from all over the world was brought closer to its fans through the traditional cooperation with the Cankarjev Dom Cultural and Congress Centre, the Ljubljana Festival, the Lent Festival and numerous other festivals and events. Zavarovalnica Triglav continued its cooperation with the Ljubljana Puppet Theatre, supported the events *Borštnikovo srečanje* and the *Bobri* festival, *Kino v plenica*, *Kinobalon*, *Kinodvorišče* and *Letni kino* on Kongresni trg organised by Kinodvor.

Other companies of the Triglav Group are also similarly engaged in culture. Triglav Osiguranje, Belgrade supported the International Chivalry Festival *Despot Stefan Lazarević* and the Eurovision song contest. Triglav Osiguruvanje, Skopje supported the Macedonian Philharmonic Orchestra, the Ohrid Year and the Comedy Days in Kumanovo. Triglav Osiguranje, Sarajevo, was a partner of the documentary film festival AJB DOC, Triglav Osiguranje, Zagreb supported the Archaeological Museum, while Lovčen Osiguranje, Podgorica was a partner of the traditional festival *Grad Teatar* in Budva and the international summer carneval in Tivat.

Education and training

Zavarovalnica Triglav is the loyal 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 **“Staying Safe on Social Networks”** project, which was upgraded by the organiser with an aim to educate children, adolescents and parents on the safe use of social networks. Triglav, Zdravstvena zavarovalnica supported the educational exhibition *Body Worlds Vital*. Lovčen Osiguranje provided funds for the support of the elementary schools *Sutjeska* and *Vlado Milić* and the secondary school of economics and hospitality, while Triglav Osiguranje, Sarajevo provided funds to the elementary schools *Mehmedalija Mak Dizdar* and *Hrasno* for the purchase of the necessary educational aids.

Humanitarian activity

In cooperation with Kinodvor Cinema and the Paediatric Clinic of the UMC Ljubljana, a film was screened for the children at the Paediatric Clinic, who were also entertained by the Watch Out Doggy mascot.

Moreover, support was provided 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, 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
Evropa Donna, Zavarovalnica Triglav, Slovenia	Preparation of awareness-raising video content for breast cancer prevention and psychological help to cancer patients
Brežice General Hospital, Zavarovalnica Triglav, Slovenia	Funds to purchase a CT scanner
Ultrasound Association, Zavarovalnica Triglav, Slovenia	Support for the project "Slojenčki" for the refurbishment of the Ljubljana maternity hospital
Society for Dog Assisted Therapy <i>Tačke Pomagačke</i> (Helping Little Paws), Zavarovalnica Triglav, Slovenia	Promotion of reading literacy and communication skills of children with developmental disorders or after an accident
ZPM Ljubljana Moste Polje, Triglav Skladi, Slovenia	Support for the Godparenthood programme
Red Noses, Triglav, Zdravstvena zavarovalnica, Slovenia	Support for Red Noses
Malči Belič Youth Home, Triglav Svetovanje, Slovenia	Helping children to take part in extra-curricular activities
SY Down i mi, Triglav Osiguranje, Banja Luka, BiH	Assistance to children with Down syndrome
Centre for Children and Adolescents with Development Disabilities, Triglav Osiguranje, Belgrade, Serbia	Purchase of teaching and educational materials
SOS Children's Village, Triglav Osiguruvanje, Skopje, Macedonia	Assistance in the education of teachers and therapists for children with special needs
True Story, Lovćen Osiguranje, Podgorica, Montenegro	Support for breast cancer prevention
Association for Helping People with Developmental Issues, Triglav Osiguranje, Zagreb, Croatia	Assistance in carrying out activities and support in fund-raising

▪ **Donations**

In 2018, the Institute handed over donations in the amount of EUR 1,500, particularly for social purposes.

Information on corporate social responsibility partnerships:

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

Everything Will Be Alright Institute

The mission of "Everything Will Be Alright" Institute is to implement socially responsible activities with the help of employees and external partners with the aim of providing help and support to the weakest members of society and raising awareness about corporate social responsibility. Key projects in 2018 included:

▪ **Support to young talents**

Talented young athletes, artists, scientists and para-athletes were supported through the *Mladi upi* (Young Hopes) project for the sixth consecutive year. The tender for 2018 will end in early 2019. In 2017, the tender attracted 79 applicants. The board of experts selected 13 finalists aged between 16 and 19 years. In cooperation with Pro Plus media company, EUR 51,000 was allocated to the development of talent and the achievement of goals; in five years, a total of EUR 261,00 was allocated to 62 Young Hope participants.

In order to provide long-term assistance and guidance to young talents in achieving top results, the Company organised a free lecture for all Young Hopes generations and all who are closely connected to their work. The theme of the alumni meeting in 2018 was "A Career After Career", focusing on the life of elite athletes after retirement.

▪ **Prevention activities of the Institute aimed at preventing loss events**

The "Everything Will Be Alright 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.



More than 62 Young Hope participants were supported over five years. On the photo are Young Hopes 2017.



Carbon footprint calculation⁹⁵

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

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

Insurance company	Carbon footprint		
	2018	2017	2016
Zavarovalnica Triglav*	7,649/4,583***	7,738/4,793***	5,117
Triglav Osiguranje, Zagreb**	477	602	709
Triglav Osiguranje, Belgrade**	774	743	668
Lovćen Osiguranje, Podgorica**	209	206	252
Triglav Osiguranje, Sarajevo**	155	151	165
Triglav Osiguruvanje, Skopje**	171	201	179
Triglav Osiguranje, Banja Luka**	100	72	71

* The Company headquarters, 12 regional units' head offices and the commercial building at Dunajska 22 are included in the calculation. Data for previous years did not include the commercial building on Dunajska 22, therefore they are not comparable. The data for Dunajska 22 apply to the whole building including all tenants.

** The headquarters are included in the calculation.

*** The data does not include the commercial building on Dunajska 22 so that it is comparable with 2016.

The bulk of greenhouse gas emissions is accounted for by emissions due to electricity consumption and heating, followed by work-related transport. The above calculation was performed using the methodology based on the Greenhouse Gas Protocol. The greenhouse gas calculation included direct emissions from heating with natural gas and fuel oil at regional units' head offices and the headquarters as well as the emissions due to the Company's vehicle fleet, which is exclusively used 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. Apart from that, 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.

Electricity consumption remained at approximately the same level as in 2017 (taking into account the same captured data as the year before) in Zavarovalnica Triglav, whereas **carbon footprint** from heating decreased by slightly more than 6%.

Total emissions due to work-related travel (using the Company's vehicle fleet for exclusively work-related travel, public transport and employees' own vehicles) climbed by 8% and accounted for 455 tonnes of CO₂ equivalent. This increase resulted mainly from increased air travel. Due to the purchase of additional electric vehicles, with which 7% of all trips using company vehicles were made, the carbon footprint of cars was reduced.

The average daily consumption of office paper (A4 format) per employee in Zavarovalnica Triglav was 27.6, having increased by more than a paper sheet per employee per day, while in the Triglav Group the average consumption was 30.2 paper sheets per employee per day.

⁹⁴ GRI GS 103-1, 103-2, 103-3 | ⁹⁵ GRI GS 305-1, GS 305-2, GS 305-3, GS 103-1

12.7 Environmental aspects⁹⁴

Protection of the environment in work processes

Zavarovalnica Triglav regularly raises employee awareness about the rational use of resources and waste management. To reduce waste plastic packaging from beverage vending machines, all employees of Zavarovalnica Triglav have their own cup and water bottle. Employees in Zavarovalnica Triglav can use 21 company bicycles, while two company bicycles are available in Triglav Osiguranje, Skopje. In Zavarovalnica Triglav, 2,191 trips were made with company bicycles in 2018.

Having purchased 9 additional vehicles in 2018, the Company currently has 16 electric vehicles. Most (12 of 13) new company vehicles in Zavarovalnica Triglav and Triglav Osiguranje, Zagreb (17 of 21) have low CO emissions, which is in compliance with the guidelines of the European Commission, setting the maximum CO₂ emission target of 95 g/km by 2020. The sustainable business criteria are part of the supplier selection process [→ see *Procurement practices under Section 12.3 Economic aspects*].

In order to reduce paper consumption, the Group companies implemented various measures: a rational use of colour printing, use of network printers and duplex printing, adoption of measures for paperless operations, promotion of electronic archiving of documents.

Triglav employees in Slovenia and North Macedonia can use 23 company bicycles.

Zavarovalnica Triglav reduced the quantity of waste by 30% in 2018.

Use of energy products⁹⁶

As part of the adaptation and renovation of business premises, Zavarovalnica Triglav continued with the energy-saving renovation of major buildings. The possibility of energy-saving renovation is examined in each building renovation so as to reduce heating and cooling energy consumption and electricity consumption. LED lighting is installed in all new business premises and on advertising signs with the logo.

In 2018, the renovation of the commercial building at Dunajska 22 in Ljubljana began. The renovation works, which include the replacement of windows, insulation and roof, will continue in 2019. An over 10% saving in energy consumption is expected as a result of renovation.

Use of energy products in Zavarovalnica Triglav in 2016–2018

Energy product type	Use of energy product by year			Index	
	2018	2017	2016	2018/2017	2017/2016
Warm water (MWh)	5,369	5,935	3,080	90	193
Fuel oil (l)	13,286	0	7,498	0	0
Gas (m ³)	105,015	92,936	145,048	113	64
Electricity (MWh)	8,602	8,593	5,475	100	157

* The Company headquarters, 12 regional units' head offices and the commercial building at Dunajska 22 are included in the calculation. The data for Dunajska 22 apply to the whole building including all tenants. Data for 2016 do not include the consumption for commercial building at Dunajska 22.

In the reporting period, 54,366 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 any special 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. According to the latest available data (from 2016), it is estimated that the largest energy source in Slovenia is fossil fuels (59.42%), followed by nuclear energy (39.29%), while renewable energy sources accounted for 1.29% of the total (latest available data from 2016).⁹⁷



Waste disposal policy⁹⁸

Full waste separation is carried out only in Slovenia, as in many other countries of the Group separate collection and disposal systems are not set up. Only waste paper is collected for charity purposes. At the Group level, over 14 tonnes of obsolete IT equipment was handed over to the authorised waste management services and more than 8 tonnes in Zavarovalnica Triglav.

The quantity of waste in Zavarovalnica Triglav in 2016-2018⁹⁹

Waste type	Zavarovalnica Triglav (in m ³)			Index	
	2018	2017	2016	2018/2017	2017/2016
Mixed waste	739	740	743	100	100
Packaging	400	841	492	48	171
Paper	382	580	442	66	131
Glass	3	3	0	100	0
Biological waste	11	38	0	29	0
Total	1,535	2,202	1,677	70	131

9th season of Slovenia-wide "Let's Clean the Mountains"¹⁰⁰

- Biodegradable rubbish bags were provided to more than 78 cottages and mountain stations.
- More than a tonne of waste was removed from the mountains and separately deposited in containers in the valley.
- Over 36,000 campaign ambassadors on social networks actively co-create the community of lovers of clean mountains and meet at group clean-ups, thereby promoting intergenerational cooperation.
- The glacier below Triglav was cleaned, removing 380 kilograms of rubbish.
- Support was provided to the development of the SarOS programme, which helps mountain rescuers quickly locate the injured person and thus reduce the time before professional medical care is provided.
- Within the Best Mountain Trail contest, the Company selects and rewards a mountaineering society responsible for that trail. Mountaineering societies received financial aid to repair the damage to hiking trails caused by windfall, sleet and other natural phenomena.
- Over the course of three seasons, 67 suggestions for family hikes have been published on the interactive website www.ocistimogore.si.

⁹⁶ GRI GS 103-1, 103-2, 103-3, GS 302-1 | ⁹⁷ Source: Ministry of Agriculture and the Environment, Slovenian Environment Agency, <https://www.agen-rs.si/documents/10926/17445/Preostala-sestava-proizvodnih-virov-2017/bc224adf-8206-4b39-ab09-1ddb4f96bb52> | ⁹⁸ GRI GS 103-1 | ⁹⁹ GRI GS 306-2 | ¹⁰⁰ SDG 15.4

12.8 Key corporate social responsibility guidelines in 2019

Guideline	Activities planned
Transparent governance of the organisation	<ul style="list-style-type: none"> Quality information of the financial public on the operations, financial position and plans of the Group Proactive 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 Participation in compliance and fair business external working groups and transfer of best practices Further development of the culture of ethical business practice of the Group subsidiaries An example of best practice in insurance fraud investigation and prevention in the Triglav Group Encouraging employees to identify insurance fraud cases and participating in the relevant training
Responsible 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 employee development in the Group Employee mobility Staff competency development Transformation of the organisational culture Employee training Maintaining a healthy and safe environment for the employees Active management of psychosocial risks among employees Intergenerational cooperation – coexistence of generations: activities and training
Respect for human rights	<ul style="list-style-type: none"> Protection of employees' dignity with zero tolerance to discrimination, harassment or mobbing at the workplace
Responsibility to clients and suppliers	<ul style="list-style-type: none"> To prepare a wide range of quality content, focusing on raising insurance and financial 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 Triglav Run Children of Triglav Preventive action
Reduction of environmental impact	<ul style="list-style-type: none"> Waste management Let's Clean the Mountains and Hills Reduction of greenhouse gas emissions



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For the fourth consecutive year, Triglav Skladi supported the Financial Literacy for Young People project organised by Moje finance magazine.